

## **Agenda**

1. **CALL TO ORDER** (*Action*)
2. **APPROVAL OF GENERAL MEETING AGENDA** (*Action*)
3. **AUDIENCE OPPORTUNITY TO SPEAK** (*Information*)
4. **APPROVAL OF CONSENT AGENDA** (*Action*)
  - 4.1. General Board Meeting Minutes from December 12, 2024.
  - 4.2. Routine Human Resources Activities for January 23, 2025
  - 4.3. Monthly Financial Report - November 2024
5. **SHARE THE SUCCESS & RECOGNITION - (15 minutes)** (*Information*)
  - 5.1. Student Spotlight: South Education Center
  - 5.2. Above & Beyond: Itinerant Services
  - 5.3. Thank you to departing School Board Members
6. **BUSINESS SERVICES & LABOR RELATIONS REPORT – (40 minutes)** (*Action*)
  - 6.1. FY24 Audit - Auditor Presentation - (Annual Report)
7. **SUPERINTENDENT'S REPORT - None**
8. **INSTRUCTIONAL REPORT - None**
9. **BUSINESS SERVICES & LABOR RELATIONS REPORT - (15 minutes)** (*continue*)
  - 9.1. Facilities Report - None
  - 9.2. Financial Report
    - 9.2.1. Approval of Routine Monthly Finance Report for December 2024 (*Action*)
  - 9.3. Human Resource Report - None
10. **BOARD BUSINESS - (15 minutes)**
  - 10.1. Policy Review & Revision (*Action*)
    - 10.1.1. 401 Equal Employment Opportunity Policy
    - 10.1.2. 402 Disability Nondiscrimination Policy
    - 10.1.3. 412 Expense Reimbursement Policy
    - 10.1.4. 709 Student Transportation Safety Policy
  - 10.2. Board Reports
    - 10.2.1. Chair Report
      - 10.2.1.1. The Policy Ad Hoc Committee needs one more board member.
    - 10.2.2. AMSD Report
      - 10.2.2.1. January 2025 AMSD Connections Newsletter
  - 10.3. District News
    - 10.3.1. School Board Calendar 2025 & 2026
    - 10.3.2. January 23, 2025, Board Event Calendar
    - 10.3.3. 2024-2025 Get on the Bus/Local 2209 & Board Meeting Schedule
  - 10.4. Once Around the Table

10.5. Closed Session:  
11. ADJOURNMENT

*(Information)*

# Racial Equity Impact Analysis Tool

## 287 RACIAL EQUITY IMPACT ANALYSIS TOOL



### Purpose

This tool ensures that racial equity is front-and-center in discussions and prompts leaders to examine how BIPOC and low wealth communities may be affected by a proposed action or decision of the district.

### Instructions

**Use the Tool:** Have this tool available during any meeting where decisions are being made

- **Part 1 - Discussion:** Use the guiding questions to facilitate the racial equity discussion
- **Part 2 - Answer Racial Equity Impact Analysis Questions:** Before a decision is made, respond to the four equity impact analysis questions within your meeting agenda
- **Part 3 - Reflect:** Reflect on and recognize your own racial bias, as well as the presence and role of whiteness

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### Part 1: Discussion

Use the below guiding questions to facilitate a discussion about race equity impact

#### Guiding Questions

1. Are multiple racial perspectives involved in the planning? Are participants racially diverse? Were the groups most impacted by the decision included in the discussion?
2. In what ways are we maintaining status quo or advancing race equity? What could be done differently to better support or advance racial equity efforts?
3. Who is advantaged? Who is disadvantaged? Are decisions based on the majority or those at the margins?
4. In what ways does colorblindness exist?
5. How do you know the audience is communicated with in ways that will make sense through *their* lens?
6. In what ways are other marginalized people impacted?

### Part 2: Answer Racial Equity Impact Analysis Questions

1. **Who participated in completing this analysis?**
2. **What are the racial equity impacts of this decision?**
3. **Who will benefit from and/or be burdened by this decision?**
4. **Are there strategies to mitigate any unintended consequences of this decision?**

### Part 3: Reflect

1. Place yourself on the Compass. What feelings came up for you during the planning?
2. What role did your race, experiences, or bias have in the conversation?
3. What aspects of whiteness showed up for you or were observed in others? ([Bellevue Guide](#))

**DISTRICT 287 GENERAL MEETING OF THE BOARD**  
**Intermediate District 287**  
**December 12, 2024**  
**MINUTES**

**1. CALL TO ORDER**

Board Chair Brakke called the general meeting to order at 6:31 PM in the District Service Center Boardroom and by the use of District 287 Teleconferencing. Board Chair Brakke recited Intermediate District 287 mission statement: "The mission of Intermediate District 287 is to be the premier provider of innovative specialized services to ensure that each member district can meet the unique learning needs of its students."

A Roll Call was taken, and a quorum was declared with nine (11) member districts represented and the following Board members in attendance:

286	Brooklyn Center	Ruthie Dallas
272	Eden Prairie	Kim Ross
273	Edina	Michael Birdman
270	Hopkins	Shannon Andreson
276	Minnetonka	Michael Remucal
278	Orono	Karen Orcutt
279	Osseo	Jackie Mosqueda-Jones
280	Richfield	Crystal Brakke
281	Robbinsdale	ReNae Bowman
284	Wayzata	Dan Ginestra
279	Westonka	Heidi Marty

Absent:	283/Casey
Guests:	Alma Marquez
287 Administration:	Superintendent Doud, Dr. Tonya Allen, Melissa Brateng, Camille Hepola, Dr. Elisabeth Lodges Rogers, Brian Schultz, Dr. Jon Voss, Dr. Kevin Witherspoon, Kiarra Zackery, and Wauneen Denson-Mgeni
287 Staff Members:	David VanDenBoom, Ariel Chang, Amanda Klutman, William Carlisle, and Steven Skura

**2. APPROVAL OF GENERAL MEETING AGENDA**

The general meeting agenda was presented for approval. *Motion by ReNae Bowman, seconded by Heidi Marty, approve the meeting agenda. All in favor. No votes against. Motion carried.*

**3. OPEN FORUM FOR COMMUNITY COMMENTS - None**

**4. APPROVAL OF CONSENT AGENDA**

The Consent Agenda was presented for approval. The Consent Agenda included the general meeting minutes from the General Meeting of the Board Minutes from November 14, 2024, Routine Human Resources Activities for December 12, 2024, Monthly Financial Report for October 2024, and Authorization of Issuance of Individual Procurement Cards (P-Cards). *Motion by Kim Ross, seconded by Ruthie Dallas, to approve the Consent Agenda as presented. All in favor. Motion carried unanimously.*

**5. SHARE THE SUCCESS & RECOGNITIONS**

David VanDenBoom, Principal of Northern Star Online (NSO), and Ariel Chang, Assistant Principal of NSO, announced that the Student Spotlight for NSO is Jackson Schrader. Although Jackson was unable to attend the Board meeting, David read a heartfelt letter from Jackson's mother, expressing her gratitude to the 287 staff and administration for their outstanding support of her son.

Amanda Klutman, Career Technical Center (CTC) Principal, introduce William (Chef Will) Carlisle as the December 2024 Above & Beyond Award Winner. Chef Will was nominated in the category Racial Equity, Employee Well-being by her colleagues. Chef Will thanked the School Board, Superintendent Doud, Administration, and his colleagues.

**6. SUPERINTENDENT'S REPORT**

Superintendent Doud presented and recommended approval of the 2025-2026 and 2026-2027 District Calendars. *Motion by Sarah Johansen, seconded by Michael Remucal, to approve the 2025-2026 and 2026-2027 District Calendars as presented. No votes against. Motion carried.* Intermediate District 287 works to align our calendar best to our 12 member school districts' calendars. The school board approved the 2025-2026 and 2026-2027 school calendars. [2025-2026 and 2026-2027 Intermediate District 287 School Calendars](#)

**7. INSTRUCTIONAL REPORT**

Camille Hepola, Director of Communication, and Rachel Prost, Communication Specialist, presented the proposed options for the redesign of the Intermediate District 287 logo and requested input from the board.

Dr. Tonya Allen, Assistant Superintendent, and Alma Marquez, the Supervisor and Therapist at Wilder Foundation, presented a comprehensive update on the district’s Therapeutic Teaching Model (TTM) program. Their discussion included an overview of the program's objectives, its implementation strategies, and the positive impact it has had on student well-being and academic performance. They also highlighted future goals for enhancing the program and engaging with the staff to further support students' mental health and educational experiences.

Dr. Jon Voss, Director of Teaching and Learning provided a detailed and comprehensive report and recommended approval of the Comprehensive Achievement and Civic Readiness (CACR). *Motion by Michael Birdman, seconded by Karen Orcutt, to approve the Comprehensive Achievement and Civic Readiness as presented. No votes against. Motion carried.*

**8. BUSINESS SERVICES & LABOR RELATIONS REPORTS - None**

**Facilities Report**

**Financial Report**

**Human Resources Report**

**9. BOARD BUSINESS**

**Policy Review & Revision**

Superintendent Doud presented the 401 Equal Employment Opportunity Policy, 402 Disability Nondiscrimination Policy, 412 Expense Reimbursement Policy, and 709 Student Transportation Safety Policy as a first read.

Superintendent Doud presented and recommended approval of the 419 Tobacco-Free Environment Policy. *Motion by Shannon Andreson, seconded by Heidi Marty, to approve the 419 Tobacco-Free Environment Policy with the recommendation as presented. All in favor. Motion carried unanimously.*

**Chair Report**

Board Chair Brakke informed Board members of the recommended Board Officer Election nominating committee.

**AMSD Report**

**Once Around the Table**

**10. ADJOURNMENT**

*Motion was heard and seconded to adjourn the meeting. Meeting adjourned at 8:34 PM.*

The next general meeting will be held on January 23, 2025, at 6:30 PM in the District Service Center Boardroom and by Teleconference.

Submitted by  
Wauneen Denson-Mgeni  
Secretary to the Board

Signed: Chair \_\_\_\_\_

Clerk \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

# Intermediate District 287

**RESPONSIVE. INNOVATIVE. SOLUTIONS.**

**ROUTINE HUMAN RESOURCES ACTIVITIES FOR THE  
INTERMEDIATE DISTRICT 287 SCHOOL BOARD  
January 23, 2025**

New Hires					
Name	Position	Department or Site	Reason for Opening	Effective Date	FTE
Kristen Engen-Routzohn	School Social Worker	Ann Bremer Education Center	Replacement: J. Nesler	01/14/2025	1.0
Lashara Edmonds	Educational Support Professional	South Education Center	Increased Enrollment	11/19/2024	.875
Rebecca Gibbons	Administrative Support IV	Itinerant Services	Replacement: A. Vos	12/03/2024	1.0
Aishah Musawwir	Educational Support Professional	North Education Center	Increased Enrollment	12/17/2024	.875
Ahmed Mohamud	Educational Support Professional	North Education Center	Increased Enrollment	12/17/2024	.875
Erika Soden	Educational Support Professional	Ann Bremer Education Center	Increased Enrollment	10/22/2024	.875
Christian Tjosvold*	Facilities Maintenance Worker	North Education Center	Replacement: M. Doege	01/13/2025	1.0
Makayla Cole	Educational Support Professional	South Education Center	Replacement: C. Yang	01/14/2025	.875
Ashley Dauer	Work Experience Coordinator	Ann Bremer Education Center	Increased Enrollment	01/28/2025	1.0
Masalan Dolleh	Educational Support Professional	North Education Center	Increased Enrollment	01/14/2025	.875
James Garlo Jr.	Educational Support Professional	West Education Center	Replacement: A. Gardner Henry	01/14/2025	.875
Frankie Hiamah	Educational Support Professional	North Education Center	Replacement: L. Jennings-Holmes	01/14/2025	.875
Dianne Johanson	Educational Support Professional	Career & Tech Center	Increased Enrollment	01/14/2025	.875
Gage McClean-Coyer	School Counselor	Care & Treatment Programs	Replacement: T. Reyers	01/14/2025	1.0

Sophia Rizvi	Behavior Intervention Specialist	West Education Center	Replacement: J. Marso	01/14/2025	1.0
Debra Settambino	EBD Teacher	North Education Center	Increased Enrollment	01/28/2025	1.0
Ivory Spruiell	Educational Support Professional	West Education Center	Replacement: K. Button	01/14/2025	.875
Yanka Vankpana	Educational Support Professional	Ann Bremer Education Center	Increased Enrollment	01/14/2025	.875
Kortoe Varpailah	Educational Support Professional	North Education Center	Increased Enrollment	01/14/2025	.875
Galen Young	Educational Support Professional	South Education Center	Increased Enrollment	01/14/2025	.875

\*Current Employee

Temporary Hiring Agreement: Assignments				
Name	Position	Department or Site	Effective Date	End Date
Jonathan Jones	Interim Principal	North Education Center	01/13/2025	06/06/2025
Jody King	Instructor Medical Careers	Northern Star Online	01/06/2025	06/30/2025
Yueh Nordin	Instructor Business	Northern Star Online	12/09/2024	06/30/2025
Cullen Franek	Instructor Business	Northern Star Online	01/21/2025	06/30/2025

Extended Leaves of Absence:					
Name	Position	Department or Site	Effective Date	End Date	FTE
Khaulah Nik Rushdi	English Second Language Teacher	South Education Center	01/27/2025	05/02/2025	1.0
Stephanie Jaramillo Quiroz	Educational Support Professional	South Education Center	01/02/2025	06/06/2025	Returning to .9375 FTE as of 01/02/25
James Beamon	Student Safety Coach	Ann Bremer Education Center	01/06/2025	02/14/2025	1.0
Megan Petrowiak	Educational Support Professional	West Education Center	01/02/2025	03/28/2025	.875

<b>Separations: Dismissal</b>			
<b>Name</b>	<b>Position</b>	<b>Department/Site</b>	<b>Effective Date</b>
Quitman Kyles	Educational Support Professional	West Education Center	12/04/2024
Maela Corley-Gamble	Deaf/Blind Intervener	Itinerant Services	12/13/2024
Tiara Elmore	Educational Support Professional	North Education Center	01/15/2025

<b>Separations: Resignation</b>				
<b>Name</b>	<b>Position</b>	<b>Department or Site</b>	<b>Reason (if internal movement)</b>	<b>Effective Date</b>
Jon Fila	English Language Arts Teacher	Northern Star Online	Personal Reasons	01/27/2025
Christopher Lawler	Chemical Health Counselor	Student Supports Department	Personal Reasons	01/21/2025
Charouny Yang	Educational Support Professional	South Education Center	Personal Reasons	01/03/2025
Quita Cooper	Educational Support Professional	Ann Bremer Education Center	Personal Reasons	12/20/2024
Dinitria Herndon	Educational Support Professional	Ann Bremer Education Center	Personal Reasons	12/05/2024
Letitia Jennings-Holmes	Educational Support Professional	North Education Center	Personal Reasons	01/02/2025
Kathleen Button	Educational Support Professional	West Education Center	Personal Reasons	01/02/2025
Aunica Anderson	Educational Support Professional	South Education Center	Personal Reasons	01/16/2025
Yaneli Castaneda	Custodial Worker	Facilities Department	Personal Reasons	03/24/2025

<b>Separations: Retirements (Regular/Disability)</b>			
<b>Name</b>	<b>Position</b>	<b>Department or Site</b>	<b>Effective Date</b>
Nancy Guelich	Educational Support Professional	South Education Center	06/06/2025
Julie Tweit	Instr English Language Arts	PrairieCare Brooklyn Park - IHP	06/06/2025
Kimberly Mackenzie	Program Facilitator Special Education	District Service Center	06/30/2025
Cathleen Kirchoff	Instructor Physical/Health Disabilities	Itinerant Services	06/06/2025
Cheryl Nelson	Occupational Therapist	Itinerant Services	06/06/2025

<b>Other:</b>				
RECOMMEND the Board's approval to credit Brent Dysart, Equity and Inclusion Coordinator at the District Service Center, with twelve (11) days of additional sick leave. These days have been donated by the staff members listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.				
Donor Name Withheld by Request	Amy Tiedens	Anna Kohler	Donor Name Withheld by Request	Rachel Prost
Kiarra Zackery	Donor Name Withheld by Request			
Lisa Bednar	Donor Name Withheld by Request			
RECOMMEND the Board's approval to credit Cassandra Welsh, Educational Support Professional at Career & Tech Center, with three (3) days of additional sick leave. These days have been donated by the staff members listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.				
Donor Name Withheld by Request	Donor Name Withheld by Request	Kendra Rask		

# CONSENT AGENDA - RECOMMENDATION

Intermediate District 287  
RESPONSIVE. INNOVATIVE. SOLUTIONS.

## November Monthly Financial Reports

January 23, 2025

### Author

Dana Trattles, Business Services Administrative Support  
Brian Schultz, Executive Director of Business Services & Operations

### Summary

The November Budget to Actual Comparison and other financial Reports for Board approval

- Revenues are at 43.0% of budget, this is above the prior two years percentages.
- Expenditures are at 29.8% of budget, this is below the prior two years percentages.
- Monthly disbursements totaled \$8,107,382.34 (\$4,620,498.90 through Accounts Payable, \$105,410.00 Bond payments through wire transfer, and \$3,381,473.44 through Payroll).
- Regular Investments totaled \$40,814,188.57 including earned interest and dividends totaling \$112,819.43.
- 2022A LTFM Bond Investments had a total balance of \$2,883,928.54 and the activity for the month was for interest earnings of \$7,424.07.
- Cash is above the two prior year's level.
- Enrollment Reports – November 2024 Actual ADM compared to Budget Planning and Prior Year (November 2023):
  - ALC – 262.64 ADM which is 15.64 above budget and 17.11 ADM above prior year.
  - Career & Technical Pathways – 93.73 ADM which is 11.73 above budget and 30.38 ADM above prior year.
  - Special Education – 529.48 ADM which is 41.96 below budget and 56.94 ADM above prior year.
  - Care & Treatment – 89.20 ADM which is 15.75 below budget and 6.28 ADM above prior year.
- Donations – Lawn equipment for Pathways Program at Career Technical Center (HTC).

The amounts shown for 2023-24 are as of the end of the fiscal year at June 30th, and are preliminary at this point. They reflect the normal month end which is basically on a cash basis without accrual entries. Numerous receivables and payables are calculated after year-end, and these amounts will continue to change up to and through the audit process.

### Recommendation

The Board approve the November Monthly Financial Reports.

**DISTRICT 287**  
**REVENUE COMPARISON**

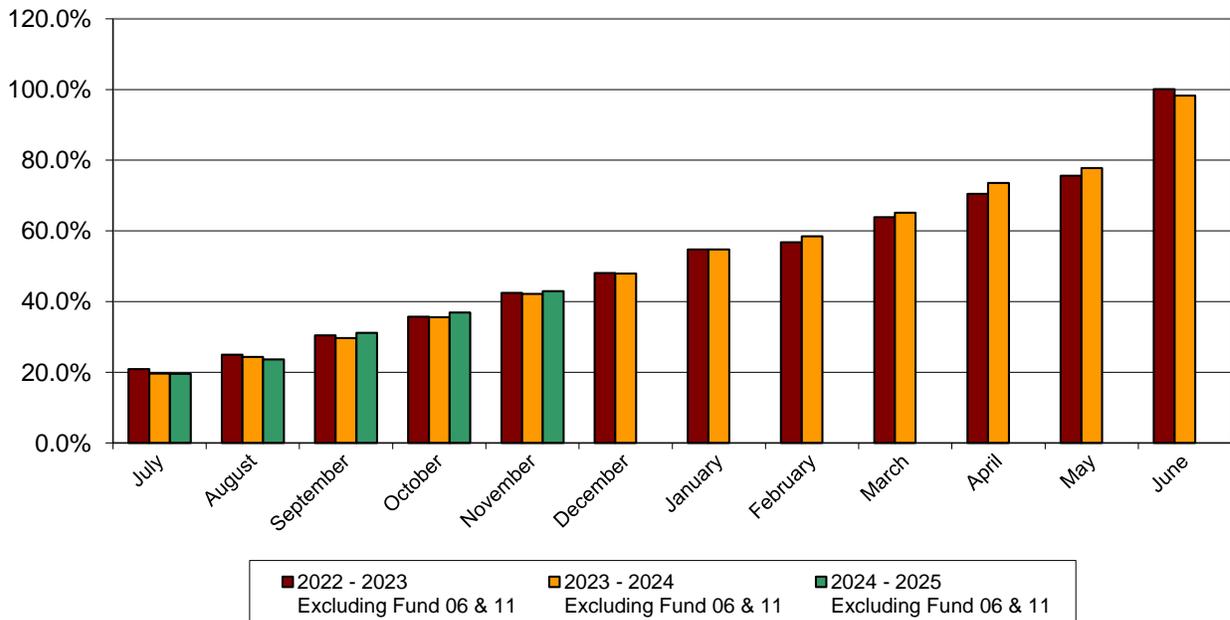
Month	2022 - 2023		2023 - 2024		2024 - 2025		2024 - 2025	
	Excluding Fund 06 & 11		Excluding Fund 06 & 11		Excluding Fund 06 & 11		Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
July	23,192,942	20.9%	23,454,555	19.7% <sup>2</sup>	26,130,396	19.5% <sup>3</sup>	26,122,849	19.5%
August	4,486,051	25.0%	5,555,759	24.3% <sup>2</sup>	5,533,085	23.7% <sup>3</sup>	5,576,799	23.7%
September	6,032,596	30.4%	6,418,580	29.7% <sup>2</sup>	9,995,943	31.1% <sup>3</sup>	10,029,936	31.2%
October	5,841,372	35.7%	7,033,514	35.6% <sup>2</sup>	7,739,129	36.9% <sup>3</sup>	7,747,211	37.0%
November	7,490,646	42.4% <sup>1</sup>	7,853,633	42.2% <sup>2</sup>	8,106,095	43.0% <sup>3</sup>	8,113,520	43.0%
December	6,260,247	48.1% <sup>1</sup>	6,852,360	47.9% <sup>2</sup>				
January	7,338,783	54.7% <sup>1</sup>	8,090,580	54.7% <sup>2</sup>				
February	2,303,833	56.8% <sup>1</sup>	4,501,636	58.5% <sup>2</sup>				
March	7,885,058	63.9% <sup>1</sup>	7,937,907	65.2% <sup>2</sup>				
April	7,250,156	70.4% <sup>1</sup>	10,002,641	73.5% <sup>2</sup>				
May	5,714,807	75.6% <sup>1</sup>	5,089,254	77.8% <sup>2</sup>				
June	27,134,282	100.1% <sup>1</sup>	24,442,780	98.3% <sup>2</sup>				
<b>TOTAL</b>	<b>110,930,774</b>	<b>100.1%</b>	<b>117,233,200</b>	<b>98.3%</b>	<b>57,504,649</b>	<b>43.0%</b>	<b>57,590,314</b>	<b>43.0%</b>
<b>BUDGET</b>	<b>110,842,085</b> <sup>1</sup>		<b>119,257,057</b> <sup>2</sup>		<b>133,794,419</b> <sup>3</sup>		<b>133,874,419</b>	

<sup>1</sup> excludes Funds 06 & 11 budgeted revenue of \$4,734,553

<sup>2</sup> excludes Funds 06 & 11 budgeted revenue of \$55,000

<sup>3</sup> excludes Funds 06 & 11 budgeted revenue of \$80,000

**REVENUE COMPARISON - ALL FUNDS**  
**YTD REVENUE BY MONTH**  
**(excluding Fund 06 & 11)**



## Board- Revenue/Expense Summary by Fund Report

November 2024-2025

Intermediate District No. 287

Revenue Fund	Prior YE Act	Budget	MTD Activity	YTD Activity	% Used	YTD Unrealized
01 - GENERAL FUND	18,089,211.39	18,528,330.00	229,629.80	4,987,369.68	26.92%	13,540,960.32
02 - FOOD SERVICE FUND	842,491.85	974,270.00	61,260.23	133,921.52	13.75%	840,348.48
04 - COMMUNITY SERVICE FUND	0.00	0.00	0.00	0.00		0.00
06 - BUILDING CONSTRUCTION FUND	0.00	0.00	0.00	0.00		0.00
07 - DEBT SERVICE FUND	8,985,736.82	9,062,376.00	0.00	6,589,449.78	72.71%	2,472,926.22
08 - TRUST FUND	0.00	0.00	0.00	0.00		0.00
10 - SCHOLARSHIP FUND	5,044.29	5,356.00	0.00	0.00	0.00%	5,356.00
11 - LTFM BOND FUND	179,035.62	80,000.00	7,424.07	85,665.78	107.08%	-5,665.78
12 - ALC - ACADEMIC FUND	12,675,002.28	13,357,314.00	264,021.03	3,594,997.46	26.91%	9,762,316.54
13 - CAREER & TECH FUND	1,757,142.13	2,674,173.00	-7,081.49	996,562.45	37.27%	1,677,610.55
14 - SPECIAL EDUCATION FUND	60,438,643.50	74,387,375.00	6,168,238.68	35,515,183.34	47.74%	38,872,191.66
20 - INTERNAL SERVICE FUND	603,475.41	686,700.00	63,718.60	263,544.25	38.38%	423,155.75
21 - SELF HEALTH INSURANCE FUND	13,821,779.96	14,111,440.00	1,326,308.62	5,421,830.14	38.42%	8,689,609.86
51 - STUDENT CLUB FUND	14,672.50	7,085.00	0.00	1,790.00	25.26%	5,295.00
<b>Total Revenue</b>	<b>117,412,235.75</b>	<b>133,874,419.00</b>	<b>8,113,519.54</b>	<b>57,590,314.40</b>	<b>43.02%</b>	<b>76,284,104.60</b>

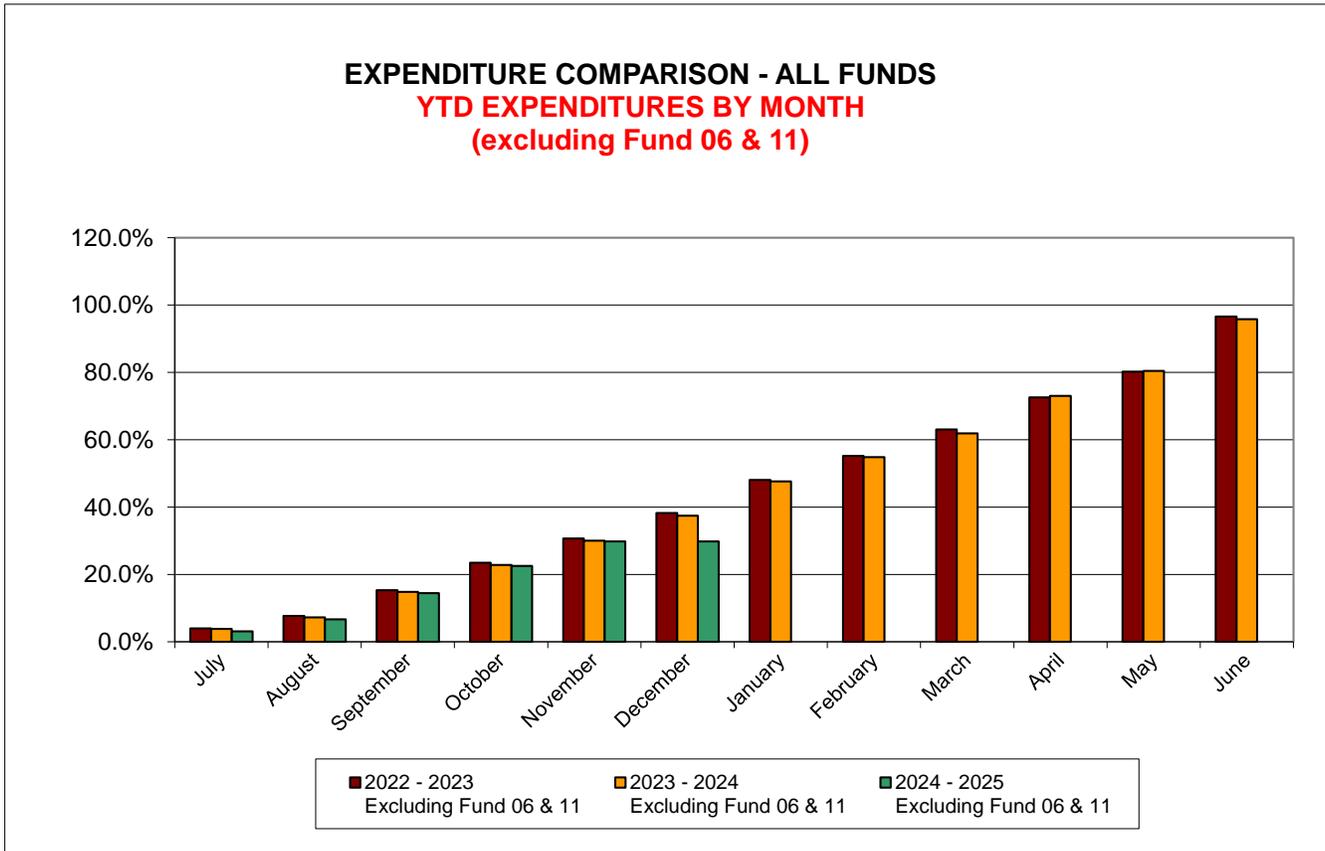
**DISTRICT 287**  
**EXPENDITURE COMPARISON**

Month	2022 - 2023		2023 - 2024		2024 - 2025		2024 - 2025	
	Excluding Fund 06 & 11		Excluding Fund 06 & 11		Excluding Fund 06 & 11		Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
July	4,329,606	3.9%	4,424,027	3.8% <sup>2</sup>	4,013,490	3.1% <sup>3</sup>	3,844,417	2.9%
August	4,135,827	7.7%	3,954,604	7.3% <sup>2</sup>	4,735,735	6.7% <sup>3</sup>	4,738,018	6.5%
September	8,396,694	15.3%	8,668,867	14.8% <sup>2</sup>	10,198,405	14.5% <sup>3</sup>	10,377,104	14.4%
October	9,015,517	23.5%	9,257,161	22.8% <sup>2</sup>	10,581,202	22.6% <sup>3</sup>	10,581,966	22.4%
November	7,908,978	30.7% <sup>1</sup>	8,286,923	30.0% <sup>2</sup>	9,450,008	29.8% <sup>3</sup>	9,491,250	29.5%
December	8,310,856	38.2% <sup>1</sup>	8,555,529	37.4% <sup>2</sup>		29.8% <sup>3</sup>		
January	10,876,386	48.1% <sup>1</sup>	11,690,319	47.6% <sup>2</sup>				
February	7,802,263	55.2% <sup>1</sup>	8,340,543	54.8% <sup>2</sup>				
March	8,659,691	63.0% <sup>1</sup>	8,148,996	61.9% <sup>2</sup>				
April	10,529,808	72.6% <sup>1</sup>	12,848,626	73.0% <sup>2</sup>				
May	8,408,779	80.2% <sup>1</sup>	8,498,201	80.4% <sup>2</sup>				
June	18,041,489	96.6% <sup>1</sup>	17,696,852	95.8% <sup>2</sup>				
<b>TOTAL</b>	<b>106,415,894</b>	<b>96.6%</b>	<b>110,370,648</b>	<b>95.8%</b>	<b>38,978,840</b>	<b>29.8%</b>	<b>39,032,755</b>	<b>29.5%</b>
<b>BUDGET</b>	<b>110,162,497</b> <sup>1</sup>		<b>115,244,351</b> <sup>2</sup>		<b>130,940,229</b> <sup>3</sup>		<b>132,116,006</b>	

<sup>1</sup> excludes Funds 06 & 11 budgeted expenditures of \$346,290

<sup>2</sup> excludes Funds 06 & 11 budgeted expenditures of \$947,361

<sup>3</sup> excludes Funds 06 & 11 budgeted expenditures of \$1,175,777



## Board- Revenue/Expense Summary by Fund Report

November 2024-2025

Intermediate District No. 287

Expenditure Fund	Prior YE Act	Budget	MTD Activity	YTD Activity	% Used	YTD Unrealized
01 - GENERAL FUND	17,295,445.57	18,709,739.00	1,171,276.78	8,042,193.62	42.98%	10,667,545.38
02 - FOOD SERVICE FUND	829,028.85	974,270.00	71,801.72	319,993.44	32.84%	654,276.56
04 - COMMUNITY SERVICE FUND	0.00	0.00	0.00	0.00		0.00
06 - BUILDING CONSTRUCTION FUND	0.00	0.00	0.00	0.00		0.00
07 - DEBT SERVICE FUND	6,884,236.11	6,882,410.00	105,410.00	1,609,452.25	23.39%	5,272,957.75
08 - TRUST FUND	0.00	0.00	0.00	0.00		0.00
09 - AGENCY FUND	0.00	0.00	0.00	0.00		0.00
10 - SCHOLARSHIP FUND	3,341.66	12,526.00	0.00	0.00	0.00%	12,526.00
11 - LTFM BOND FUND	1,196,106.77	1,175,777.00	41,242.59	53,914.62	4.59%	1,121,862.38
12 - ALC - ACADEMIC FUND	12,500,087.52	13,237,994.00	1,014,073.85	4,509,378.65	34.06%	8,728,615.35
13 - CAREER & TECH FUND	1,848,757.33	2,633,283.00	185,190.67	542,458.20	20.60%	2,090,824.80
14 - SPECIAL EDUCATION FUND	58,619,231.50	74,503,269.00	5,667,747.10	19,779,932.57	26.55%	54,723,336.43
20 - INTERNAL SERVICE FUND	695,304.72	748,500.00	64,446.16	215,600.16	28.80%	532,899.84
21 - SELF HEALTH INSURANCE FUND	11,679,535.12	13,230,500.00	1,170,000.51	3,957,514.33	29.91%	9,272,985.67
51 - STUDENT CLUB FUND	15,679.35	7,738.00	60.98	2,317.14	29.94%	5,420.86
<b>Total Expenses</b>	<b>111,566,754.50</b>	<b>132,116,006.00</b>	<b>9,491,250.36</b>	<b>39,032,754.98</b>	<b>29.54%</b>	<b>93,083,251.02</b>

# Intermediate District 287

## *Responsive. Innovative. Solutions.*

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### INTER-OFFICE MEMORANDUM

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DATE: **December 19, 2024**

TO: Members of the School Board

FROM: Brian C. Schultz, Exec. Dir. of Business Services & Operations

RE: **Cash Report - November** Claims, Payroll, Receipts, and Investments

A. Recommendation: Request the Board approve payment of the items listed below:

1. A/P payments for: <b>November 2024</b>	Totaling	\$	<u>4,620,498.90</u>
a) Check #'s <i>114846 - 114966</i>			
and Wire Transfers - #'s <i>4000002080 - 4000002111, 9000007017 - 9000007187</i>			
2. Bond payments for: <b>November 2024</b>	Totaling	\$	<u>105,410.00</u>
a) Wire Transfers - #'s <i>JE's 20250113</i>			
3. Payroll payments for: <b>November 2024</b>	Totaling	\$	<u>3,381,473.44</u>
a) Check #'s			
b) Direct Deposit #'s <i>9000144081 - 9000146017</i>			
4. Receipts for: <b>November 2024</b>	Totaling	\$	<u>8,672,622.10</u>
a) Receipt #'s <i>20250489 - 20250625</i>			
5. Invest. at end of mo. <b>November 2024</b>			
a) Fund 01 - General Fund	\$		40,814,188.57
b) Fund 11 - 2022A LTFM Bond (Construction Costs)	\$		<u>2,883,928.54</u>
	\$		<u>43,698,117.11</u>

This report has been prepared under the direction of Dave Anderson and is presented for approval by the School Board. Dave and I would be glad to answer any questions.

INTERMEDIATE DISTRICT 287  
INVESTMENTS ON HAND  
NOVEMBER 2024

**#01-104-00 - Investments (General)**

INSTITUTION	RATE OF RETURN (%)	DATE	ACTIVITY	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	4.659			7,026.47
PMA - MNTrust SDA - Nexbank, SSB - ICS, TX	4.540			16,215,123.89
PMA - MNTrust SDA - Bell Bank, MN	4.550			6,514,489.82
PMA - MNTrust SDA - Bank of China, NY	4.700			6,340,614.22
PMA - MNTrust CD - First State Bank of DeQueen, AR	5.261			237,400.00
PMA - MNTrust CD - BAC Community Bank, CA	5.209			237,500.00
PMA - MNTrust CD - NorthEast Community Bank, NY	5.215			237,500.00
PMA - MNTrust CD - The First National Bank of Hutchinson, KS	5.152			237,650.00
PMA - MNTrust CD - COREBANK, OK	4.396			239,400.00
PMA - MNTrust CD - NexBank, TX	4.739			238,600.00
PMA - MNTrust CD - Capital Credit Union, ND	4.437			239,300.00
PMA - MNTrust CD - UNITED HERITAGE CREDIT UNION, TX	4.596			238,900.00
PMA - MNTrust CD - Bank Of Clarke, VA	4.333			239,500.00
PMA - MNTrust CD - Western Alliance Bank, CA	4.175			239,900.00
PMA - MNTrust CD - BOM Bank, LA	4.438			239,300.00
PMA - MNTrust CD - Grand Ridge National Bank, IL	4.168			239,900.00
PMA - MNTrust CD - Omb Bank, MO	4.000			240,300.00
PMA - MNTrust CD - North American Banking Company, MN	4.201			239,800.00
PMA - MNTrust CD - T Bank, National Association, TX	4.204			239,800.00
PMA - MNTrust CD - GBank, NV	4.206			239,800.00
PMA - MNTrust CD - TruStone Financial Credit Union, MN	4.160			2,550,000.00
PMA - MNTrust CD - First Internet Bank of Indiana, IN	4.007			237,200.00
PMA - MNTrust CD - The Western State Bank, KS	4.136			235,300.00
PMA - MNTrust DTC - OAKSTAR BANK NA, 67389LAZ6	3.996			248,194.15
PMA - MNTrust CD - TruStone Financial Credit Union, MN	4.090			1,500,000.00
PMA - MNTrust DTC - VALLEY NATL BK WAYNE, 919853NZ0	3.898			244,241.86
PMA - MNTrust DTC - AMERICAN EXPR NATL BK, 02589AFD9	3.805			244,209.54
PMA - MNTrust DTC - MORGAN STANLEY PVT BANK, 61776NDI	3.905			244,209.29
PMA - MNTrust DTC - ALLY BANK, 02007G3P6	3.905			244,209.84
PMA - MNTrust DTC - FIRST PREMIER BANK, 33610RVS9	3.797			244,246.82
PMA - MNTrust DTC - FIRST BANK/HAMILTON NJ, 319137CN3	3.505			244,675.82
PMA - MNTrust CD - American Plus Bank, N.A., CA	3.600			233,000.00
PMA - MNTrust CD - Farmers Bank & Trust, KS	3.500			233,500.00
PMA - MNTrust CD - KS StateBank, KS	3.650			232,600.00
PMA - MNTrust DTC - PREMIER COMMUNITY BK WI, 74048CBK	3.504			248,699.31
PMA - MNTrust DTC - BUSINESS FIRST BANK, 098079BZ8	3.504			248,698.59
PMA - MNTrust DTC - ALL IN FEDERAL CREDIT UN, 01664MAM1	3.554			248,698.95
PMA - MNTrust CD - Freedom Northwest Credit Union , ID	4.071			230,700.00
<b>Total PMA - MNTrust Investments on Books</b>				<b>40,814,188.57</b>

**ACTIVITY DETAIL:**

Investments on our Book at End of Prior Month	40,701,369.14
Current Month Activity	
Deposits	-
Withdrawals	-
Interest Earned - Recorded	110,689.76
Dividends Earned	2,129.67
Interest/Dividends Earned - To Be Recorded in Next Month	-

Total Investments at End of Month & Un-recorded Interest

40,814,188.57

**#11-104-00 - Investments (2022A LTFM Bond - Construction Costs)**

INSTITUTION	RATE OF RETURN (%)	DATE	ACTIVITY	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	5.079			1,946,201.98
PMA - MNTrust CD Account Balance	4.059-4.718			450,500.00
PMA - MNTrust SEC Account Balance	4.001-4.005			487,226.56
Total PMA - MNTrust Investments on Books for Fund 11				<u><u>2,883,928.54</u></u>

ACTIVITY DETAIL:

Investments on our Book at End of Prior Month	2,876,504.47
Current Month Activity:	
Deposits	
Distributions/Repemptions	
Interest/Dividends/Purchases Earned - Recorded	7,424.07
Adjustments - move funds not used for closing costs to construction (from Fund 07)	
Interest/Dividends Earned - To Be Recorded in Next Month	
Total Investments at End of Month & Un-recorded Interest	<u><u>2,883,928.54</u></u>

Total 2022A LTFM Investments (Fund 11) at End of Month

2,883,928.54

INTERMEDIATE DISTRICT 287  
INVESTMENT ACTIVITY - 2022A LTFM BOND  
November 2024

**Investments (2022A LTFM Bond - Construction Costs) - MNTrust**

MONTH POSTED	DATE	DESCRIPTION	AMOUNT
Nov-22	11/22/22	Proceeds from 2022A LTFM Bond	4,740,596.00
Nov-22	11/30/22	Interest/Dividends	4,282.32
Dec-22	12/30/22	Distributions/Construction Draws	-45,645.18
Jan-23	01/01/23	Interest/Dividends	687.30
Feb-23	02/07/23	Distributions/Construction Draws	-15,000.00
Feb-23	02/28/23	Interest/Dividends (for Jan & Feb '23)	19,146.93
Mar-23	03/31/23	Interest/Dividends	5,534.59
Apr-23	04/28/23	Distributions/Construction Draws	-165,570.33
Apr-23	04/30/23	Interest/Dividends	5,018.40
May-23	05/31/23	Distributions/Construction Draws	-39,431.25
May-23	05/31/23	Interest/Dividends	5,132.72
Jun-23	06/30/23	Interest/Dividends	8,599.22
Jul-23	07/31/23	Distributions/Construction Draws	-172,551.00
Jul-23	07/31/23	Interest/Dividends	9,456.04
Aug-23	08/31/23	Interest/Dividends	17,655.68
Sep-23	09/30/23	Interest/Dividends	5,613.71
Sep-23	09/30/23	Distributions/Construction Draws	-64,403.28
Oct-23	10/31/23	Interest/Dividends	14,867.49
Oct-23	10/31/23	Distributions/Construction Draws	-459,154.50
Nov-23	11/30/23	Interest/Dividends	4,587.09
Dec-23	12/28/23	Distributions/Construction Draws	-118,947.96
Dec-23	12/31/23	Interest/Dividends	8,053.03
Jan-24	01/31/24	Interest/Dividends - recorded in Feb.	8,951.48
Feb-24	02/29/24	Interest/Dividends	8,674.49
Mar-24	04/01/24	Interest/Dividends	4,290.91
Apr-24	04/30/24	Distributions/Construction Draws	-90,040.61
Apr-24	04/30/24	Interest/Dividends	4,057.92
May-24	05/31/24	Distributions/Construction Draws	-15,421.57
May-24	05/31/24	Interest/Dividends	3,871.68
Jun-24	06/30/24	Distributions/Construction Draws	-114,204.33
Jun-24	06/30/24	Interest/Dividends	39,989.94
Jul-24	07/31/24	Distributions/Construction Draws	-205,158.46
Jul-24	07/31/24	Interest/Dividends	41,419.43
Aug-24	08/31/24	Distributions/Construction Draws	-243,211.97
Aug-24	08/31/24	Interest/Dividends	43,713.97
Sep-24	09/30/24	Distributions/Construction Draws	-242,331.43
Sep-24	09/30/24	Interest/Dividends	33,992.84
Oct-24	10/31/24	Distributions/Construction Draws	-178,698.47
Oct-24	10/31/24	Interest/Dividends	8,081.63
Nov-24	11/30/24	Interest/Dividends	7,424.07

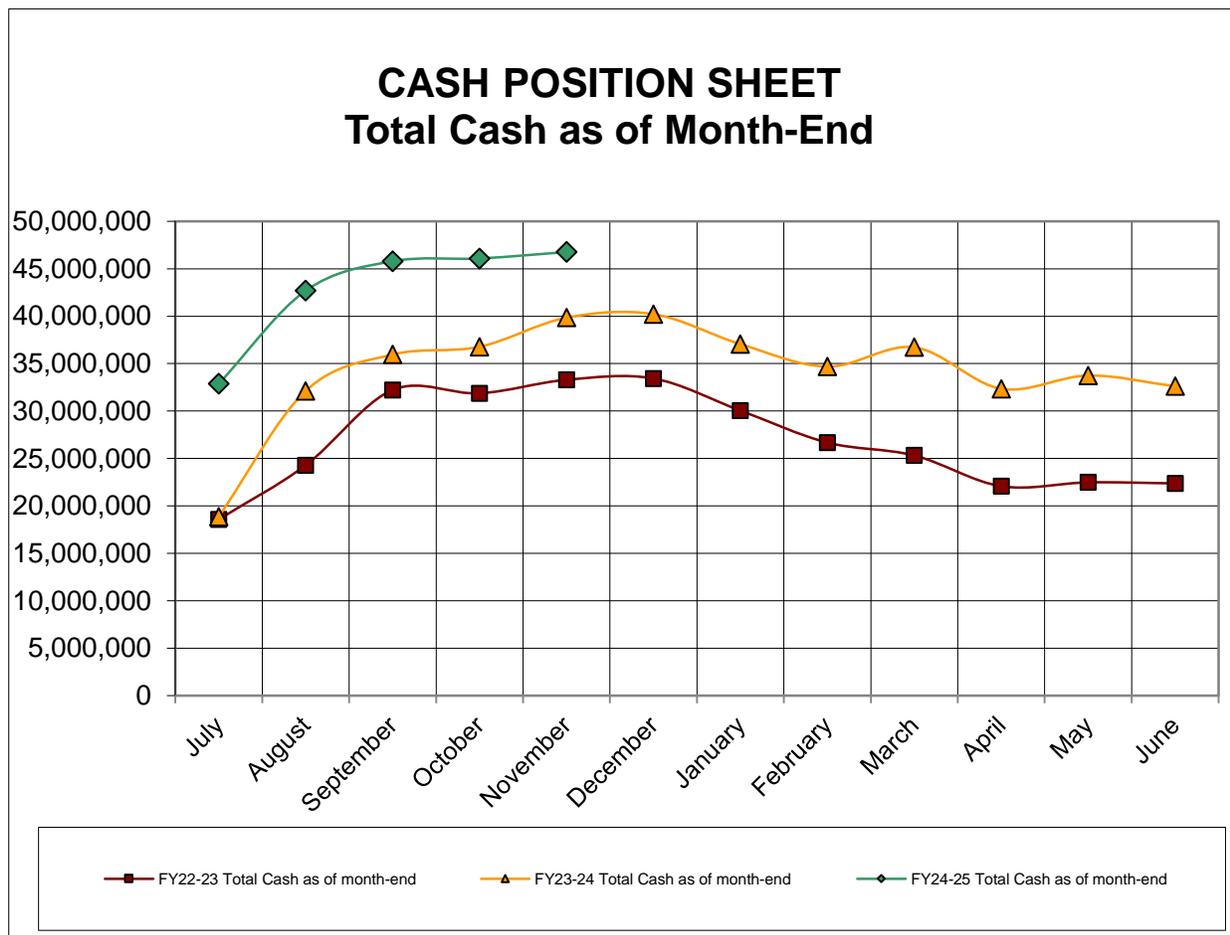
2022A LTFM Bond Investments - Balance as of End of Month 2,883,928.54

# Intermediate District 287

## Cash and Investment Position Sheet- Monthly Total Net Cash- All Accounts

<u>Date</u>	<u>FY22-23 Total Cash as of month-end</u>	<u>FY23-24 Total Cash as of month-end</u>	<u>FY24-25 Total Cash as of month-end</u>
July	18,572,017	18,858,236	32,864,612
August	24,288,930	32,119,813	42,689,540
September	32,223,695	35,958,742	45,793,738
October	31,867,127	36,774,908	46,084,518
November	33,293,625	39,840,981	46,762,578
December	33,430,295	40,212,901	
January	30,048,503	37,055,362	
February	26,677,119	34,683,875	
March	25,316,842	36,722,274	
April	22,075,795	32,345,881	
May	22,481,243	33,746,144	
June	22,374,821	32,610,936	

- Includes Self-Funded Insurance Cash Balances.



**INTERMEDIATE DISTRICT 287**

**NOVEMBER 2024 ACTIVITY**

**ELECTRONIC TRANSFERS IN:**

DATE	TO	AGENCY	RECEIPT #	AMOUNT	DESCRIPTION
11/1/2024	MSDLAF	INVER GROVE HEIGHTS ISD 199-119	20250595	88.40	CARE & TREATMENT
11/7/2024	MSDLAF	MSDLAF	20250596	(5.88)	INTEREST ADJUSTMENT NOV 2024
11/7/2024	MSDLAF	PFM	20250597	4,459.20	P-CARD REBATE
11/14/2024	MSDLAF	MN STATE MMB-FNS	20250598	13,296.24	CHILD NUTRITION OCT - ABEC
11/14/2024	MSDLAF	MN STATE MMB-FNS	20250599	21,367.14	CHILD NUTRITION OCT - NEC
11/14/2024	MSDLAF	MN STATE MMB-FNS	20250600	14,121.56	CHILD NUTRITION OCT - SEC
11/14/2024	MSDLAF	MN STATE MMB-FNS	20250601	6,689.34	CHILD NUTRITION OCT - WEC
11/14/2024	MSDLAF	MN STATE MMB-FNS	20250602	2,069.05	CHILD NUTRITION OCT - YOUABLE
11/15/2024	MSDLAF	MN STATE MMB-FNS	20250603	233.00	CHILD NUTRITION OCT - ABEC
11/15/2024	MSDLAF	MN STATE MMB-FNS	20250604	386.87	CHILD NUTRITION OCT - NEC
11/15/2024	MSDLAF	MN STATE MMB-FNS	20250605	268.00	CHILD NUTRITION OCT - SEC
11/15/2024	MSDLAF	MN STATE MMB-FNS	20250606	124.12	CHILD NUTRITION OCT - WEC
11/15/2024	MSDLAF	MN STATE MMB-FNS	20250607	776.96	CHILD NUTRITION OCT - YOUABLE
11/15/2024	MSDLAF	MN STATE MMB	20250608	5,062,826.80	IDEAS GEN ED, SPED
11/15/2024	MSDLAF	INVER GROVE HEIGHTS ISD 199-119	20250609	309.40	CARE & TREATMENT
11/15/2024	MSDLAF	MN DEPT OF EDUCATION-034	20250610	169,518.65	PROJECT AWARE GRANT
11/20/2024	MSDLAF	MN STATE MMB	20250611	249,362.70	MA 3RD PARTY BILLING
11/27/2024	MSDLAF	BENEFIT RESOURCE INC	20250612	18,262.11	COBRA NOV PAYMENTS
11/27/2024	MSDLAF	MN STATE MMB	20250613	792,017.47	IDEAS SPED SITES/PROGRAMS, GEN ED, HOURLY UNEMPLOYMENT
11/29/2024	MSDLAF	BRAINTREE	20250614	7,066.07	NOV TUITION
11/29/2024	MSDLAF	MSDLAF	20250615	25,675.18	INTEREST EARNED NOV 2024
11/29/2024	MSDLAF	PAYPAL	20250616	70.92	NOV TUITION
11/29/2024	MSDLAF	SCHOOLCAFE - ABEC	20250617	56.75	STUDENT DEFERRED REVENUE
11/29/2024	MSDLAF	SCHOOLCAFE - NEC	20250618	240.00	STUDENT DEFERRED REVENUE
11/29/2024	MSDLAF	SCHOOLCAFE - SEC	20250619	120.00	STUDENT DEFERRED REVENUE
11/29/2024	MSDLAF	SCHOOLCAFE - WEC	20250620	75.00	STUDENT DEFERRED REVENUE
11/29/2024	MSDLAF	SQUARE - BREMER BEAN SHOP ABEC	20250621	1,890.07	NOV STORE SALES
11/29/2024	MSDLAF	SQUARE - HENNEPIN TEA & COFFEE HTC	20250622	810.37	NOV STORE SALES
11/29/2024	MSDLAF	SQUARE - JITTERBUG NEC	20250623	2,322.07	NOV STORE SALES
11/29/2024	MSDLAF	SQUARE - COMMON GROUNDS SEC	20250624	1,921.16	NOV STORE SALES
11/29/2024	MSDLAF	SQUARE - SNACK SHACK WEC	20250625	2,007.03	NOV STORE SALES

**MTD TOTALS**

**6,398,425.75**

**INTERMEDIATE DISTRICT 287**

**NOVEMBER 2024 ACTIVITY**

**WIRE TRANSFERS OUT:**

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
11/4/2024	MSDLAF	HEALTH PARTNERS	4000002080	359,826.94	HPAI CLAIMS
11/5/2024	MSDLAF	SUBURBAN WASTE MN	4000002081	4,628.48	UTILITY BILL
11/6/2024	MSDLAF	BANK OF MONTREAL	4000002082	45,962.60	P-CARD EXPENSE
11/12/2024	MSDLAF	HEALTH PARTNERS	4000002083	260,350.47	HPAI CLAIMS
11/13/2024	MSDLAF	PITNEY BOWES	4000002084	25.00	ACCESS & SHIPPING W/O HW OR METER
11/13/2024	MSDLAF	TEACHERS RETIREMENT ASSN	4000002085	54.77	TRA
11/15/2024	MSDLAF	BPAS	4000002086	66,037.78	VEBA
11/15/2024	MSDLAF	EDUCATORS BENEFIT CONSULTANTS	4000002087	85,528.15	403B RETIREMENT
11/15/2024	MSDLAF	MN DEPT OF REVENUE	4000002088	1,026.88	STATE TAXES
11/15/2024	MSDLAF	MN DEPT OF REVENUE	4000002089	96,004.32	STATE TAXES
11/15/2024	MSDLAF	PUBLIC EMPLOYEES RETIREMENT	4000002090	138,409.07	PERA
11/15/2024	MSDLAF	TEACHERS RETIREMENT ASSN	4000002091	247,384.40	TRA
11/15/2024	MSDLAF	US BANK	4000002092	565,582.63	FEDERAL TAXES
11/27/2024	MSDLAF	BPAS	4000002093	66,069.74	VEBA
11/27/2024	MSDLAF	EDUCATORS BENEFIT CONSULTANTS	4000002094	85,916.74	403B RETIREMENT
11/27/2024	MSDLAF	MN DEPT OF REVENUE	4000002095	553.88	STATE TAXES
11/27/2024	MSDLAF	MN DEPT OF REVENUE	4000002096	96,679.66	STATE TAXES
11/27/2024	MSDLAF	PUBLIC EMPLOYEES RETIREMENT	4000002097	137,273.66	PERA
11/27/2024	MSDLAF	TEACHERS RETIREMENT ASSN	4000002098	249,998.87	TRA
11/27/2024	MSDLAF	US BANK	4000002099	567,636.65	FEDERAL TAXES
11/15/2024	MSDLAF	HEALTH PARTNERS	4000002100	684.00	FREQUENT FITNESS
11/15/2024	MSDLAF	PITNEY BOWES	4000002101	1,000.00	RESERVE ACCOUNT
11/15/2024	MSDLAF	US BANK	4000002102	198.40	CASH MANAGEMENT SERVICES
11/25/2024	MSDLAF	HEALTH PARTNERS	4000002103	179,090.43	HPAI CLAIMS
11/25/2024	MSDLAF	CITY OF MINNETONKA	4000002104	897.13	UTILITY BILL
11/18/2024	MSDLAF	HEALTH PARTNERS	4000002105	262,034.77	HPAI CLAIMS
11/18/2024	MSDLAF	CITY OF RICHFIELD	4000002106	2,354.02	UTILITY BILL
11/20/2024	MSDLAF	CITY OF PLYMOUTH	4000002107	936.95	UTILITY BILL
11/20/2024	MSDLAF	XCEL ENERGY	4000002108	13.94	UTILITY BILL
11/25/2024	MSDLAF	CITY OF NEW HOPE	4000002109	1,971.52	UTILITY BILL
11/29/2024	MSDLAF	BENEFIT RESOURCES INC	4000002110	9,543.20	FLEX SPENDING MONTHLY INVOICE
11/29/2024	MSDLAF	BENEFIT RESOURCES INC	4000002111	27,587.27	FLEX SPENDING ACCOUNT PAYMENTS
11/7/2024	MSDLAF	US BANK	9000007017-9000007028	91,080.45	AP ACH PAYMENTS
11/15/2024	MSDLAF	US BANK	9000007029-9000007064	2,991.16	STAFF REIMBURSEMENTS
11/14/2024	MSDLAF	US BANK	9000007065-9000007078	108,466.61	AP ACH PAYMENTS
11/21/2024	MSDLAF	US BANK	9000007079-9000007095	138,367.13	AP ACH PAYMENTS
11/27/2024	MSDLAF	US BANK	9000007096-9000007102	25,669.42	AP ACH PAYMENTS
11/27/2024	MSDLAF	US BANK	9000007103-9000007187	12,815.31	STAFF REIMBURSEMENTS
11/15/2024	MSDLAF	US BANK	9000144081-9000145051	1,689,319.88	PAYROLL
11/18/2024	MSDLAF	US BANK	9000144432	(933.96)	PAYROLL RETURN
11/19/2024	MSDLAF	US BANK	9000145052	933.96	PAYROLL REISSUE
11/27/2024	MSDLAF	US BANK	9000145053-9000146017	1,692,153.56	PAYROLL
11/4/2024	MSDLAF	US BANK	JE 20250113	105,410.00	DSC LTFM BOND #2022A
<b>MTD TOTALS</b>				<b>7,427,535.84</b>	





**DONATION REPORT  
 INTERMEDIATE DISTRICT 287  
 2024-2025  
 NOVEMBER 2024**

DONATION DATE	DESCRIPTION	VIN #	EST. VALUE	DONOR	CAMPUS	PROGRAM
11/11/24	LAWNBOY PUSH LAWN MOWER		\$50.00	HUNTER, SHANNON	CTC	PATHWAYS
<b>TOTAL</b>			<b>\$50.00</b>			

# INTERMEDIATE DISTRICT NO. 287 PLYMOUTH, MINNESOTA

Audit Report for Year Ended June 30, 2024

James H. Eichten, Principal

# AUDITOR'S ROLE



## OPINION ON FINANCIAL STATEMENTS

- DISTRICT AUDIT
- IMPLEMENTATION OF GASB AUTHORITY LITERATURE
  - Change in requirements for accounting for groups of similar capital assets

## INTERNAL CONTROLS AND COMPLIANCE

- FINANCIAL STATEMENT AUDIT
- STATE LAWS AND REGULATIONS

# AUDITOR'S ROLE



OPINION ON  
SCHEDULE OF  
EXPENDITURES OF  
FEDERAL AWARDS

- SINGLE AUDIT

INTERNAL  
CONTROLS AND  
COMPLIANCE

- COMPLIANCE REQUIREMENTS OF MAJOR PROGRAMS
- INTERNAL CONTROLS OF MAJOR PROGRAMS

# AUDIT RESULTS



## DISTRICT FINANCIAL AUDIT

- Unmodified Opinion on Basic Financial Statements

## INTERNAL CONTROL AND COMPLIANCE – FINANCIAL AUDIT

- No material weaknesses or instances of noncompliance reported in the current year.

# AUDIT RESULTS (CONTINUED)



## SINGLE AUDIT

- Unmodified Opinion on Schedule of Expenditures of Federal Awards

## INTERNAL CONTROL AND COMPLIANCE – SINGLE AUDIT

- No material weaknesses or instances of noncompliance reported in the current year.

# AUDIT RESULTS (CONTINUED)



## MN LEGAL COMPLIANCE

- No noncompliance with Minnesota laws and regulations

## AUDIT RESULTS (CONTINUED)



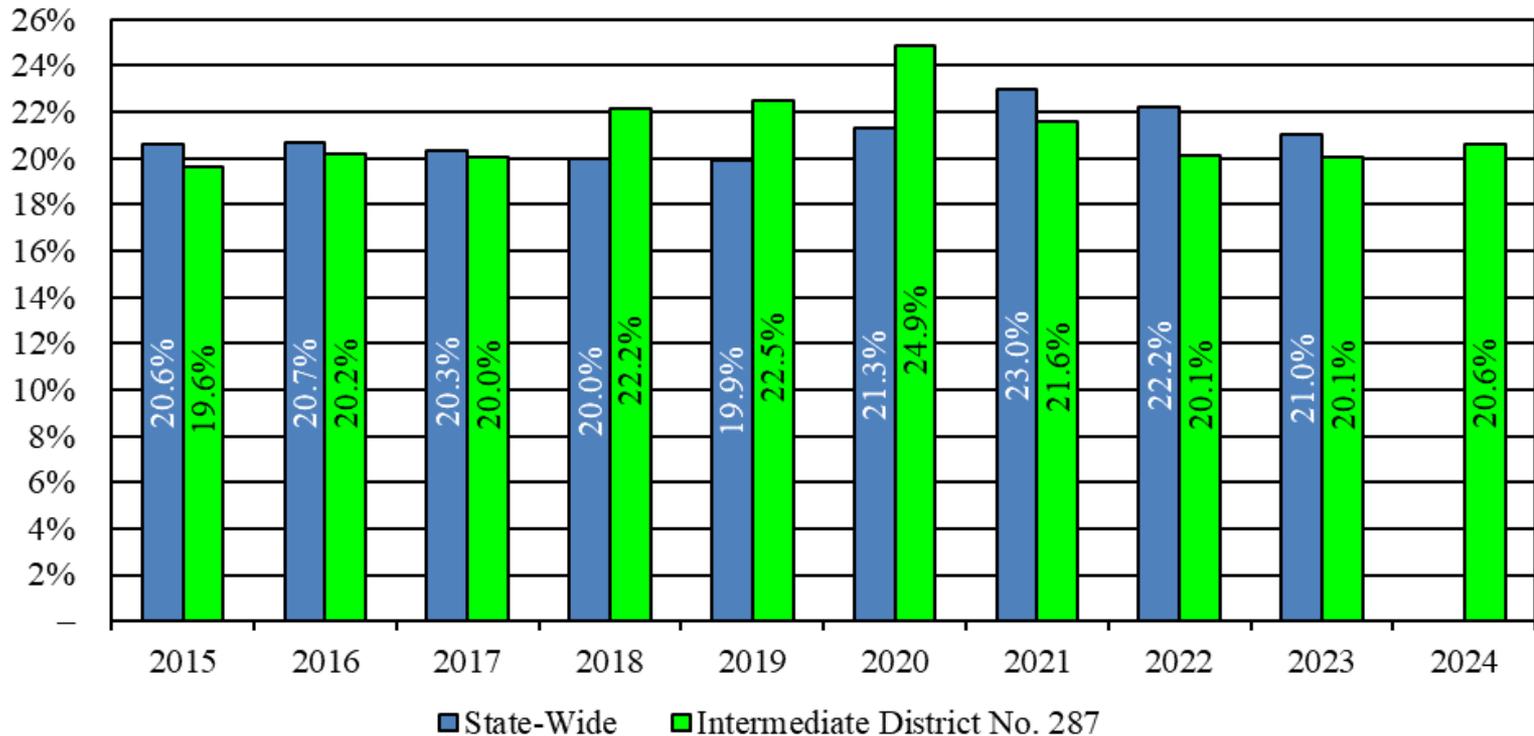
### FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

- District implemented adequate procedures to correct the prior year finding.

# STATE-WIDE FUND BALANCES



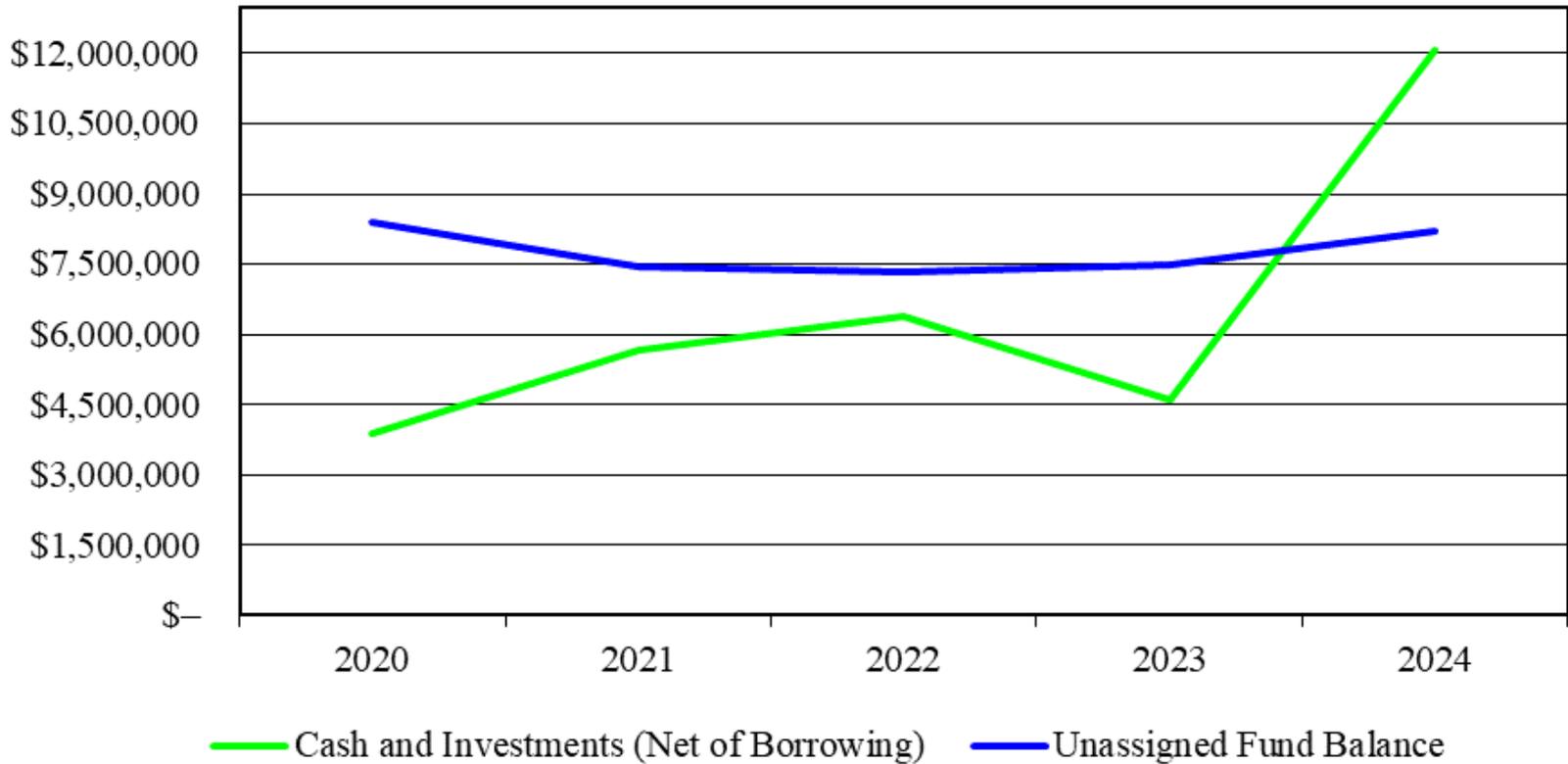
State-Wide Unrestricted Operating Fund Balance  
as a Percentage of Operating Expenditures



# GENERAL FUND FINANCIAL POSITION



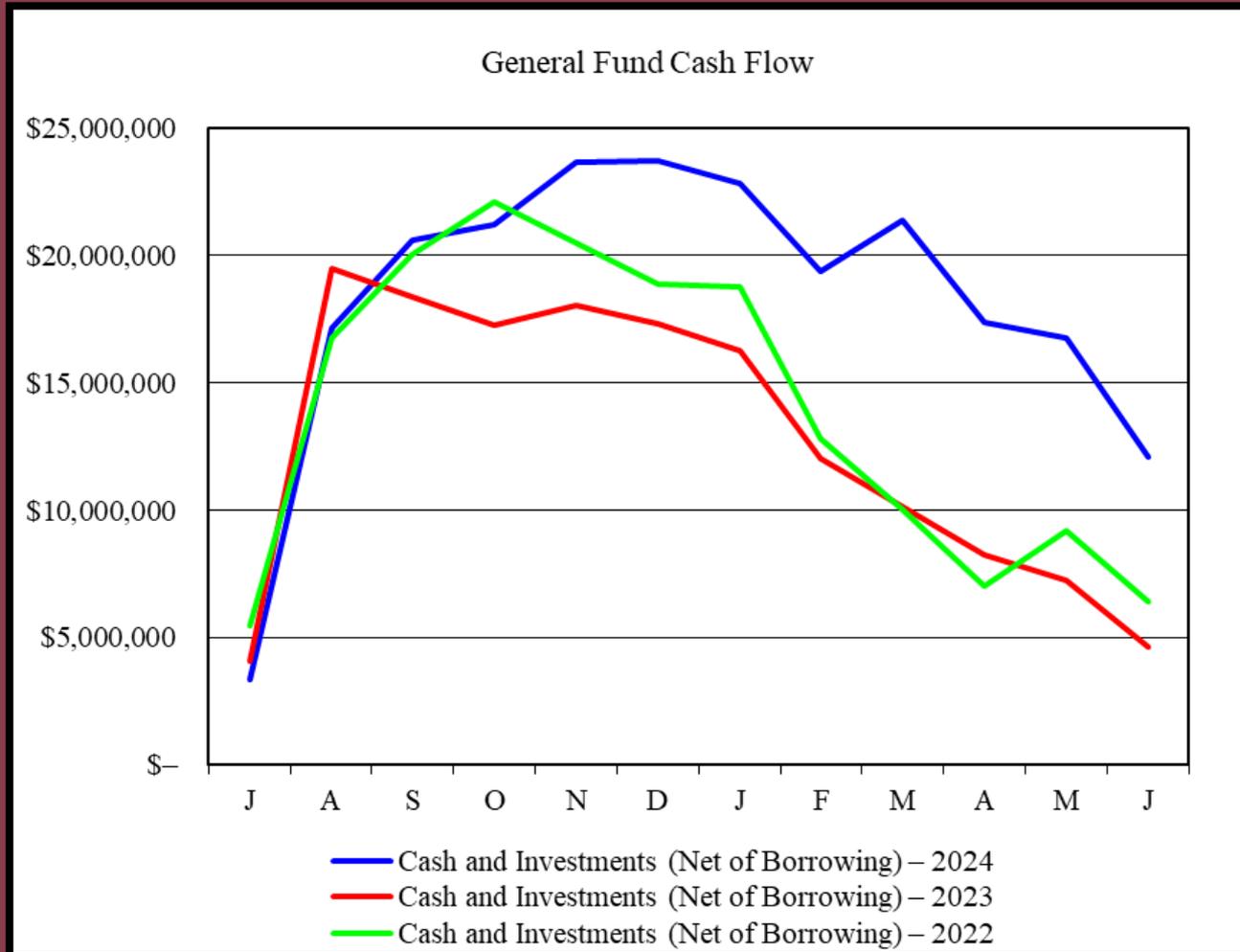
General Fund Financial Position



# GENERAL FUND FINANCIAL POSITION

	Year Ended June 30,			
	2021	2022	2023	2024
Revenue	\$ 84,179,159	\$ 85,679,682	\$ 87,528,049	\$ 92,937,531
Expenditures	86,232,890	86,658,844	87,009,291	90,240,597
Excess (deficiency) of revenue over expenditures	(2,053,731)	(979,162)	518,758	2,696,934
Other financing sources (uses)	(231,921)	(251,557)	34,399	(1,464)
Net change in fund balances	(2,285,652)	(1,230,719)	553,157	2,695,470
Fund balances				
Beginning of year	22,719,208	20,433,556	19,202,837	19,755,994
End of year	<u>\$ 20,433,556</u>	<u>\$ 19,202,837</u>	<u>\$ 19,755,994</u>	<u>\$ 22,451,464</u>
Fund balances				
Nonspendable for prepaid items	\$ 59,977	\$ 125,543	\$ 133,782	\$ 288,572
Restricted for American Indian education aid	–	–	–	26,133
Restricted for basic skills programs	264,604	115,586	17,663	365,714
Restricted for basic skills extended time	115,262	115,262	115,262	–
Restricted for safe schools levy	754,197	645,942	514,244	980,389
Restricted for long-term facilities maintenance	614,086	658,985	529,625	507,105
Restricted for Medical Assistance	1,267,152	1,510,671	2,495,391	3,294,531
Assigned for operational adjustment reserve	457,288	310,388	181,420	95,721
Assigned for donations	6,571	6,146	–	–
Assigned for severance	5,563,206	5,167,529	5,024,941	4,811,072
Assigned for tuition adjustments	1,788,609	1,788,609	2,128,941	2,128,941
Assigned for property	186,334	165,200	28,014	250,000
Assigned for student clubs	21,658	16,348	9,648	8,641
Assigned for vehicle depreciation	101,664	101,664	101,664	99,382
Assigned for collaborative curriculum project	113,669	113,669	29,158	1,568
Assigned for strategic priorities	988,863	498,681	717,243	1,246,715
Assigned for subsequent year's budget	678,874	529,541	244,962	–
Assigned for vaping settlement	–	–	–	141,748
Unassigned	7,451,542	7,333,073	7,484,036	8,205,232
Total fund balances	<u>\$ 20,433,556</u>	<u>\$ 19,202,837</u>	<u>\$ 19,755,994</u>	<u>\$ 22,451,464</u>
Unassigned General Fund balances as a percentage of expenditures	<u>8.6%</u>	<u>8.5%</u>	<u>8.6%</u>	<u>9.1%</u>
Total fund balances as a percentage of expenditures	<u>23.7%</u>	<u>22.2%</u>	<u>22.7%</u>	<u>24.9%</u>

# GENERAL FUND CASH FLOW



# SPECIAL EDUCATION ACCOUNT



	Year Ended June 30,			
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenue and other financing sources	\$ 58,456,371	\$ 57,559,818	\$ 58,541,471	\$ 60,438,644
Expenditures and other financing uses	<u>59,780,671</u>	<u>57,792,336</u>	<u>56,771,372</u>	<u>58,636,894</u>
Excess (deficiency)	(1,324,300)	(232,518)	1,770,099	1,801,750
Fund balances				
Beginning of year	<u>12,354,928</u>	<u>11,030,628</u>	<u>10,798,110</u>	<u>12,568,209</u>
End of year	<u>\$ 11,030,628</u>	<u>\$ 10,798,110</u>	<u>\$ 12,568,209</u>	<u>\$ 14,369,959</u>

# CAREER AND TECHNICAL EDUCATION ACCOUNT



	Year Ended June 30,			
	2021	2022	2023	2024
Revenue and other financing sources	\$ 1,084,353	\$ 1,191,366	\$ 1,711,624	\$ 1,757,143
Expenditures and other financing uses	1,383,794	1,089,010	1,796,506	1,848,758
Excess (deficiency)	(299,441)	102,356	(84,882)	(91,615)
Fund balances				
Beginning of year	713,424	413,983	516,339	431,457
End of year	<u>\$ 413,983</u>	<u>\$ 516,339</u>	<u>\$ 431,457</u>	<u>\$ 339,842</u>

# ACADEMIC EDUCATION ACCOUNT



	Year Ended June 30,			
	2021	2022	2023	2024
Revenue and other financing sources	\$ 10,136,239	\$ 10,424,659	\$ 11,042,504	\$ 12,675,002
Expenditures and other financing uses	10,745,325	10,364,777	11,460,022	12,615,350
Excess (deficiency)	(609,086)	59,882	(417,518)	59,652
Fund balances				
Beginning of year	1,199,565	590,479	650,361	232,843
End of year	\$ 590,479	\$ 650,361	\$ 232,843	\$ 292,495

# SUMMARY

CLEAN OPINION ON  
BASIC FINANCIAL  
STATEMENTS

SINGLE AUDIT OF  
FEDERAL AWARDS

NO AUDIT FINDINGS  
REPORTED

FINANCIAL  
RESULTS REFLECT  
ADHERENCE TO  
BUDGET

GENERAL FUND  
FINANCIAL  
RESULTS BY  
ACCOUNT

FINANCIAL  
RECORDS IN  
EXCELLENT  
CONDITION

INTERMEDIATE DISTRICT NO. 287  
PLYMOUTH, MINNESOTA

Financial Statements and  
Supplementary Information

Year Ended  
June 30, 2024

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INTRODUCTORY SECTION

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INTERMEDIATE DISTRICT NO. 287

Board of Directors and Administration  
as of June 30, 2024

**BOARD OF DIRECTORS**

<u>Board of Directors</u>	<u>Member District</u>	<u>Position on Board</u>
Crystal Brakke	Richfield	Chairperson
Anne Casey	St. Louis Park	Vice Chairperson
Ruthie Dallas	Brooklyn Center	Treasurer
Shannon Andreson	Hopkins	Clerk
Michael Birdman	Edina	Director
ReNae Bowman	Robbinsdale	Director
Daniel Ginestra	Wayzata	Director
Heidi Marty	Westonka	Director
Jacqueline Mosqueda-Jones	Osseo	Director
Karen Orcutt	Orono	Director
Michael Remucal	Minnetonka	Director
Kim Ross	Eden Prairie	Director

**ADMINISTRATION**

Marcy Doud	Superintendent
Elisabeth Lodge Rogers	Assistant Superintendent of Programs and Services
Kevin Witherspoon	Director of Human Resources
Benjamin Magras	Executive Director of Leadership and Learning
Brian Schultz	Executive Director of Business Services
Kim Helgeson	Director of Technology and Student Information Systems
Camille Hepola	Director of Communications and Public Relations
Melissa Brateng	Director of Special Education and Itinerant Services
Jonathan Voss	Director of Teaching and Learning
Tonya Allen	Executive Director of Student Support
Kiarra Zachery	Director of Equity and Inclusion
Gloria Wilder	Director of Finance
David Anderson	Senior Finance Manager
Wauneen Denson-Mgeni	Executive Assistant to the Superintendent/School Board Coordinator

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FINANCIAL SECTION

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PRINCIPALS

Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA/CMA  
Jaclyn M. Huegel, CPA  
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of  
Intermediate District No. 287  
Plymouth, Minnesota

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**OPINIONS**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Intermediate School District No. 287 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**BASIS FOR OPINIONS**

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

**EMPHASIS OF MATTER**

***Change in Accounting Principle***

As described in Note 1 of the notes to basic financial statements, in fiscal 2024, the District adopted new accounting guidance in capitalizing purchases of groups of similar assets in the current year. Our opinion is not modified with respect to this matter.

(continued)

## **RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

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

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

(continued)

## **REQUIRED SUPPLEMENTARY INFORMATION**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI 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.

## **SUPPLEMENTARY INFORMATION**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund statements and schedules and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education, and is also not a required part of the basic financial statements of the District. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, the UFARS Compliance Table, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **OTHER INFORMATION**

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

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

(continued)

## **PRIOR YEAR COMPARATIVE INFORMATION**

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 27, 2023. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Malloy, Montague, Karnowski, Radosevich & Co., P.A.*

Minneapolis, Minnesota  
December 20, 2024

## INTERMEDIATE DISTRICT NO. 287

### Management's Discussion and Analysis Year Ended June 30, 2024

This section of Intermediate District No. 287's (the District) annual financial statements presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended June 30, 2024. We encourage readers to consider the financial information presented here in conjunction with the other components of the District's annual financial statements.

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year 2024 include the following:

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$19,079,061. The District's total net position increased by \$17,599,359 during the fiscal year ended June 30, 2024, which includes a change in accounting principle. This increase is mostly related to positive operating results in the District's General, Internal Service, and Debt Service Funds, and by changes in pension-related deferred inflows, deferred outflows, and net pension liabilities in the state-wide pension plans in which the District participates.
- In the District's General Fund, the fund balance increased \$2,695,470 and ended the year at \$22,451,464.
- The District's governmental funds Balance Sheet reflects an \$8,205,232 unassigned fund balance.
- The District adopted new accounting guidance for capital assets in the current year, which increased beginning government-wide net position \$1,189,353. This change is further described in Note 1 of the notes to basic financial statements.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual financial statements consists of the following parts:

- Independent Auditor's Report;
- MD&A;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- Combining and individual fund statements and schedules presented as supplementary information.

The following explains the two types of statements included in the basic financial statements:

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information about the District as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, except for the fiduciary funds. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide financial statements report the District's *net position* and how it has changed. Net position—the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as changes in member district usage and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are all shown in one category titled "governmental activities." These activities, including career and technical education, academic education, special education, student clubs, administrative support services and operations and maintenance, and food service, are primarily financed with tuition, membership fees, access fees, and operating grants.

## FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds, rather than the District as a whole. Funds (Food Service Special Revenue Fund and Capital Projects – Building Construction Fund) that do not meet the threshold to be classified as major funds are called "nonmajor" funds. Detailed financial information for nonmajor funds can be found in the supplementary information section.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The District may establish other funds to control and manage money for particular purposes.

The District maintains the following kinds of funds:

**Governmental Funds** – The District's basic services are included in governmental funds, which generally focus on: 1) how *cash and other financial assets* that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed *short-term* view that helps to determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. As this information does not encompass the additional long-term focus of the government-wide financial statements, we provide additional information (reconciliation schedules) immediately following the governmental fund financial statements that explains the relationship (or differences) between these two types of financial statement presentations.

**Proprietary Funds** – The District maintains one type of proprietary fund. Internal service funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for its health and dental self-insurance activities. These services have been included within governmental activities in the government-wide financial statements.

**Fiduciary Funds** – The District is the trustee, or fiduciary, for assets that belong to other organizations. The District is responsible for ensuring that the assets are reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. We excluded these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 is a summarized view of the District's Statement of Net Position:

	2024	2023
<b>Assets</b>		
Current and other assets	\$ 58,442,779	\$ 54,352,642
Restricted assets	19,543,316	17,704,685
Capital assets, net of accumulated depreciation/amortization	83,694,378	82,802,630
Total assets	\$ 161,680,473	\$ 154,859,957
<b>Deferred outflows of resources</b>		
Bond refunding deferments	\$ 284,801	\$ 316,446
Pension plan deferments	13,169,587	17,701,785
OPEB plan deferments	876,918	855,755
Total deferred outflows of resources	\$ 14,331,306	\$ 18,873,986
<b>Liabilities</b>		
Current and other liabilities	\$ 12,578,091	\$ 12,425,685
Long-term liabilities, including due within one year	132,044,682	144,332,341
Total liabilities	\$ 144,622,773	\$ 156,758,026
<b>Deferred inflows of resources</b>		
Lease revenue for subsequent years	\$ 1,718,644	\$ 1,899,559
Pension plan deferments	8,800,055	11,884,816
OPEB plan deferments	1,791,246	1,711,840
Total deferred inflows of resources	\$ 12,309,945	\$ 15,496,215
<b>Net position</b>		
Net investment in capital assets	\$ 18,717,421	\$ 15,197,336
Restricted	25,374,358	21,644,208
Unrestricted	(25,012,718)	(35,361,842)
Total net position	\$ 19,079,061	\$ 1,479,702

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation/amortization amounts. A conservative versus liberal approach to depreciation/amortization estimates, as well as capitalization policies, may produce a significant difference in the calculated amounts. The other major factor in determining net position, as compared to fund balances is the liability for long-term severance, pension, and other post-employment benefits, which impacts the unrestricted portion of net position.

Overall net position increased by \$17,599,359, which includes a change in accounting principle. The net investment in capital assets increased by \$3,520,085 from capital asset additions, retirement of debt, and annual depreciation/amortization. The increase in restricted assets is attributable to payments to the Debt Service Fund's cash held in escrow, which will be used to pay a portion of future outstanding debt payments, and an increase in Medical Assistance revenues. The increase in unrestricted net position was from the increase in the General Fund balance and Internal Service Funds net position, and the changes in the District's proportionate share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) state-wide pension obligations. This change in pensions was also the significant factor in the changes in deferred outflows and inflows of resources, and long-term liabilities.

Table 2 presents a summarized version of the District’s Statement of Activities:

<b>Table 2</b>		
<b>Summary Statement of Activities</b>		
<b>for the Years Ended June 30, 2024 and 2023</b>		
	<u>2024</u>	<u>2023</u>
<b>Revenue</b>		
Program revenues		
Charges for services	\$ 21,339,268	\$ 20,974,437
Operating grants and contributions	70,592,979	64,757,060
General revenues		
General grants and aids	8,480,985	9,851,568
Other general revenues	606,362	285,041
Investment earnings	2,716,513	1,558,572
Insurance recovery	37,141	14,382
Total revenue	<u>103,773,248</u>	<u>97,441,060</u>
<b>Expenses</b>		
Career and technical education	1,757,311	1,551,446
Academic education	11,200,610	8,457,087
Special education	53,196,197	47,381,560
Student clubs	15,680	29,759
Administrative support services and operations and maintenance	17,326,591	17,911,782
Food service	803,770	866,392
Interest and fiscal charges on debt	3,063,083	3,148,556
Total expenses	<u>87,363,242</u>	<u>79,346,582</u>
Change in net position	16,410,006	18,094,478
Net position – beginning, as previously reported	1,479,702	(16,614,776)
Change in accounting principle	1,189,353	–
Net position – beginning, as restated	<u>2,669,055</u>	<u>(16,614,776)</u>
Net position – ending	<u>\$ 19,079,061</u>	<u>\$ 1,479,702</u>

This statement is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation/amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

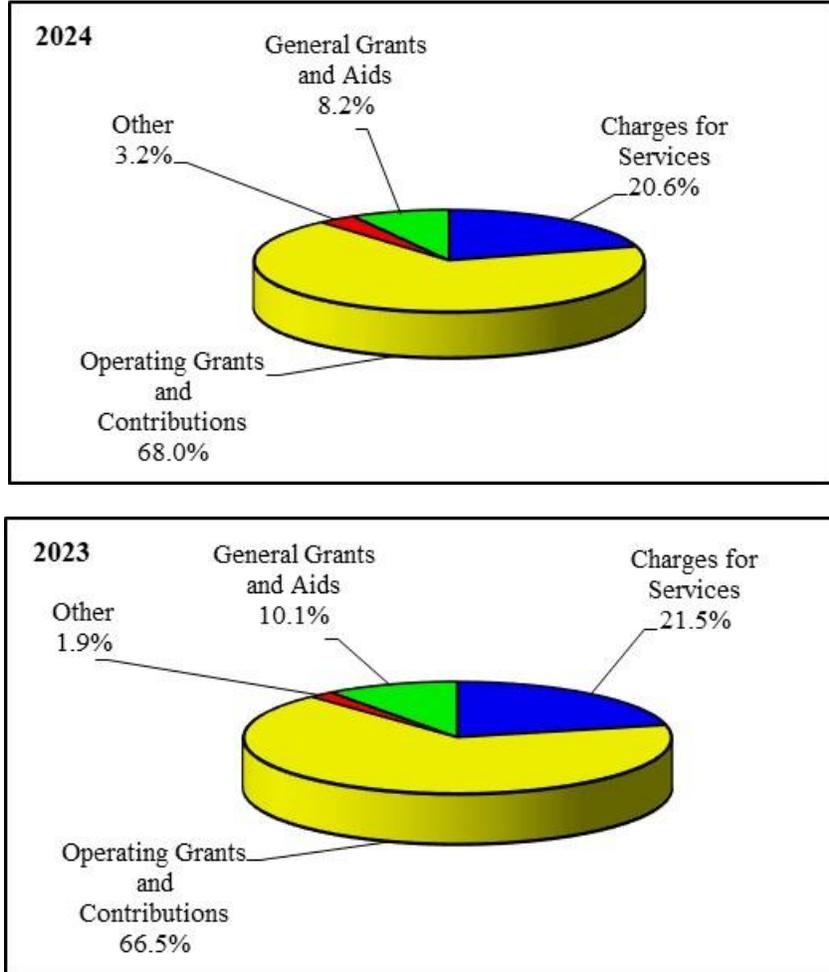
The District’s total revenues were \$103,773,248 for the year ended June 30, 2024. Charges for services accounted for 20.6 percent of total revenues for the year, while operating grants and contributions accounted for 68.0 percent. General grants and aids accounted for 8.2 percent of the total revenue, and are mainly from pass-through levies for debt service and the federal reimbursement received for interest payments made on the Build America Bonds and Qualified School Construction Bonds.

Revenue increased \$6,332,188 in fiscal 2024, mainly due to an increase in state revenue sources. The District experienced an increase in state revenues from the special education program, Northern Star Online program, compensatory aid, and the food service program.

Expenses increased \$8,016,660 in fiscal 2024, mainly due to increased expenses in the academic and special education programs. The change in the District’s share of the PERA and the TRA pension plans contributed to these changes. These increases are also related to increased salary and benefit costs for these programs.

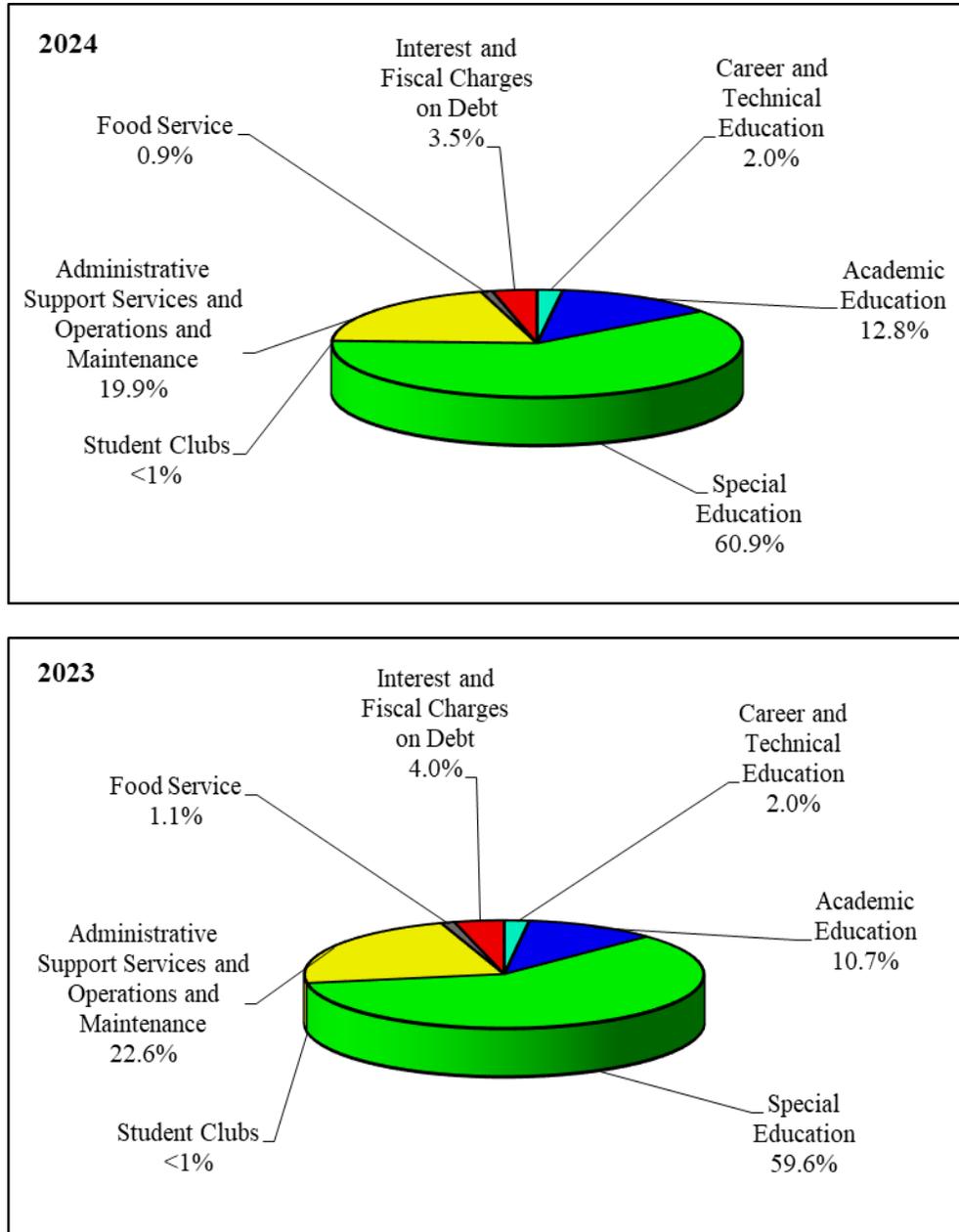
Figures A and B show further analysis of these revenue sources and expense functions:

**Figure A – Sources of Revenues for Fiscal Years 2024 and 2023**



The largest share of the District’s revenue results from services to member and nonmember school districts that normally generate tuition charges and service fees. Special education tuition billing has been processed through the Minnesota Department of Education (MDE) since 2009. Based on the special education services and costs reported to the MDE, the District generates both state special education aid and MDE-generated tuition billing revenue. Because these dollars flow through the state, they are classified as an operating grant rather than a charge for services. Charges for services include revenues generated through direct billing to other entities.

**Figure B – Expenses for Fiscal Years 2024 and 2023**



The District’s expenses are predominately in categories that correlate directly to providing instruction, which includes: special education, academic education, and career and technical education, comprising 75.7 percent of the total. Total expenses for the year in administrative support services and operations and maintenance were 19.9 percent, which includes administrative, business services, instructional support services, and building operations and maintenance. Debt service expenses related to financing of facilities were 3.5 percent of total expenses.

Table 3 presents the net cost of governmental activities by functional activity of the District:

	2024		2023	
	Total Cost of Services	Net (Expenses Over) Revenues From Services	Total Cost of Services	Net (Expenses Over) Revenues From Services
Governmental activities				
Career and technical education	\$ 1,757,311	\$ (169)	\$ 1,551,446	\$ 160,179
Academic education	11,200,610	1,474,392	8,457,087	2,484,257
Special education	53,196,197	7,238,459	47,381,560	10,248,031
Student clubs	15,680	(1,007)	29,759	(6,700)
Administrative support services and operations and maintenance	17,326,591	(811,091)	17,911,782	(2,919,191)
Food service	803,770	(268,496)	866,392	(433,105)
Interest and fiscal charges on debt	3,063,083	(3,063,083)	3,148,556	(3,148,556)
Total	\$ 87,363,242	\$ 4,569,005	\$ 79,346,582	\$ 6,384,915

The change in net (expenses over) revenues from services by category and in total is mainly related to the increase in state aid, previously mentioned, and the changes in the District's proportionate share of the PERA and the TRA state-wide pension obligations.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District is also reflected in its governmental funds. Table 4 shows the change in total fund balances of each of the District's governmental funds:

	2024	2023	Change
Major funds			
General	\$ 22,451,464	\$ 19,755,994	\$ 2,695,470
Debt Service	20,640,911	18,539,411	2,101,500
Nonmajor funds			
Food Service Special Revenue	13,463	–	13,463
Capital Projects – Building Construction	2,810,171	3,827,242	(1,017,071)
Total governmental funds	\$ 45,916,009	\$ 42,122,647	\$ 3,793,362

## Analysis of the General Fund

The Board of Director’s fund balance policy states: “To ensure the financial strength and stability of the District, the Board of Directors will endeavor to maintain an unassigned fund balance of at least 6.0 percent to 8.0 percent of the District’s General Fund operating budget, excluding operating capital programs.” The current General Fund unassigned fund balance is in alignment with the Board of Director’s policy.

The District has several assigned fund balances, including assigned for severance of \$4,811,072. The District assigned an amount of fund balance to designate funding for the key strategic priorities of: achieving academic success, cultivating equity and inclusion, and promoting social-emotional learning. The District also has an assigned fund balance for the MDE special education state aid tuition adjustments totaling \$2,128,941. This is in recognition of the potential for additional calculation changes in this area by state agencies.

Table 5 presents a summary of General Fund revenues:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Local sources			
Pass-through levies	\$ 2,153,769	\$ 2,406,392	\$ (252,623)
Tuition	23,034,425	21,770,918	1,263,507
Investment earnings	934,197	392,595	541,602
Other	889,902	569,044	320,858
State sources	62,906,984	58,539,285	4,367,699
Federal sources	<u>3,018,254</u>	<u>3,849,815</u>	<u>(831,561)</u>
 Total General Fund revenues	 <u>\$ 92,937,531</u>	 <u>\$ 87,528,049</u>	 <u>\$ 5,409,482</u>

The District received \$2,153,769 in property taxes that were levied on the District’s behalf by its member districts. The pass-through levies are authorized in Minnesota Statutes to cover the District’s lease costs, safe school initiatives, and long-term facilities maintenance programs. Tuition revenues increased, due to increased enrollment in the Northern Star Online program. State sources increased, due to an expansion in state special education tuition revenues as a result of increases in the special education aid, as well as new state aid sources being introduced in fiscal 2024. The federal revenue decrease is related to less COVID-19 pandemic and stimulus grant funding received.

Table 6 presents a summary of General Fund expenditures:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Salaries	\$ 55,141,023	\$ 52,625,161	\$ 2,515,862
Employee benefits	23,857,715	22,713,902	1,143,813
Purchased services	7,480,505	7,238,190	242,315
Supplies and materials	2,154,193	2,101,685	52,508
Capital expenditures	1,042,918	1,817,003	(774,085)
Other expenditures	357,876	399,840	(41,964)
Debt service	<u>206,367</u>	<u>113,510</u>	<u>92,857</u>
Total General Fund expenditures	<u>\$ 90,240,597</u>	<u>\$ 87,009,291</u>	<u>\$ 3,231,306</u>

The increase in expenditures of \$3,231,306 is mainly the result of increases in salaries and employee benefits, due to contractual wage increases. Capital expenditure costs decreased, due to decreased long-term facilities maintenance costs and issuance of technology subscriptions.

Table 7 shows the General Fund unassigned fund balance, as compared to expenditures:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Unassigned fund balance	\$ 8,398,933	\$ 7,451,542	\$ 7,333,073	\$ 7,484,036	\$ 8,205,232
Unassigned fund balance as a percentage of expenditures	9.8%	8.6%	8.5%	8.6%	9.1%

Unassigned fund balance as a percentage of expenditures is one key measurement of a district's financial health. The unassigned fund balance of \$8,205,232 at June 30, 2024 represents 9.1 percent of annual expenditures. The District continues to monitor its fund balances closely.

The Board of Directors has formally adopted a fund balance policy regarding the unassigned fund balance for the General Fund. The policy establishes that the District will endeavor to maintain an unassigned fund balance of at least 6.0–8.0 percent of the District's General Fund operating budget, excluding operating capital programs.

## General Fund Budgetary Highlights

Table 8 summarizes the General Fund budget to actual comparison:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>	
				<u>Amount</u>	<u>Percent</u>
Revenue and other financing sources	<u>\$ 95,607,308</u>	<u>\$ 94,545,398</u>	<u>\$ 93,243,285</u>	<u>\$ (1,302,113)</u>	<u>(1.4%)</u>
Expenditures and other financing uses	<u>\$ 96,380,733</u>	<u>\$ 93,881,243</u>	<u>\$ 90,547,815</u>	<u>\$ (3,333,428)</u>	<u>(3.6%)</u>
Change in fund balance	<u>\$ (773,425)</u>	<u>\$ 664,155</u>	<u>\$ 2,695,470</u>	<u>\$ 2,031,315</u>	<u>305.8%</u>

Revenue and other financing sources were less than budget by \$1,302,113. State sources were under budget by \$1,750,342, mainly in special education aid, as funded expenditures were lower than projected. Federal revenue was lower than projected by \$508,357, as grant spending was lower than anticipated.

Expenditures and other financing uses were under budget by \$3,333,428. Special education expenditures were under budget by \$1,679,710, mainly in salaries and benefits, due to the current labor market conditions. Administrative support services and operations and maintenance were under budget by \$1,301,819, mainly in salaries and benefits and purchased services, due to grant spending being under budgeted amounts.

### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, debt principal, interest, and related costs. The change in the Debt Service Fund Balance in fiscal 2024 is attributable to payments made to the cash held in escrow to repay the Qualified School Construction Bond due in 2029.

### Food Service Special Revenue Fund

Expenditures exceeded revenues by \$293,755 in the current year. After transfers in from the General Fund, the fund ended the year with a positive \$13,463 fund balance, which is restricted exclusively for federal supply chain assistance expenditures.

### Capital Projects – Building Construction Fund

Expenditures exceeded revenues by \$1,017,071 in the current year. The change in the fund balance is due to the District spending down the prior year long-term facilities maintenance bond issue.

## Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains two internal service funds used to account for the District's self-insured health and dental insurance functions.

Operating revenues for the internal service funds for fiscal 2024 totaled \$13,507,922. Operating expenses totaled \$12,374,840 for self-insured health and dental benefit claims and administrative fees.

The net position for the internal service funds as of June 30, 2024 totaled \$18,227,239, which represents an increase of \$2,050,415 in net position from the prior year.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

Table 9 shows the District's capital assets, together with changes from the previous year. The table also shows total depreciation/amortization expense for fiscal years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Land	\$ 10,865,963	\$ 10,865,963	\$ —
Buildings	98,965,475	97,343,648	1,621,827
Equipment	7,172,889	4,513,052	2,659,837
Technology subscriptions	658,636	428,612	230,024
Construction in progress	820,078	744,442	75,636
Less accumulated depreciation/amortization	<u>(34,788,663)</u>	<u>(31,093,087)</u>	<u>(3,695,576)</u>
Total	<u>\$ 83,694,378</u>	<u>\$ 82,802,630</u>	<u>\$ 891,748</u>
Depreciation/amortization expense	<u>\$ 2,946,592</u>	<u>\$ 2,291,261</u>	<u>\$ 655,331</u>

The implementation of new authoritative literature for purchases of groups of assets, as previously discussed, increased equipment in the current year.

Additional details about capital assets can be found in the notes to basic financial statements.

## Long-Term Liabilities

Table 10 illustrates the components of the District's long-term liabilities, together with the change from the prior year:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Certificates of participation payable	\$ 57,250,000	\$ 60,370,000	\$ (3,120,000)
General obligation bonds payable	8,160,000	8,480,000	(320,000)
Unamortized premium/discount on debt issued	2,262,523	2,583,880	(321,357)
Subscriptions payable	399,406	315,102	84,304
Severance benefits payable	4,932,793	6,385,304	(1,452,511)
Compensated absences payable	1,037,789	1,269,573	(231,784)
Total OPEB liability	3,188,091	3,474,272	(286,181)
Net pension liability	<u>54,814,080</u>	<u>61,454,210</u>	<u>(6,640,130)</u>
Total	<u><u>\$ 132,044,682</u></u>	<u><u>\$ 144,332,341</u></u>	<u><u>\$ (12,287,659)</u></u>

The decrease in general obligation bonds payable, certificates of participation payable, and unamortized premium/discount on debt issued, is due to the payment of debt and the amortization of the related premium/discount in the current year. The decrease in severance benefits payable was due to decreases in the number of employees with accumulated unused sick leave days. The decrease in net pension liability is related to the changes in state-wide pension obligations previously discussed.

Additional details of the District's long-term debt activity can be found in the notes to basic financial statements.

## FACTORS BEARING ON THE DISTRICT'S FUTURE

The District is dependent on providing services to independent school districts throughout the state of Minnesota for its revenue. The majority of this revenue is generated through services provided to the member independent school districts of the District. For the past few years, legislated revenue increases to these members for providing educational services have not been sufficient to meet instructional program needs and increased costs, due to inflation. The District continuously endeavors to control costs and also meet the needs of its member districts by providing specialized programs for their students.

The amount of funding the District receives is also dependent on the number of students it serves. Ensuring that the District is providing premier specialized services to meet the unique learning needs of member district's students is critical to the District's financial well-being.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

These financial statements are designed to provide our citizens, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about these statements, or need additional financial information, contact the Business Services Office, Intermediate District No. 287, 1820 North Xenium Lane, Plymouth, Minnesota 55441.

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BASIC FINANCIAL STATEMENTS

INTERMEDIATE DISTRICT NO. 287

Statement of Net Position  
as of June 30, 2024  
(With Partial Comparative Information as of June 30, 2023)

	Governmental Activities	
	2024	2023
<b>Assets</b>		
Cash and temporary investments	\$ 36,489,010	\$ 26,802,590
Receivables		
Accounts and interest	841,810	621,382
Due from other governmental units	19,082,311	24,881,087
Lease	1,718,644	1,899,559
Inventory	22,432	14,242
Prepaid items	288,572	133,782
Restricted assets – temporarily restricted		
Cash and investments for debt service	19,543,316	17,704,685
Capital assets, net of depreciation/amortization		
Not depreciated/amortized	11,686,041	11,610,405
Depreciated/amortized, net	72,008,337	71,192,225
Total capital assets, net of accumulated depreciation/amortization	<u>83,694,378</u>	<u>82,802,630</u>
Total assets	161,680,473	154,859,957
Deferred outflows of resources		
Bond refunding deferments	284,801	316,446
Pension plan deferments	13,169,587	17,701,785
OPEB plan deferments	876,918	855,755
Total deferred outflows of resources	<u>14,331,306</u>	<u>18,873,986</u>
Total assets and deferred outflows of resources	<u>\$ 176,011,779</u>	<u>\$ 173,733,943</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 6,788,722	\$ 6,784,257
Accounts and contracts payable	2,745,872	2,521,333
Accrued interest payable	453,888	567,388
Due to other governmental units	1,248,059	1,284,221
Unearned revenue	1,341,550	1,268,486
Long-term liabilities		
Due within one year	5,999,983	5,984,158
Due in more than one year	126,044,699	138,348,183
Total long-term liabilities	<u>132,044,682</u>	<u>144,332,341</u>
Total liabilities	144,622,773	156,758,026
Deferred inflows of resources		
Lease revenue for subsequent years	1,718,644	1,899,559
Pension plan deferments	8,800,055	11,884,816
OPEB plan deferments	1,791,246	1,711,840
Total deferred inflows of resources	<u>12,309,945</u>	<u>15,496,215</u>
Net position		
Net investment in capital assets	18,717,421	15,197,336
Restricted for		
State funding restrictions	5,173,872	3,672,185
Food service	13,463	–
Debt service	20,187,023	17,972,023
Unrestricted	<u>(25,012,718)</u>	<u>(35,361,842)</u>
Total net position	<u>19,079,061</u>	<u>1,479,702</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 176,011,779</u>	<u>\$ 173,733,943</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Activities  
 Year Ended June 30, 2024  
 (With Partial Comparative Information for the Year Ended June 30, 2023)

Functions/Programs	2024			2023	
	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities					
Career and technical education	\$ 1,757,311	\$ 1,005,108	\$ 752,034	\$ (169)	\$ 160,179
Academic education	11,200,610	6,349,540	6,325,462	1,474,392	2,484,257
Special education	53,196,197	9,360,526	51,074,130	7,238,459	10,248,031
Student clubs	15,680	–	14,673	(1,007)	(6,700)
Administrative support services and operations and maintenance	17,326,591	4,603,136	11,912,364	(811,091)	(2,919,191)
Food service	803,770	20,958	514,316	(268,496)	(433,105)
Interest and fiscal charges on debt	3,063,083	–	–	(3,063,083)	(3,148,556)
Total governmental activities	<u>\$ 87,363,242</u>	<u>\$ 21,339,268</u>	<u>\$ 70,592,979</u>	4,569,005	6,384,915
General revenues					
General grants and aids				8,480,985	9,851,568
Other general revenues				606,362	285,041
Investment earnings				2,716,513	1,558,572
Insurance recovery				37,141	14,382
Total general revenues				<u>11,841,001</u>	<u>11,709,563</u>
Change in net position				16,410,006	18,094,478
Net position – beginning, as previously reported				1,479,702	(16,614,776)
Change in accounting principle				<u>1,189,353</u>	–
Net position – beginning, as restated				<u>2,669,055</u>	<u>(16,614,776)</u>
Net position – ending				<u>\$ 19,079,061</u>	<u>\$ 1,479,702</u>

INTERMEDIATE DISTRICT NO. 287

Balance Sheet  
 Governmental Funds  
 as of June 30, 2024  
 (With Partial Comparative Information as of June 30, 2023)

	General Fund	Debt Service Fund	Nonmajor Funds
<b>Assets</b>			
Cash and temporary investments	\$ 12,082,014	\$ 176,734	\$ 3,636,721
Cash and investments held by trustee	-	19,543,316	-
Receivables			
Accounts and interest	548,916	290,741	713
Due from other funds	-	-	-
Due from other governmental units	18,445,298	630,120	860
Lease	-	1,718,644	-
Inventory	-	-	22,432
Prepaid items	288,572	-	-
	<u>31,364,800</u>	<u>22,359,555</u>	<u>3,660,726</u>
<b>Total assets</b>	<b>\$ 31,364,800</b>	<b>\$ 22,359,555</b>	<b>\$ 3,660,726</b>
<b>Liabilities</b>			
Salaries and compensated absences payable	\$ 6,762,765	\$ -	\$ 25,957
Due to other funds	-	-	-
Accounts and contracts payable	623,593	-	802,363
Due to other governmental units	1,241,737	-	300
Unearned revenue	285,241	-	8,472
<b>Total liabilities</b>	<b>8,913,336</b>	<b>-</b>	<b>837,092</b>
<b>Deferred inflows of resources</b>			
Lease revenue for subsequent years	-	1,718,644	-
<b>Fund balances</b>			
Nonspendable	288,572	-	-
Restricted	5,173,872	20,640,911	2,823,634
Assigned	8,783,788	-	-
Unassigned	8,205,232	-	-
<b>Total fund balances</b>	<b>22,451,464</b>	<b>20,640,911</b>	<b>2,823,634</b>
	<u>\$ 31,364,800</u>	<u>\$ 22,359,555</u>	<u>\$ 3,660,726</u>
<b>Total liabilities and fund balances</b>	<b>\$ 31,364,800</b>	<b>\$ 22,359,555</b>	<b>\$ 3,660,726</b>

Total Governmental Funds

2024	2023
\$ 15,895,469	\$ 8,363,431
19,543,316	17,704,685
840,370	619,110
–	628,236
19,076,278	24,876,017
1,718,644	1,899,559
22,432	14,242
288,572	133,782
<u>\$ 57,385,081</u>	<u>\$ 54,239,062</u>

\$ 6,788,722	\$ 6,784,257
–	628,236
1,425,956	1,237,127
1,242,037	1,278,650
293,713	288,586
<u>9,750,428</u>	<u>10,216,856</u>

1,718,644                      1,899,559

288,572	133,782
28,638,417	26,038,838
8,783,788	8,465,991
8,205,232	7,484,036
<u>45,916,009</u>	<u>42,122,647</u>
<u>\$ 57,385,081</u>	<u>\$ 54,239,062</u>

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INTERMEDIATE DISTRICT NO. 287

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2024

(With Partial Comparative Information as of June 30, 2023)

	<u>2024</u>	<u>2023</u>
Total fund balances – governmental funds	\$ 45,916,009	\$ 42,122,647
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	118,483,041	113,895,717
Accumulated depreciation/amortization	(34,788,663)	(31,093,087)
Governmental funds do not report a liability for accrued interest on long-term debt until due and payable.		
	(453,888)	(567,388)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
Certificates of participation payable	(57,250,000)	(60,370,000)
General obligation bonds payable	(8,160,000)	(8,480,000)
Unamortized premium/discount on debt issued	(2,262,523)	(2,583,880)
Subscriptions liabilities	(399,406)	(315,102)
Severance benefits payable	(4,932,793)	(6,385,304)
Compensated absences payable	(1,037,789)	(1,269,573)
Total OPEB liability	(3,188,091)	(3,474,272)
Net pension liability	(54,814,080)	(61,454,210)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – bond refunding deferments	284,801	316,446
Deferred outflows of resources – pension plan deferments	13,169,587	17,701,785
Deferred inflows of resources – pension plan deferments	(8,800,055)	(11,884,816)
Deferred outflows of resources – OPEB plan deferments	876,918	855,755
Deferred inflows of resources – OPEB plan deferments	(1,791,246)	(1,711,840)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
	<u>18,227,239</u>	<u>16,176,824</u>
Total net position – governmental activities	<u>\$ 19,079,061</u>	<u>\$ 1,479,702</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2024  
 (With Partial Comparative Information for the Year Ended June 30, 2023)

	General Fund	Debt Service Fund	Nonmajor Funds
<b>Revenue</b>			
Local sources			
Pass-through levies	\$ 2,153,769	\$ 5,593,483	\$ -
Tuition	23,034,425	958,161	-
Investment earnings	934,197	685,947	179,036
Other	889,902	223,962	20,958
State sources	62,906,984	-	17,544
Federal sources	3,018,254	1,524,184	496,772
Total revenue	92,937,531	8,985,737	714,310
<b>Expenditures</b>			
Current			
Career and technical education	1,848,758	-	-
Academic education	12,363,817	-	-
Special education	58,611,588	-	-
Student clubs	15,680	-	-
Administrative support services and operations and maintenance	17,194,387	-	-
Food service	-	-	829,029
Capital outlay	-	-	1,196,107
Debt service			
Principal	184,309	3,440,000	-
Interest and fiscal charges	22,058	3,444,237	-
Total expenditures	90,240,597	6,884,237	2,025,136
Excess (deficiency) of revenue over expenditures	2,696,934	2,101,500	(1,310,826)
<b>Other financing sources (uses)</b>			
Issuance of subscription liabilities	268,613	-	-
Bonds issued	-	-	-
Premium on bonds issued	-	-	-
Transfers in	-	-	307,218
Transfers (out)	(307,218)	-	-
Sale of assets	-	-	-
Insurance recovery	37,141	-	-
Total other financing sources (uses)	(1,464)	-	307,218
Net change in fund balances	2,695,470	2,101,500	(1,003,608)
<b>Fund balances</b>			
Beginning of year	19,755,994	18,539,411	3,827,242
End of year	\$ 22,451,464	\$ 20,640,911	\$ 2,823,634

Total Governmental Funds

2024	2023
\$ 7,747,252	\$ 7,614,567
23,992,586	22,835,485
1,799,180	1,056,373
1,134,822	852,419
62,924,528	58,554,121
5,039,210	5,740,452
102,637,578	96,653,417
1,848,758	1,796,506
12,363,817	11,007,959
58,611,588	56,759,252
15,680	29,759
17,194,387	17,302,305
829,029	843,993
1,196,107	901,588
3,624,309	3,423,510
3,466,295	3,353,976
99,149,970	95,418,848
3,487,608	1,234,569
268,613	428,612
—	4,750,000
—	14,346
307,218	410,706
(307,218)	(410,706)
—	2,111
37,141	14,382
305,754	5,209,451
3,793,362	6,444,020
42,122,647	35,678,627
\$ 45,916,009	\$ 42,122,647

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INTERMEDIATE DISTRICT NO. 287

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2024  
(With Partial Comparative Information for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
Total net change in fund balances – governmental funds	\$ 3,793,362	\$ 6,444,020
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	2,648,987	2,308,158
Depreciation/amortization expense	(2,946,592)	(2,291,261)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	–	(4,750,000)
Subscription liabilities	(268,613)	(428,612)
Repayment of long-term debt principal does not affect the change in net position. However, it reduces fund balances.		
Certificates of participation payable	3,120,000	3,020,000
General obligation bonds payable	320,000	290,000
Subscription liabilities	184,309	113,510
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	113,500	(83,995)
The internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	2,050,415	1,896,170
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses or interest and fiscal charges.		
	321,357	306,714
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Severance benefits payable	1,452,511	(381,551)
Compensated absences payable	231,784	119,741
Total OPEB liability	286,181	398,007
Net pension liability	6,640,130	(26,372,840)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflow of resources – bond refunding deferments	(31,645)	(31,645)
Deferred outflows of resources – pension plan deferments	(4,532,198)	(3,550,834)
Deferred inflows of resources – pension plan deferments	3,084,761	41,378,780
Deferred outflows of resources – OPEB plan deferments	21,163	(123,363)
Deferred inflows of resources – OPEB plan deferments	(79,406)	(166,521)
Change in net position – governmental activities	<u>\$ 16,410,006</u>	<u>\$ 18,094,478</u>

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INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 General Fund  
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Pass-through levies	\$ 2,100,119	\$ 2,136,531	\$ 2,153,769	\$ 17,238
Tuition	20,492,563	22,027,742	23,034,425	1,006,683
Investment earnings	30,000	787,245	934,197	146,952
Other	533,825	1,381,397	889,902	(491,495)
State sources	68,970,331	64,657,326	62,906,984	(1,750,342)
Federal sources	3,480,470	3,526,611	3,018,254	(508,357)
Total revenue	<u>95,607,308</u>	<u>94,516,852</u>	<u>92,937,531</u>	<u>(1,579,321)</u>
Expenditures				
Current				
Career and technical education	2,025,332	1,950,787	1,848,758	(102,029)
Academic education	12,022,196	12,768,781	12,363,817	(404,964)
Special education	64,447,034	60,298,941	58,611,588	(1,687,353)
Student clubs	16,967	9,647	15,680	6,033
Administrative support services and operations and maintenance	17,302,511	18,430,276	17,194,387	(1,235,889)
Debt service				
Principal	–	–	184,309	184,309
Interest and fiscal charges	–	–	22,058	22,058
Total expenditures	<u>95,814,040</u>	<u>93,458,432</u>	<u>90,240,597</u>	<u>(3,217,835)</u>
Excess (deficiency) of revenue over expenditures	(206,732)	1,058,420	2,696,934	1,638,514
Other financing sources (uses)				
Issuance of subscription liabilities	–	–	268,613	268,613
Transfers (out)	(566,693)	(422,811)	(307,218)	115,593
Insurance recovery	–	28,546	37,141	8,595
Total other financing sources (uses)	<u>(566,693)</u>	<u>(394,265)</u>	<u>(1,464)</u>	<u>392,801</u>
Net change in fund balances	<u>\$ (773,425)</u>	<u>\$ 664,155</u>	2,695,470	<u>\$ 2,031,315</u>
Fund balances				
Beginning of year			<u>19,755,994</u>	
End of year			<u>\$ 22,451,464</u>	

INTERMEDIATE DISTRICT NO. 287

Statement of Net Position  
 Proprietary Funds  
 Internal Service Funds  
 as of June 30, 2024

(With Partial Comparative Information as of June 30, 2023)

	<u>2024</u>	<u>2023</u>
Current assets		
Cash and temporary investments	\$ 20,593,541	\$ 18,439,159
Receivables		
Accounts and interest	1,440	2,272
Due from other governmental units	<u>6,033</u>	<u>5,070</u>
Total current assets	20,601,014	18,446,501
Current liabilities		
Accounts payable	248,155	535,366
Claims payable	1,071,761	748,840
Due to other governmental units	6,022	5,571
Unearned revenue	<u>1,047,837</u>	<u>979,900</u>
Total current liabilities	<u>2,373,775</u>	<u>2,269,677</u>
Net position		
Unrestricted	<u>\$ 18,227,239</u>	<u>\$ 16,176,824</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenses, and Changes in Net Position  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2024  
 (With Partial Comparative Information for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
Operating revenue		
Contributions from governmental funds	\$ 13,507,922	\$ 13,309,586
Operating expenses		
Dental benefit claims and expenses	649,032	619,522
Health benefit claims and expenses	10,324,117	9,949,163
Administrative fees	1,401,691	1,346,930
Total operating expenses	<u>12,374,840</u>	<u>11,915,615</u>
Operating income	1,133,082	1,393,971
Nonoperating revenue		
Investment earnings	<u>917,333</u>	<u>502,199</u>
Change in net position	2,050,415	1,896,170
Net position		
Beginning of year	<u>16,176,824</u>	<u>14,280,654</u>
End of year	<u>\$ 18,227,239</u>	<u>\$ 16,176,824</u>

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INTERMEDIATE DISTRICT NO. 287

Statement of Cash Flows  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2024  
 (With Partial Comparative Information for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$ 13,575,728	\$ 13,278,594
Payments for claims	(10,936,988)	(10,342,762)
Payments for fees	<u>(1,401,691)</u>	<u>(1,346,930)</u>
Net cash provided by operating activities	1,237,049	1,588,902
Cash flows from investing activities		
Investment income received	<u>917,333</u>	<u>502,199</u>
Net change in cash and cash equivalents	2,154,382	2,091,101
Cash and temporary investments		
Beginning of year	<u>18,439,159</u>	<u>16,348,058</u>
End of year	<u><u>\$ 20,593,541</u></u>	<u><u>\$ 18,439,159</u></u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,133,082	\$ 1,393,971
Adjustments to reconcile operating income to net cash provided by operating activities		
Changes in assets and liabilities		
Accounts and interest receivable	832	(969)
Due from other governmental units	(963)	(5,070)
Accounts payable	(287,211)	350,919
Claims payable	322,921	(125,497)
Due to other governmental units	451	501
Unearned revenue	<u>67,937</u>	<u>(24,953)</u>
Net cash provided by operating activities	<u><u>\$ 1,237,049</u></u>	<u><u>\$ 1,588,902</u></u>

INTERMEDIATE DISTRICT NO. 287

Statement of Fiduciary Net Position  
as of June 30, 2024

	<u>Custodial Fund</u>
Assets	
Cash and temporary investments	\$ 97,254
Net position	
Restricted for scholarships	\$ 97,254

Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2024

	<u>Custodial Fund</u>
Additions	
Donations	\$ 302
Investment earnings	4,743
Total additions	<u>5,045</u>
Deductions	
Scholarships awarded	<u>3,342</u>
Change in net position	1,703
Net position	
Beginning of year	<u>95,551</u>
End of year	<u>\$ 97,254</u>

## INTERMEDIATE DISTRICT NO. 287

Notes to Basic Financial Statements  
June 30, 2024

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Organization**

The financial statements of Intermediate District No. 287 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District is an instrumentality of the state of Minnesota established to function as an educational institution. The District's Board of Directors is responsible for legislative and fiscal control of the District. A superintendent is appointed by the Board of Directors and is responsible for administrative control of the District.

#### **B. Reporting Entity**

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable.

Component units are legally separate entities for which the District (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 are no organizations considered to be component units of the District.

#### **C. Government-Wide Financial Statement Presentation**

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported at the fund financial statement level. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other internally directed revenues are reported as general revenues.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 when all eligibility requirements imposed by the provider have been met.

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. Depreciation/amortization expense is included as a direct expense in the functional areas that utilize the related capital assets. Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

### D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as 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. The proprietary funds (internal service funds) are presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statement of the proprietary funds (internal service funds) are consolidated into the governmental activities in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity. Fiduciary funds are presented in the fiduciary fund financial statements by type. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service funds are district contributions and charges to employees for insurance. Operating expenses for the internal service funds include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The District's only proprietary fund type are the internal service funds, which provides services to the governmental funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are recorded in the following manner:

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used 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. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Other revenue is considered available if collected within 60 days after year-end. Debt proceeds are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and use the accrual basis of accounting as described earlier in these notes.

### **Description of Funds**

The existence of the various district funds has been established by the Minnesota Department of Education (MDE). Each fund is accounted for as an independent entity. A description of the funds included in this report is as follows:

#### **Major Governmental Funds**

**General Fund** – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The District has included in the General Fund subdivisions to account for revenue and expenditures for career and technical education, academic education, special education, district-wide (including administrative support services and operations and maintenance), severance and property, and student clubs.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and payment of, debt principal, interest, and related costs.

#### **Nonmajor Governmental Funds**

**Food Service Special Revenue Fund** – The Food Service Special Revenue Fund is used primarily to record financial activities of the District’s child nutrition program.

**Capital Projects – Building Construction Fund** – The Capital Projects – Building Construction Fund is used to account for financial resources used for the District’s long-term facilities maintenance (LTFM) program.

#### **Proprietary Funds**

**Internal Service Funds** – The internal service funds are used to account for and finance the uninsured risk of loss of the District’s self-insured plans that provide employee health and dental insurance benefits.

#### **Fiduciary Funds**

**Custodial Fund** – The Custodial Fund is used to account for resources received by various other third parties to be used for scholarship awards.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **E. Budgeting**

Each June, the Board of Directors adopts an annual budget for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. Total expenditures exceeded budgeted amount in the Capital Projects – Building Construction Fund by \$248,746 in the current fiscal year.

### **F. Cash and Investments**

Cash and temporary investments include balances from all funds that are combined 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 applicable cash balance participation by each fund.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the Debt Service Fund, the cash is restricted for debt payments. Interest earned on these investments was allocated directly to those accounts.

Investments are generally stated at fair value, except for investments in certain external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less may also be reported at amortized cost. Investment income is accrued at the Balance Sheet date. Repurchase agreement investments are valued on a cost-basis measure and, therefore, are not subject to the fair value disclosures.

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the District's recurring fair value measurements as of year-end.

### **G. Receivables**

All receivables are shown net of any allowance for uncollectibles; however, no allowance has been recorded. The only receivables not expected to be fully collected within one year are lease receivables.

### **H. Inventories**

Inventories are valued at the lower of cost (first-in, first-out method) or market. Inventories are recorded as expenditures/expenses when items are used or sold.

### **I. 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. Prepaid items are recorded as expenditures/expenses at the time of consumption.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **J. Capital Assets**

Capital assets are capitalized at historical cost or estimated historical cost for purchased or constructed assets. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. Technology subscription capital assets are recorded based on the measurement of any subscription liability plus the payments due to a subscription-based information technology (SBITA) vendor at the commencement of the subscription term, including any applicable implementation costs. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if cost of the assets is considered significant in the aggregate. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset 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/amortized using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation/amortization purposes. Useful lives vary, ranging from 20 to 50 years for buildings, and 4 to 15 years for equipment. Technology subscriptions are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying information technology (IT) assets.

Capital assets not being depreciated/amortized include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks or parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

### **K. Unearned Revenue**

Unearned revenue consists of tuition for fiscal 2025, West Suburban Summer School classes collected with spring registration, gifts and grants for the fiscal 2025 school year, balances remaining in student lunch accounts, and collections in advance of premiums in the internal service funds.

### **L. 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. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental fund types recognize debt premiums and discounts 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.

### **M. Subscription-Based Information Technology Arrangements (SBITAs)**

A SBITA is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The District has entered into certain technology subscriptions for education solutions and other purposes. Capital assets associated with SBITAs are presented separately from other capital assets in Note 4. SBITA's reported in Note 5 include the terms and related disclosures associated with any subscription liabilities.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### N. Compensated Absences Payable

1. **Vacation Pay** – Employees are entitled to vacation based on length of employment, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation and related benefits upon termination. Vacation pay is accrued when earned or incurred in the government-wide financial statements. Unused vacation pay is accrued in the governmental fund financial statements only when it has matured, due to employee termination or similar circumstances.
2. **Sick Pay** – Substantially all district employees are entitled to sick leave at various rates. Unused sick leave enters into the calculation of early retirement incentive and convertible sick leave payments for some employees upon termination.

### O. Severance Benefits

The District provides lump sum severance or retirement pay to eligible employees in accordance with provisions in collectively bargained contracts and employment guides.

Members of employee groups within the District, including teachers, may become eligible to receive lump sum severance or retirement pay benefits. Eligibility for these benefits is based on years of service and/or minimum age requirements. The amount of retirement benefit is calculated by converting a portion of unused accumulated sick leave. Severance benefits are delineated in employee contracts. Members of employee groups may also elect to receive district matching contributions paid into a tax-deferred matching contribution plan. The amount of any severance or retirement benefit due an individual is reduced by the total matching contributions made by the District for members of certain employee groups to such a plan over the course of that individual's employment.

Severance or retirement benefits are required to be paid out over a 21-month period following the effective date of retirement. Retirement benefits for eligible teachers are paid into a post-employment healthcare savings plan, administered by the Minnesota State Retirement System. For other employees, severance benefits are paid into a tax-deferred and/or healthcare savings plan. Severance is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance or retirement pay is accrued in the governmental fund financial statements only when it becomes due and payable.

### P. State-Wide Pension Plans

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 the Teachers Retirement Association (TRA) and additions to/deductions from the PERA's and the TRA's fiduciary net positions have been determined on the same basis as they are reported by the PERA and the TRA. 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 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 Teachers Retirement Fund Association in 2015.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Tuition Billings**

The District’s policy is to recognize tuition revenue in the fiscal year that corresponds with the fiscal year in which the educational services are rendered to resident districts. Therefore, tuition revenue for the year ended June 30, 2024 represents services performed during the 2023–2024 fiscal year.

Special education, career and technical education, and academic tuition billings are based on a determination of the general education, categorical aids, prior legislative formulas for cooperation revenue, and any other pertinent levy dollars as provided by legislation to each student’s resident local school district.

**R. Risk Management**

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which the District 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 the District’s insurance coverage in fiscal 2024.
2. **Self-Insurance** – The District utilizes internal service funds to account for and finance its uninsured risk of loss for its employee dental and medical plans. The internal service funds are funded by the District, employee contributions, and interest income. The claims liability reported in the internal service funds for the dental and medical plans at June 30, 2024, is based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the loss can be reasonably estimated. Changes in the internal service funds’ dental and medical plan claims liability were:

**Dental**

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2023	\$ 14,085	\$ 623,261	\$ 624,429	\$ 12,917
2024	\$ 12,917	\$ 642,575	\$ 642,070	\$ 13,422

**Medical**

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2023	\$ 860,252	\$ 9,594,004	\$ 9,718,333	\$ 735,923
2024	\$ 735,923	\$ 10,617,334	\$ 10,294,918	\$ 1,058,339

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **S. Deferred Outflows/Inflows of Resources**

In addition to assets and liabilities, statements of financial position will sometimes report a separate section for deferred outflows or inflows of resources. This separate financial statement element represents a consumption or acquisition of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

The District reports deferred outflows of resources related to bond refunding deferments in the government-wide Statement of Net Position. A bond refunding deferment results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The District also reports deferred outflows and inflows of resources related to pension and other post-employment benefits (OPEB) reported in the government-wide Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes in proportion, changes of assumptions, the difference between projected and actual earnings on pension and OPEB Plan investments, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

The District reports deferred inflows of resources related to lease receivables, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease.

### **T. Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the District considers all highly liquid debt instruments with an original maturity from time of purchase by the District of three months or less to be cash equivalents. The proprietary fund's equity in the government-wide cash and investment management pool is considered to be cash equivalent.

### **U. Restricted Assets**

Restricted assets are cash and cash equivalents and the related interest receivable whose use is limited by legal requirements, such as a bond indenture. Restricted assets are reported only in the government-wide financial statements. In the fund financial statements, these assets have been reported as "cash and investments held by trustee."

### **V. Use of Estimates**

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### W. Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation/amortization, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Unrestricted Net Position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

### X. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to Board of Directors policy, the District’s director of finance is authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Y. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

### Z. Change in Accounting Principle

During the year ended June 30, 2024, the District implemented new accounting guidance for capitalizing purchases of groups of similar assets. This recent change in authoritative literature, which provides new guidance on accounting and financial reporting for capital assets, requires a government to capitalize groups of similar assets purchased at or near the same time, that are individually below the District's capitalization threshold, if the aggregate cost is significant. In prior periods, the District only capitalized assets whose individual cost exceeded the capitalization policy threshold. Certain amounts necessary to fully restate prior fiscal years financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new guidance resulted in the District reporting certain groups of similar capital assets acquired in previous years and accumulated depreciation thereon, increasing beginning net position by \$1,189,353 in the government-wide financial statements in the current year. See Note 4 for additional details on this change in the current year.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the Board of Directors.

The following is considered the most significant risk associated with deposits:

**Custodial Credit Risk** – In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the 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 District's deposit policies do not further limit depository choices.

At year-end, the carrying amount of the District's deposits was \$21,766,791, while the balance on the bank records was \$22,261,187. At June 30, 2024, all deposits were insured or collateralized by securities held by the District's agent in the District's name.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### B. Investments

Investments are subject to various risks, the following of which are considered the most significant:

**Custodial Credit Risk** – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although the District’s investment policies do not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

**Credit Risk** – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the District’s investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase 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; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. The District’s investment policies do not further restrict investing in specific financial instruments.

**Interest Rate Risk** – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The District’s investment policies do not limit the maturities of investments; however, when purchasing investments, the District considers such things as interest rates and cash flow needs.

**Concentration Risk** – This is the risk associated with investing a significant portion of the District’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk other than restricting investments in collateralized repurchase agreements to 50 percent of the overall portfolio. At June 30, 2024, the District’s investments portfolio includes the following percentages of specific issuers:

Repurchase agreement	
Citigroup Global Markets	56.9%

This asset is being held by a trustee as required in the debt issuance documents for the certificates of participation issued by the District. This asset will be used to pay future debt service.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### C. Summary Information

The following table presents the District’s deposit and investment balances at June 30, 2024, and information relating to potential investment risks:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Rate Risk – Maturity Duration in Years			Carrying Value
	Credit Rating	Rating Agency		No Maturity	Less Than 1	1 to 5	
U.S. treasuries	N/R	N/A	Level 2	\$ –	\$ 1,240,728	\$ 244,761	\$ 1,485,489
Repurchase agreement							
Citigroup Global Markets (U.S. agency underlying security)	AAA	S&P	N/A	\$ –	\$ –	\$ 19,535,041	19,535,041
Negotiable certificates of deposit	N/R	N/A	Level 2	\$ –	\$ 4,707,900	\$ –	4,707,900
Investment pools/mutual funds							
MNTrust Investment Shares Portfolio	AAA	S&P	Amortized Cost	\$ 1,325,765	\$ –	\$ –	1,325,765
Minnesota School District Liquid Asset Fund Liquid Portfolio	AAA	S&P	Amortized Cost	\$ 7,299,919	\$ –	\$ –	7,299,919
First American Government Obligations Fund	AAA	S&P	Level 1	\$ 6,388	\$ –	\$ –	6,388
Wells Fargo Treasury Money Market	AAA	S&P	Level 1	\$ 1,887	\$ –	\$ –	1,887
<b>Total investments</b>							<b>34,362,389</b>
Deposits							21,766,791
Cash on hand							400
<b>Total cash and investments</b>							<b>\$ 56,129,580</b>

N/A – Not Applicable  
N/R – Not Rated

The Minnesota School District Liquid Asset Fund (MSDLAF) and MNTrust Investment Shares Portfolio are regulated by Minnesota Statutes and are external investment pools, which are not registered with the Securities and Exchange Commission. The District’s investments in these investment pools are measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For these investments, there are no unfunded commitments and the redemption frequency is daily. There is no redemption notice required for the MSDLAF and the MNTrust Investment Shares Portfolio.

Cash and investments are included on the basic financial statements as follows:

Cash and temporary investments – Statement of Net Position	\$ 36,489,010
Restricted assets – temporarily restricted	
Cash and investments for debt service	19,543,316
Cash and investments – Statement of Fiduciary Net Position	
Custodial Fund	97,254
<b>Total cash and investments</b>	<b>\$ 56,129,580</b>

### NOTE 3 – LEASE RECEIVABLE

The District is the lessor in an agreement that conveys the right to use building space owned by the District. The lease is reported using an incremental borrowing rate of 2.31 percent with a final maturity in fiscal 2033. During the current year, the District received principal and interest payments on this lease of \$223,962.

### NOTE 4 – CAPITAL ASSETS

Capital assets activity for the current year is as follows:

	Balance – Beginning of Year	Change in Accounting Principle*	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized						
Land	\$ 10,865,963	\$ –	\$ –	\$ –	\$ –	\$ 10,865,963
Construction in progress	744,442	–	1,318,396	–	(1,242,760)	820,078
Total capital assets, not depreciated/amortized	11,610,405	–	1,318,396	–	(1,242,760)	11,686,041
Capital assets, depreciated/amortized						
Buildings	97,343,648	–	391,469	–	1,230,358	98,965,475
Equipment	4,513,052	1,976,926	670,509	–	12,402	7,172,889
Technology subscriptions	428,612	–	268,613	(38,589)	–	658,636
Total capital assets, depreciated/amortized	102,285,312	1,976,926	1,330,591	(38,589)	1,242,760	106,797,000
Less accumulated depreciation/amortization for						
Buildings	(27,658,665)	–	(2,077,477)	–	–	(29,736,142)
Equipment	(3,323,332)	(787,573)	(677,384)	–	–	(4,788,289)
Technology subscriptions	(111,090)	–	(191,731)	38,589	–	(264,232)
Total accumulated depreciation/amortization	(31,093,087)	(787,573)	(2,946,592)	38,589	–	(34,788,663)
Net capital assets, depreciated/amortized	71,192,225	1,189,353	(1,616,001)	–	1,242,760	72,008,337
Total capital assets, net	\$ 82,802,630	\$ 1,189,353	\$ (297,605)	\$ –	\$ –	\$ 83,694,378

\* The change in accounting principle was required by new guidance in financial reporting on group purchases of assets implemented in the current year.

Depreciation/amortization expense for the current year ended was charged to the following governmental functions:

Career and technical education	\$ 30,543
Academic education	124,385
Special education	100,235
Administrative support services and operations and maintenance	2,684,400
Food service	7,029
Total depreciation/amortization expense	<u>\$ 2,946,592</u>

## NOTE 5 – LONG-TERM LIABILITIES

### A. Components and Changes in Long-Term Liabilities

	June 30, 2023	Additions	Retirements	June 30, 2024	Due Within One Year
Certificates of participation payable	\$ 60,370,000	\$ –	\$ 3,120,000	\$ 57,250,000	\$ 3,230,000
General obligation bonds payable	8,480,000	–	320,000	8,160,000	425,000
Unamortized premium/discount on debt issued	2,583,880	–	321,357	2,262,523	–
Subscription liabilities	315,102	268,613	184,309	399,406	166,502
Severance benefits payable	6,385,304	–	1,452,511	4,932,793	263,774
Compensated absences payable	1,269,573	1,022,983	1,254,767	1,037,789	1,037,789
Total OPEB liability	3,474,272	183,169	469,350	3,188,091	876,918
Net pension liability	61,454,210	7,856,947	14,497,077	54,814,080	–
	<u>\$ 144,332,341</u>	<u>\$ 9,331,712</u>	<u>\$ 21,619,371</u>	<u>\$ 132,044,682</u>	<u>\$ 5,999,983</u>

### B. Descriptions of Long-Term Liabilities

#### Subscription Liabilities

The District entered into agreements to finance the use of learning software, which calls for monthly principal and interest payments through July 2027. These subscription liabilities are paid by the General Fund. The total amount of the underlying technology subscription assets and the related accumulated amortization is presented in Note 4 of the notes to basic financial statements.

Description	Interest Rate	Issue Date	Original Issue	Final Maturity	Principal Outstanding
Software	7.00 %	07/01/2022	\$ 286,588	06/30/2027	\$ 178,734
Software	7.00 %	07/01/2022	\$ 31,031	06/30/2025	10,365
Software	7.00 %	04/10/2023	\$ 72,404	04/10/2026	26,075
Software	3.89 %	07/01/2023	\$ 66,727	07/01/2027	52,346
Software	3.97 %	07/16/2023	\$ 121,053	07/16/2025	79,053
Software	3.97 %	11/08/2023	\$ 80,833	11/07/2026	52,833
					<u>\$ 399,406</u>

**NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)**

**Certificates of Participation Payable** – The following certificates of participation are outstanding as of June 30, 2024:

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
Certificates of participation payable					
2010B Certificates of Participation Build America Bonds – Direct Pay	01/07/2010	5.48%	\$ 2,050,000	02/01/2025	\$ 440,000
2010E Certificates of Participation Qualified School Construction Bonds – Direct Pay	11/18/2010	6.00%	\$ 29,790,000	02/01/2029	29,790,000
2011A Certificates of Participation	05/19/2011	3.00–4.20%	\$ 4,075,000	02/01/2026	670,000
2016A Refunding Certificates of Participation	09/15/2016	3.00–4.00%	\$ 25,805,000	05/01/2032	13,805,000
2017A Certificates of Participation	08/24/2017	3.13–5.00%	\$ 11,880,000	02/01/2037	11,880,000
2019A Refunding Certificates of Participation	12/30/2019	3.00–4.00%	\$ 3,085,000	02/01/2025	665,000
Total certificates of participation payable					<u>\$ 57,250,000</u>

The certificates of participation will be repaid by the Debt Service Fund. The District’s 2010B Certificate of Participation was issued as Build America Bonds – Direct Pay, and the District’s 2010E Certificate of Participation was issued as Qualified School Construction Bonds – Direct Pay, for which the District will receive federal tax credits toward the interest payments on these debt issues. Certain future pass-through levies of the member districts have been pledged for the payment of these certificates. A portion of the District’s annual payments are being held in an escrow account that is for payment of future debt service.

Upon the occurrence of any event of default specified in the certificates of participation, the certificate holders may declare all future debt payments immediately due and payable, and they may take immediate possession of the property financed with these certificates for the remaining term of the certificates. The certificate holders also may make their best effort to sell or lease their interest in the premises financed in a commercially reasonable manner. Any costs of selling or leasing the property will be the responsibility of the District. If the proceeds of the property financed are not sufficient to pay the balance due on the certificates, the certificate holders may take any remedy available in law to require the District to pay any of its obligations in this agreement.

**General Obligation Bonds Payable** – The following general obligation bonds are outstanding as of June 30, 2024:

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
General obligation bonds payable					
Facilities Maintenance Bonds – 2017B	08/24/2017	4.00–5.00%	\$ 5,065,000	05/01/2033	\$ 3,425,000
Facilities Maintenance Bonds – 2022A	11/22/2022	3.35–5.00%	\$ 4,750,000	05/01/2043	4,735,000
					<u>\$ 8,160,000</u>

The general obligation bonds payable will be repaid by the Debt Service Fund. The Debt Service Fund payments will be financed through a pass-through LTFM levy from the member districts.

**NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)**

**Severance Benefits Payable** – Severance benefits payable consist of early retirement incentive benefits payable to employees. Severance benefit liabilities are paid by the General Fund. Annual payments to retire the severance benefit liabilities have not been determined and will depend on actual employee turnover.

**Compensated Absences Payable** – Compensated absences payable represent accrued vacation payable at year-end. Compensated absences are paid by the General Fund. Annual payments to retire compensated absences payable have not been determined and will depend on employee turnover and actual employee absences.

**Other Long-Term Liabilities** – The District offers a number of benefits to its employees, including pensions and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily by the General Fund.

District employees participate in two state-wide, cost-sharing, multiple-employer defined benefit pension plans, administered by the PERA and the TRA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2024:

Pension Plans	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA	\$ 13,219,223	\$ 4,411,992	\$ 6,227,604	\$ 1,504,026
TRA	41,594,857	8,757,595	2,572,451	(1,863,394)
Total	\$ 54,814,080	\$ 13,169,587	\$ 8,800,055	\$ (359,368)

**C. Minimum Debt Payments**

Minimum annual principal and interest payments required to retire certificates of participation, general obligation bonds payable, and subscription liabilities are as follows:

Year Ending June 30,	Certificates of Participation		General Obligation Bonds Payable		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 3,230,000	\$ 2,855,735	\$ 425,000	\$ 351,020	\$ 166,502	\$ 22,342
2026	3,390,000	2,737,643	450,000	329,770	139,451	13,026
2027	2,695,000	2,601,363	470,000	310,620	79,607	5,697
2028	2,805,000	2,493,563	490,000	290,620	13,846	539
2029	32,105,000	2,401,313	510,000	269,770	–	–
2030–2034	9,635,000	1,585,213	2,550,000	1,006,950	–	–
2035–2039	3,390,000	274,800	1,660,000	576,578	–	–
2040–2043	–	–	1,605,000	184,726	–	–
	\$ 57,250,000	\$ 14,949,630	\$ 8,160,000	\$ 3,320,054	\$ 399,406	\$ 41,604

## NOTE 6 – FUND BALANCES

### A. Classifications

At June 30, 2024, a summary of the District’s governmental fund balance classifications are as follows:

	General Fund	Debt Service Fund	Nonmajor Fund	Total
Nonspendable				
Prepaid items	\$ 288,572	\$ –	\$ –	\$ 288,572
Restricted				
American Indian education aid	26,133	–	–	26,133
Basic skills programs	365,714	–	–	365,714
Safe schools levy	980,389	–	–	980,389
Long-term facilities maintenance	507,105	–	2,810,171	3,317,276
Medical Assistance	3,294,531	–	–	3,294,531
Food service	–	–	13,463	13,463
Debt service	–	20,640,911	–	20,640,911
Total restricted	<u>5,173,872</u>	<u>20,640,911</u>	<u>2,823,634</u>	<u>28,638,417</u>
Assigned				
Operational adjustment reserve	95,721	–	–	95,721
Severance	4,811,072	–	–	4,811,072
Tuition adjustments	2,128,941	–	–	2,128,941
Property	250,000	–	–	250,000
Student clubs	8,641	–	–	8,641
Vehicle depreciation	99,382	–	–	99,382
Collaborative curriculum project	1,568	–	–	1,568
Strategic priorities	1,246,715	–	–	1,246,715
Vaping settlement	141,748	–	–	141,748
Total assigned	<u>8,783,788</u>	<u>–</u>	<u>–</u>	<u>8,783,788</u>
Unassigned	<u>8,205,232</u>	<u>–</u>	<u>–</u>	<u>8,205,232</u>
Total	<u>\$ 22,451,464</u>	<u>\$ 20,640,911</u>	<u>\$ 2,823,634</u>	<u>\$ 45,916,009</u>

### B. Fund Balance Policy

The Board of Directors has formally adopted a fund balance policy regarding the unassigned fund balance for the General Fund. The policy establishes that the District will endeavor to maintain an unassigned fund balance of at least 6.0–8.0 percent of the District’s General Fund operating budget, excluding operating capital programs. At June 30, 2024, the unassigned fund balance of the General Fund was 9.1 percent of total current year expenditures.

## NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

### A. Plan Description

The District provides post-employment benefits to certain eligible employees through a single-employer defined benefit OPEB Plan administered by the District. All post-employment benefits are based on contractual agreements with employee groups, with benefit eligibility based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a separate financial report. These benefits are summarized as follows:

All retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of certain employee groups, the District pays for all or part of the eligible retiree’s premiums for medical and/or dental insurance for the first three calendar months following retirement. Benefits paid by the District differ by bargaining unit, with some contracts specifying a certain dollar amount per month, and some covering premium costs as defined within each collective bargaining agreement. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

The District is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the District or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an “implicit rate subsidy.” This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the District’s younger and statistically healthier active employees.

### B. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the District. The District’s contributions in the current year totaled \$411,107 as required on a pay-as-you-go basis to finance the current year benefits as described in the previous section. The District has not established a trust fund to finance these OPEB benefits.

### C. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	82
Active plan members	<u>673</u>
Total members	<u><u>755</u></u>

### D. Total OPEB Liability of the District

The District’s total OPEB liability of \$3,188,091 at year-end was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023.

## NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

### E. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.86%
20-year municipal bond yield	3.86%
Inflation rate	2.50%
Healthcare cost trend rate	6.30%, grading to 3.90% over 52 years

Mortality rates were based on the RP-2014 Mortality Tables With Projected Mortality Improvements based on Scale MP-2015 for teachers and Pub 2010 General Mortality Tables with Scale MP-2021 for nonteachers.

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information, as well as for consistency with the other economic assumptions.

### F. Discount Rate

The discount rate used to measure the total OPEB liability was 3.86 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due.

### G. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Beginning balance – July 1, 2023	\$ 3,474,272
Changes for the year	
Service cost	275,505
Interest	130,979
Difference between expected and actual experience	121,874
Changes of assumptions	(420,067)
Change of benefit terms	5,923
Benefit payments	(400,395)
Total net changes	<u>(286,181)</u>
Ending balance – June 30, 2024	<u>\$ 3,188,091</u>

**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.69 percent to 3.86 percent based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Mortality rates were updated from the rates used in the July 1, 2020 PERA General Employees Plan valuation to the rates used in July 1, 2022 valuation.
- The percent of future retirees assumed to elect coverage at retirement changed from 55.00 to 45.00 percent to reflect recent plan experience.
- The inflation assumption was changed from 2.25 to 2.50 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.

Plan changes since the prior measurement date include the following:

- Retiree premiums were updated to current levels.
- Severance benefits for School Service Employees SEIU Local 284 were updated.

**H. Total OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes**

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	2.86%	3.86%	4.86%
Total OPEB liability	\$ 3,383,473	\$ 3,188,091	\$ 3,000,204

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Healthcare Cost Trend Rates</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase in Healthcare Cost Trend Rates</u>
Healthcare cost trend rate	5.30%, grading to 2.90% over 52 years	6.30%, grading to 3.90% over 52 years	7.30%, grading to 4.90% over 52 years
Total OPEB liability	\$ 2,969,074	\$ 3,188,091	\$ 3,449,258

**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**I. OPEB Expense and Related Deferred Outflows and Deferred Inflows of Resources**

At year-end, the District reported the following deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 108,377	\$ 901,545
Changes in actuarial assumptions	357,434	889,701
District's contributions to the OPEB Plan subsequent to the measurement date	<u>411,107</u>	<u>—</u>
Total	<u>\$ 876,918</u>	<u>\$ 1,791,246</u>

A total of \$411,107 reported as deferred outflows of resources related to OPEB, resulting from district contributions to the OPEB Plan subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>OPEB Expense Amount</u>
2025	\$ (229,238)
2026	\$ (212,042)
2027	\$ (205,174)
2028	\$ (196,186)
2029	\$ (180,371)
Thereafter	\$ (302,424)

## **NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

### **A. Plan Descriptions**

The District participates in the following cost-sharing, multiple-employer defined benefit pension plans administered by the PERA and the TRA. The PERA's and the TRA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes. The PERA's and the TRA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code (IRC).

#### **1. General Employees Retirement Fund (GERF)**

The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

Certain full-time and part-time employees of the District other than teachers are covered by the GERF. GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

#### **2. Teachers Retirement Association (TRA)**

The 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. The TRA is a separate statutory entity, administered by a Board of Trustees. The Board of Trustees consists of four active members, one retired member, and three statutory officials.

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul Public Schools or Minnesota State Colleges and Universities (MnSCU)). Educators first hired by MnSCU may elect either TRA coverage or coverage through the Defined Contribution Retirement Plan administered by MnSCU.

### **B. Benefits Provided**

The PERA and the TRA provide retirement, disability, and death benefits. Benefit provisions are established by state statutes and can only be modified by the State Legislature.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. 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.

## **NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

### **1. GERF Benefits**

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 the 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 Plan members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7 percent 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 age 66.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

### **2. TRA Benefits**

The 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 Statutes 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 the TRA's Coordinated and Basic Plan members. Members first employed before July 1, 1989, receive the greater of the Tier I or Tier II benefits as described.

## NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

### Tier I Benefits

Step-Rate Formula	Percentage per Year
<b>Basic Plan</b>	
First 10 years of service	2.2 %
All years after	2.7 %
<b>Coordinated Plan</b>	
First 10 years if service years are up to July 1, 2006	1.2 %
First 10 years if service years are July 1, 2006 or after	1.4 %
All other years of service if service years are up to July 1, 2006	1.7 %
All other years of service if service years are July 1, 2006 or after	1.9 %

With these provisions:

- (a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- (b) Three percent per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

### Tier II Benefits

For years of service prior to July 1, 2006, a level formula of 1.7 percent per year for Coordinated Plan members and 2.7 percent per year for Basic Plan members applies. For years of service July 1, 2006 and after, a level formula of 1.9 percent per year for Coordinated Plan members and 2.7 percent per year for Basic Plan members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statutes. 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 benefit 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 of 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 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 plan provisions in effect at the time they last terminated their public service.

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**C. Contributions**

Minnesota Statutes set the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

**1. GERF Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employee and employer contributions. Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District’s contributions to the GERF for the year ended June 30, 2024, were \$1,473,883. The District’s contributions were equal to the required contributions as set by state statutes.

**2. TRA Contributions**

Minnesota Statutes, Chapter 354 sets the rates for employer and employee contributions. Rates for each fiscal year were:

	Year Ended June 30,					
	2022		2023		2024	
	Employee	Employer	Employee	Employer	Employee	Employer
<b>Basic Plan</b>	11.00 %	12.34 %	11.00 %	12.55 %	11.25 %	12.75 %
<b>Coordinated Plan</b>	7.50 %	8.34 %	7.50 %	8.55 %	7.75 %	8.75 %

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2024, were \$2,947,917. The District’s contributions were equal to the required contributions for each year as set by state statutes.

The following is a reconciliation of employer contributions in the TRA’s fiscal year 2023 Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position to the employer contributions used in the Schedule of Employer and Nonemployer Pension Allocations:

	<i>in thousands</i>
Employer contributions reported in the TRA’s Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	\$ 508,764
Add employer contributions not related to future contribution efforts	(87)
Deduct the TRA’s contributions not included in allocation	(643)
Total employer contributions	508,034
Total nonemployer contributions	35,587
Total contributions reported in the Schedule of Employer and Nonemployer Allocations	\$ 543,621

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. The TRA has rounded percentage amounts to the nearest ten thousandths.

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**D. Pension Costs**

**1. GERF Pension Costs**

At June 30, 2024, the District reported a liability of \$13,219,223 for its proportionate share of the General Employees Fund’s net pension liability. The District’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 nonemployer 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 District totaled \$364,533. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.2364 percent at the end of the measurement period and 0.2600 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$ 13,219,223
State’s proportionate share of the net pension liability associated with the District	<u>364,533</u>
Total	<u>\$ 13,583,756</u>

For the year ended June 30, 2024, the District recognized pension expense of \$1,502,389 for its proportionate share of the GERF’s pension expense. The District also recognized an additional \$1,637 as pension expense and grant revenue for its proportionate share of the state of Minnesota’s pension expense for the annual \$16 million contribution.

At June 30, 2024, the District reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 444,531	\$ 106,359
Changes in actuarial assumptions	2,493,578	3,623,277
Net collective difference between projected and actual investment earnings on pension plan investments	–	728,371
Changes in proportion	–	1,769,597
District’s contributions to the GERF subsequent to the measurement date	<u>1,473,883</u>	<u>–</u>
Total	<u>\$ 4,411,992</u>	<u>\$ 6,227,604</u>

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

The \$1,473,883 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ (170,742)
2026	\$ (2,842,374)
2027	\$ 10,390
2028	\$ (286,769)

**2. TRA Pension Costs**

At June 30, 2024, the District reported a liability of \$41,594,857 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District’s proportionate share was 0.5038 percent at the end of the measurement period and 0.5103 percent for the beginning of the period.

The pension liability amount reflected a reduction due to direct aid provided to the TRA. The amount recognized by the District 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 District were as follows:

District’s proportionate share of the net pension liability	\$ 41,594,857
State’s proportionate share of the net pension liability associated with the District	<u>2,913,713</u>
Total	<u><u>\$ 44,508,570</u></u>

For the year ended June 30, 2024, the District recognized negative pension expense of \$2,273,668. It also recognized \$410,274 as an increase to pension expense for the support provided by direct aid.

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

At June 30, 2024, the District 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	\$ 435,803	\$ 618,007
Changes in actuarial assumptions	5,118,916	–
Net collective difference between projected and actual investment earnings on pension plan investments	–	526,883
Changes in proportion	254,959	1,427,561
District’s contributions to the TRA subsequent to the measurement date	<u>2,947,917</u>	<u>–</u>
Total	<u>\$ 8,757,595</u>	<u>\$ 2,572,451</u>

A total of \$2,947,917 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ 170,185
2026	\$ (530,599)
2027	\$ 4,516,288
2028	\$ (755,769)
2029	\$ (162,878)

**E. Long-Term Expected Return on Investment**

The State Board of Investment, which manages the investments of the PERA and the TRA, 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 equity	33.50 %	5.10 %
International equity	16.50	5.30 %
Private markets	25.00	5.90 %
Fixed income	<u>25.00</u>	0.75 %
Total	<u>100.00 %</u>	

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**F. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25%	2.50%
Wage growth rate		2.85% before July 1, 2028, and 3.25% thereafter
Projected salary increase	3.00%	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Investment rate of return	7.00%	7.00%

**1. GERF**

The long-term rate of return on pension plan investments used in the determination of the total liability is 7.00 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.00 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the GERF Plan. Benefit increases after retirement are assumed to be 1.25 percent for the GERF Plan.

Salary growth assumptions in the GERF Plan range in annual increments from 10.25 percent after one year of service to 3.00 percent after 27 years of service.

Mortality rates for the GERF Plan are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit the PERA’s experience.

Actuarial assumptions for the GERF Plan are reviewed every four years. The most recent four-year experience study for the GERF Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation.

**2. TRA**

Salary increases were based on a service-related table.

Mortality Assumptions Used in Valuation of Total Pension Liability	
Pre-retirement	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.
Post-retirement	RP-2014 White Collar Annuitant Table, male 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 adjustment.

Cost of living benefit increases after retirement for retirees are assumed to be 1.00 percent for January 2019 through January 2023, then increasing by 0.10 percent each year, up to 1.50 percent annually.

Actuarial assumptions for the TRA Plan were based on the results of actuarial experience studies. The most recent experience study in the TRA Plan was completed in 2019, with economic assumptions updated in 2019.

## **NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

The following changes in plan provisions and actuarial assumptions occurred in 2023:

### **1. GERF**

#### **CHANGES IN PLAN PROVISIONS**

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, noncompounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

#### **• CHANGES IN ACTUARIAL ASSUMPTIONS**

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.

### **2. TRA**

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

- The normal retirement age for active and eligible Tier II members will be 65 effective July 1, 2024.
- The employer contribution rate will increase from 8.75 percent to 9.50 percent on July 1, 2025.
- The employee contribution rate will increase from 7.75 percent to 8.00 percent on July 1, 2025.
- The pension adjustment rate for school districts and the base budgets for MnSCU, Perpich Center for Arts Education, and Minnesota academies will increase to reflect the 0.75 percent employer contribution rate increase.

## **G. Discount Rate**

### **1. GERF**

The discount rate used to measure the total pension liability in 2023 was 7.00 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 GERF 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.

### **2. TRA**

The discount rate used to measure the total pension liability was 7.00 percent. There was no change in the discount rate 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 2024 contribution rate, contributions from school districts 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.

## NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

### H. Pension Liability Sensitivity

The following table presents the District’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed on the preceding page, as well as what the District’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:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.00%	7.00%	8.00%
District’s proportionate share of the GERF net pension liability	\$ 23,385,868	\$ 13,219,223	\$ 4,856,772
TRA discount rate	6.00%	7.00%	8.00%
District’s proportionate share of the TRA net pension liability	\$ 66,340,737	\$ 41,594,857	\$ 21,337,341

### I. Pension Plan Fiduciary Net Position

Detailed information about the 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](http://www.mnpera.org).

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

## **NOTE 9 – FLEXIBLE BENEFIT PLAN**

The District offers its employees a flexible benefit plan (cafeteria plan) (the Plan) created in accordance with the IRC § 125. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan for healthcare and dependent care benefits.

Before the beginning of the Plan year, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At year-end, the District is contingently liable for claims against the total amount of participants' annual contributions to the Plan, whether or not such contributions have been made.

Payments of insurance premiums (health and dental) are made by the District to their self-insured Internal Service Fund. Payment of claims are paid directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund and internal service funds.

Amounts withheld for medical reimbursement and dependent care are paid by the District and maintained by an outside administrator on a monthly basis. Payments are made by the outside administrator to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the employee. The medical reimbursement and dependent care activity are included in the financial statements in the General Fund.

All property of the Plan and income attributable to that property is solely the property of the District, subject to the claims of the District's general creditors. Participants' rights under the Plan are equal to those of general creditors of the District in an amount equal to eligible healthcare and dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy claims of general creditors in the future.

## **NOTE 10 – INTERFUND TRANSFERS AND BALANCES**

### **A. Interfund Transfers**

During the year ended June 30, 2024, the District's Food Service Special Revenue Fund received a transfer in the amount of \$307,218 from the General Fund. This transfer was made to finance current year operations in this fund.

Interfund transfers and balances reported in the fund financial statements are eliminated in the government-wide financial statements.

## **NOTE 11 – COMMITMENTS AND CONTINGENCIES**

### **A. Federal and State Revenue**

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 funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

## NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

### B. Legal Contingencies

The District has the usual and customary legal claims pending at year-end, mostly of a minor nature and/or covered by insurance. Although the outcomes of these claims are not presently determinable, the District believes that the resolution of these matters will not have a material adverse effect on its financial position.

### C. State Tuition Billing Revenue

At June 30, 2024, the District reported a balance due from other governmental units of approximately \$5.9 million related to amounts receivable from the MDE for state aid from the state’s special education tuition billing process.

Special education state aid revenue includes amounts related to tuition billings to other school districts for special education services, which are computed using formulas derived by the MDE. Because of the timing of the MDE’s calculations, these final aid amounts for fiscal 2024 have not been finalized. The amount of the receivable and revenue recorded for fiscal 2024 for state special education aid is calculated using preliminary information available to the District.

The District has reported a \$2,128,941 assigned fund balance for tuition adjustments of the MDE tuition calculations in the General Fund. This was reported to recognize the potential for additional calculation changes in these aid categories by state agencies.

### D. Purchase Power Commitment

During fiscal year 2024, the District entered into various power purchase agreements for a period of 20 years to purchase the energy generated by solar panels installed on various buildings of the District. In return, the District will receive bill credits associated with the energy production. Future power purchase commitments related to these agreements are as follows:

Year Ending June 30,	Amount
2025	\$ 132,703
2026	136,135
2027	140,213
2028	144,413
2029	148,739
2030–2034	813,260
2035–2039	942,590
2040–2041	919,740
	<u>\$ 3,377,793</u>

### E. Construction Commitments

At June 30, 2024, the District has commitments totaling \$73,351 under a construction contract for which the work was not yet completed.

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REQUIRED SUPPLEMENTARY INFORMATION

INTERMEDIATE DISTRICT NO. 287

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2024

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.3151%	\$ 14,801,819	\$ -	\$ 14,801,819	\$ 16,777,909	88.22%	78.70%
06/30/2016	06/30/2015	0.2916%	\$ 15,112,225	\$ -	\$ 15,112,225	\$ 17,124,370	88.25%	78.20%
06/30/2017	06/30/2016	0.2843%	\$ 23,083,748	\$ 301,469	\$ 23,385,217	\$ 17,638,480	130.87%	68.90%
06/30/2018	06/30/2017	0.2916%	\$ 18,615,551	\$ 234,065	\$ 18,849,616	\$ 18,842,440	98.80%	75.90%
06/30/2019	06/30/2018	0.2795%	\$ 15,505,514	\$ 508,665	\$ 16,014,179	\$ 18,797,551	82.49%	79.50%
06/30/2020	06/30/2019	0.2758%	\$ 15,248,363	\$ 473,813	\$ 15,722,176	\$ 19,517,432	78.13%	80.20%
06/30/2021	06/30/2020	0.2777%	\$ 16,649,385	\$ 513,474	\$ 17,162,859	\$ 19,807,489	84.06%	79.10%
06/30/2022	06/30/2021	0.2761%	\$ 11,790,707	\$ 360,150	\$ 12,150,857	\$ 19,879,803	59.31%	87.00%
06/30/2023	06/30/2022	0.2600%	\$ 20,592,085	\$ 603,648	\$ 21,195,733	\$ 19,472,844	105.75%	76.70%
06/30/2024	06/30/2023	0.2364%	\$ 13,219,223	\$ 364,533	\$ 13,583,756	\$ 18,802,167	70.31%	83.10%

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2024

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,263,957	\$ 1,263,957	\$ -	\$ 17,124,370	7.38%
06/30/2016	\$ 1,322,815	\$ 1,322,815	\$ -	\$ 17,638,480	7.50%
06/30/2017	\$ 1,408,849	\$ 1,408,849	\$ -	\$ 18,842,440	7.48%
06/30/2018	\$ 1,409,334	\$ 1,409,334	\$ -	\$ 18,797,551	7.50%
06/30/2019	\$ 1,463,748	\$ 1,463,748	\$ -	\$ 19,517,432	7.50%
06/30/2020	\$ 1,485,562	\$ 1,485,562	\$ -	\$ 19,807,489	7.50%
06/30/2021	\$ 1,490,983	\$ 1,490,983	\$ -	\$ 19,879,803	7.50%
06/30/2022	\$ 1,460,444	\$ 1,460,444	\$ -	\$ 19,472,844	7.50%
06/30/2023	\$ 1,410,160	\$ 1,410,160	\$ -	\$ 18,802,167	7.50%
06/30/2024	\$ 1,473,883	\$ 1,473,883	\$ -	\$ 19,651,781	7.50%

INTERMEDIATE DISTRICT NO. 287

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2024

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.5880%	\$ 27,094,617	\$ 1,906,176	\$ 29,000,793	\$ 26,838,372	100.95%	81.50%
06/30/2016	06/30/2015	0.5289%	\$ 32,717,696	\$ 4,013,309	\$ 36,731,005	\$ 26,851,536	121.85%	76.80%
06/30/2017	06/30/2016	0.5354%	\$127,705,675	\$ 12,817,443	\$140,523,118	\$ 27,856,299	458.44%	44.88%
06/30/2018	06/30/2017	0.5392%	\$107,634,101	\$ 10,404,243	\$118,038,344	\$ 28,980,858	371.40%	51.57%
06/30/2019	06/30/2018	0.5321%	\$ 33,420,860	\$ 3,140,033	\$ 36,560,893	\$ 29,446,977	113.50%	78.07%
06/30/2020	06/30/2019	0.5289%	\$ 33,712,197	\$ 2,983,396	\$ 36,695,593	\$ 30,019,982	112.30%	78.21%
06/30/2021	06/30/2020	0.5409%	\$ 39,962,417	\$ 3,348,800	\$ 43,311,217	\$ 31,426,100	127.16%	75.48%
06/30/2022	06/30/2021	0.5322%	\$ 23,290,663	\$ 1,964,357	\$ 25,255,020	\$ 31,845,182	73.14%	86.63%
06/30/2023	06/30/2022	0.5103%	\$ 40,862,125	\$ 3,030,049	\$ 43,892,174	\$ 31,542,515	129.55%	76.17%
06/30/2024	06/30/2023	0.5038%	\$ 41,594,857	\$ 2,913,713	\$ 44,508,570	\$ 32,032,537	129.85%	76.42%

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2024

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 2,013,921	\$ 2,013,921	\$ -	\$ 26,851,536	7.50%
06/30/2016	\$ 2,089,182	\$ 2,089,182	\$ -	\$ 27,856,299	7.50%
06/30/2017	\$ 2,172,700	\$ 2,172,700	\$ -	\$ 28,980,858	7.50%
06/30/2018	\$ 2,204,031	\$ 2,204,031	\$ -	\$ 29,446,977	7.48%
06/30/2019	\$ 2,314,757	\$ 2,314,757	\$ -	\$ 30,019,982	7.71%
06/30/2020	\$ 2,489,640	\$ 2,489,640	\$ -	\$ 31,426,100	7.92%
06/30/2021	\$ 2,589,013	\$ 2,589,013	\$ -	\$ 31,845,182	8.13%
06/30/2022	\$ 2,630,479	\$ 2,630,479	\$ -	\$ 31,542,515	8.34%
06/30/2023	\$ 2,744,079	\$ 2,744,079	\$ -	\$ 32,032,537	8.57%
06/30/2024	\$ 2,947,917	\$ 2,947,917	\$ -	\$ 33,691,979	8.75%

INTERMEDIATE DISTRICT NO. 287

Other Post-Employment Benefits Plan  
 Schedule of Changes in the District's Total  
 OPEB Liability and Related Ratios  
 Year Ended June 30, 2024

	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 393,472	\$ 390,896	\$ 410,216	\$ 411,955	\$ 451,141	\$ 347,558	\$ 275,505
Interest	160,573	187,447	189,038	156,698	124,803	77,541	130,979
Differences between expected and actual economic experience	–	–	(1,054,661)	–	(611,957)	(61,480)	121,874
Changes of assumptions	(156,729)	(43,177)	847,064	(5,479)	(254,201)	(399,183)	(420,067)
Changes of benefit terms	–	–	–	–	(242,064)	–	5,923
Benefit payments	(818,067)	(619,511)	(665,555)	(552,727)	(476,610)	(362,443)	(400,395)
Net change in total OPEB liability	(420,751)	(84,345)	(273,898)	10,447	(1,008,888)	(398,007)	(286,181)
Total OPEB liability – beginning of year	5,649,714	5,228,963	5,144,618	4,870,720	4,881,167	3,872,279	3,474,272
Total OPEB liability – end of year	<u>\$ 5,228,963</u>	<u>\$ 5,144,618</u>	<u>\$ 4,870,720</u>	<u>\$ 4,881,167</u>	<u>\$ 3,872,279</u>	<u>\$ 3,474,272</u>	<u>\$ 3,188,091</u>
Covered-employee payroll	<u>\$ 42,079,058</u>	<u>\$ 42,883,692</u>	<u>\$ 51,018,070</u>	<u>\$ 53,374,746</u>	<u>\$ 54,188,504</u>	<u>\$ 52,748,898</u>	<u>\$ 52,442,067</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>12.43%</u>	<u>12.00%</u>	<u>9.55%</u>	<u>9.15%</u>	<u>7.15%</u>	<u>6.59%</u>	<u>6.08%</u>

Note 1: The District has not established a trust fund to finance GASB Statement No. 75-related benefits.

Note 2: The District implemented GASB Statement No. 75 for the year ended June 30, 2018. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INTERMEDIATE SCHOOL DISTRICT NO. 287

Notes to Required Supplementary Information  
June 30, 2024

**PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2023 CHANGES IN PLAN PROVISIONS**

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, noncompounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.

**2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

**2020 CHANGES IN PLAN PROVISIONS**

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023, and zero percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- 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 percent 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 two through five, 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.

## **PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

### **2020 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)**

- 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 MP-2018 to 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 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

### **2019 CHANGES IN PLAN PROVISIONS**

- 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.

### **2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

### **2018 CHANGES IN PLAN PROVISIONS**

- 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 zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement 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.

### **2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- 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.

## **PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

### **2017 CHANGES IN PLAN PROVISIONS**

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

### **2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

### **2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035, and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 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 CHANGES IN PLAN PROVISIONS**

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892.0 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

### **2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

## **TEACHERS RETIREMENT ASSOCIATION (TRA)**

### **2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The normal retirement age for active and eligible Tier II members will be 65 effective July 1, 2024.
- The employer contribution rate will increase from 8.75 percent to 9.50 percent on July 1, 2025.
- The employee contribution rate will increase from 7.75 percent to 8.00 percent on July 1, 2025.
- The pension adjustment rate for school districts and the base budgets for MnSCU, Perpich Center for Arts Education, and Minnesota academies will increase to reflect the 0.75 percent employer contribution rate increase.

### **2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The investment return assumption was changed from 7.50 percent to 7.00 percent.

### **2018 CHANGES IN PLAN PROVISIONS**

- The cost of living adjustment (COLA) was reduced from 2.00 percent each January 1 to 1.00 percent, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.10 percent each year until reaching the ultimate rate of 1.50 percent on 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 2.50 percent if the funded ratio was at least 90.00 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 4.00 percent to 3.00 percent, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.50 percent to 7.50 percent, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six 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, and 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.

### **2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The investment return assumption was changed from 8.50 percent to 7.50 percent.
- The single discount rate changed from 5.12 percent to 7.50 percent.

### **2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The COLA was assumed to increase from 2.00 percent annually to 2.50 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50 percent, but remain at 2.00 percent for all future years.
- Adjustments were made to the CSA loads. The active load was reduced from 1.40 percent to zero percent, the vested inactive load increased from 4.00 percent to 7.00 percent, and the nonvested inactive load increased from 4.00 percent to 9.00 percent.

## **TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)**

### **2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)**

- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

### **2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The single discount rate was changed from 8.00 percent to 4.66 percent.

### **2015 CHANGES IN PLAN PROVISIONS**

- The Duluth Teachers Retirement Fund Association was merged into the TRA on June 30, 2015.

### **2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The annual COLA for the June 30, 2015 valuation assumed 2.00 percent. The prior year valuation used 2.00 percent, with an increase to 2.50 percent commencing in 2034.
- The discount rate used to measure the total pension liability was 8.00 percent. This is a decrease from the discount rate at the prior measurement date of 8.25 percent.

## **OTHER POST-EMPLOYMENT BENEFITS PLAN**

### **2024 CHANGES IN PLAN PROVISIONS**

- Retiree premiums were updated to current levels.
- Severance benefits for School Service Employees SEIU Local 284 were updated.

### **2024 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.69 percent to 3.86 percent based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Mortality rates were updated from the rates used in the July 1, 2020 PERA General Employees Plan valuation to the rates used in July 1, 2022 valuation.
- The percent of future retirees assumed to elect coverage at retirement changed from 55.00 percent to 45.00 percent to reflect recent plan experience.
- The inflation assumption was changed from 2.25 percent to 2.50 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.

### **2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 1.92 percent to 3.69 percent based on updated 20-year municipal bond rates.

### **2022 CHANGES IN PLAN PROVISIONS**

- Retiree premiums were updated to current levels.
- Sick leave and severance benefits for Administrators and Unaffiliated Employees changed from 75.00 percent paid, to a 403(b) account and 25.00 percent paid, to a Retirement Health Savings Account to 65.00 percent, and 35.00 percent, respectively.
- Sick leave benefits were added to School Service Employees SEIU Local 284, age 65 with greater than or equal to 10 years of service, but less than 15 years of service.
- Severance benefits eligibility for Education Minnesota Local 2209 added criteria to be based on most recent hire date and 0.80 FTE or higher.

### **2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 2.45 percent to 1.92 percent based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings, including an adjustment to reflect age/gender-based risk scores published by the Society of Actuaries.
- Withdrawal, retirement, mortality, disability, and salary increase rates were updated to the rates used in the July 1, 2020 PERA and TRA valuations.
- The percent of future retirees assumed to elect coverage at retirement changed from 60.00 percent to 55.00 percent to reflect recent plan experience.
- The percent of future retirees assumed to elect spouse coverage at retirement changed from 15.00 percent to 20.00 percent to reflect recent plan experience.
- The percent of future non-Medicare eligible retirees electing each medical plan changed to reflect recent plan experience.
- The inflation assumption was changed from 2.50 percent to 2.25 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.

## **OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)**

### **2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate changed from 3.13 percent to 2.45 percent, based on updated 20-year municipal bond rates.
- The healthcare trend rates were updated to exclude the Affordable Care Act's Excise Tax on high-cost health insurance plans, due to its repeal.

### **2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate changed from 3.62 percent to 3.13 percent, based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increases.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2016 PERA General Employees Retirement Plan and the July 1, 2016 TRA valuations, to the rates used in the July 1, 2018 valuations.
- The percent of future non-Medicare eligible retirees electing each medical plan changed to reflect recent plan experience.
- The inflation assumption was changed from 2.75 percent to 2.50 percent, based on updated historical analysis of inflation rates and forward-looking market expectations.

### **2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate changed from 3.53 percent to 3.62 percent.
- The index rate for 20-year, tax-exempt municipal bonds used in the discount rate determination changed from 3.53 percent to 3.62 percent.

### **2018 CHANGES IN PLAN PROVISIONS**

- The severance benefit amount for School Service Employees SEIU Local 284 changed from \$25,000 less the 403(b) match, to \$30,000 less the 403(b) match.
- Sick leave eligibility for School Service Employees SEIU Local 284 removed age 65 and hired before July 1, 1995 as a criterion, and added 10 years of service effective July 1, 2016 through June 30, 2018 only.

### **2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate changed from 2.85 percent to 3.53 percent.
- The index rate for 20-year, tax-exempt municipal bonds used in the discount rate determination changed from 2.85 percent to 3.53 percent.

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SUPPLEMENTARY INFORMATION

INTERMEDIATE DISTRICT NO. 287

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 as of June 30, 2024

	Food Service Special Revenue Fund	Capital Projects – Building Construction Fund	Total
<b>Assets</b>			
Cash and temporary investments	\$ 24,542	\$ 3,612,179	\$ 3,636,721
Receivables			
Accounts and interest	713	–	713
Due from other governmental units	860	–	860
Inventory	22,432	–	22,432
	<u>48,547</u>	<u>3,612,179</u>	<u>3,660,726</u>
Total assets	<u>\$ 48,547</u>	<u>\$ 3,612,179</u>	<u>\$ 3,660,726</u>
<b>Liabilities</b>			
Salaries and compensated absences payable	\$ 25,957	\$ –	\$ 25,957
Accounts and contracts payable	355	802,008	802,363
Due to other governmental units	300	–	300
Unearned revenue	8,472	–	8,472
Total liabilities	<u>35,084</u>	<u>802,008</u>	<u>837,092</u>
<b>Fund balances</b>			
Restricted	<u>13,463</u>	<u>2,810,171</u>	<u>2,823,634</u>
	<u>\$ 48,547</u>	<u>\$ 3,612,179</u>	<u>\$ 3,660,726</u>
Total liabilities and fund balances	<u>\$ 48,547</u>	<u>\$ 3,612,179</u>	<u>\$ 3,660,726</u>

INTERMEDIATE DISTRICT NO. 287

Nonmajor Governmental Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended June 30, 2024

	Food Service Special Revenue Fund	Capital Projects – Building Construction Fund	Total
Revenue			
Local sources			
Investment earnings	\$ –	\$ 179,036	\$ 179,036
Other	20,958	–	20,958
State sources	17,544	–	17,544
Federal sources	496,772	–	496,772
Total revenue	<u>535,274</u>	<u>179,036</u>	<u>714,310</u>
Expenditures			
Current			
Food service	829,029	–	829,029
Capital outlay	–	1,196,107	1,196,107
Total expenditures	<u>829,029</u>	<u>1,196,107</u>	<u>2,025,136</u>
Excess (deficiency) of revenue over expenditures	(293,755)	(1,017,071)	(1,310,826)
Other financing sources			
Transfers in	<u>307,218</u>	–	<u>307,218</u>
Net change in fund balance	13,463	(1,017,071)	(1,003,608)
Fund balances			
Beginning of year	<u>–</u>	<u>3,827,242</u>	<u>3,827,242</u>
End of year	<u>\$ 13,463</u>	<u>\$ 2,810,171</u>	<u>\$ 2,823,634</u>

INTERMEDIATE DISTRICT NO. 287

General Fund  
Comparative Balance Sheet  
as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and temporary investments	\$ 12,082,014	\$ 3,981,986
Receivables		
Accounts and interest	548,916	353,220
Due from other funds	–	628,236
Due from other governmental units	18,445,298	23,665,546
Prepaid items	<u>288,572</u>	<u>133,782</u>
Total assets	<u>\$ 31,364,800</u>	<u>\$ 28,762,770</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 6,762,765	\$ 6,755,500
Accounts and contracts payable	623,593	709,081
Due to other governmental units	1,241,737	1,278,650
Unearned revenue	<u>285,241</u>	<u>263,545</u>
Total liabilities	8,913,336	9,006,776
<b>Fund balances</b>		
Nonspendable for prepaid items	288,572	133,782
Restricted for American Indian education aid	26,133	–
Restricted for basic skills programs	365,714	17,663
Restricted for safe schools levy	980,389	514,244
Restricted for basic skills extended time	–	115,262
Restricted for long-term facilities maintenance	507,105	529,625
Restricted for Medical Assistance	3,294,531	2,495,391
Assigned for operational adjustment reserve	95,721	181,420
Assigned for severance	4,811,072	5,024,941
Assigned for tuition adjustments	2,128,941	2,128,941
Assigned for property	250,000	28,014
Assigned for student clubs	8,641	9,648
Assigned for vehicle depreciation	99,382	101,664
Assigned for collaborative curriculum project	1,568	29,158
Assigned for strategic priorities	1,246,715	717,243
Assigned for subsequent year's budget	–	244,962
Assigned for vaping settlement	141,748	–
Unassigned	<u>8,205,232</u>	<u>7,484,036</u>
Total fund balances	<u>22,451,464</u>	<u>19,755,994</u>
Total liabilities and fund balances	<u>\$ 31,364,800</u>	<u>\$ 28,762,770</u>

INTERMEDIATE DISTRICT NO. 287

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2024  
 (With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 2,136,531	\$ 2,153,769	\$ 17,238	\$ 2,406,392
Tuition	22,027,742	23,034,425	1,006,683	21,770,918
Investment earnings	787,245	934,197	146,952	392,595
Other	1,381,397	889,902	(491,495)	569,044
State sources	64,657,326	62,906,984	(1,750,342)	58,539,285
Federal sources	3,526,611	3,018,254	(508,357)	3,849,815
Total revenue	<u>94,516,852</u>	<u>92,937,531</u>	<u>(1,579,321)</u>	<u>87,528,049</u>
<b>Expenditures</b>				
Current				
Career and technical education	1,950,787	1,848,758	(102,029)	1,796,506
Academic education	12,768,781	12,363,817	(404,964)	11,007,959
Special education	60,298,941	58,611,588	(1,687,353)	56,759,252
Student clubs	9,647	15,680	6,033	29,759
Administrative support services and operations and maintenance	18,430,276	17,194,387	(1,235,889)	17,302,305
Debt service				
Principal	–	184,309	184,309	113,510
Interest and fiscal charges	–	22,058	22,058	–
Total expenditures	<u>93,458,432</u>	<u>90,240,597</u>	<u>(3,217,835)</u>	<u>87,009,291</u>
Excess of revenue over expenditures	1,058,420	2,696,934	1,638,514	518,758
<b>Other financing sources (uses)</b>				
Issuance of subscription liabilities	–	268,613	268,613	428,612
Transfers (out)	(422,811)	(307,218)	115,593	(410,706)
Sale of assets	–	–	–	2,111
Insurance recovery	28,546	37,141	8,595	14,382
Total other financing sources (uses)	<u>(394,265)</u>	<u>(1,464)</u>	<u>392,801</u>	<u>34,399</u>
Net change in fund balances	<u>\$ 664,155</u>	<u>2,695,470</u>	<u>\$ 2,031,315</u>	<u>553,157</u>
<b>Fund balances</b>				
Beginning of year		<u>19,755,994</u>		<u>19,202,837</u>
End of year		<u>\$ 22,451,464</u>		<u>\$ 19,755,994</u>

INTERMEDIATE DISTRICT NO. 287

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account  
 Year Ended June 30, 2024

	Career and Technical Education Account	Academic Education Account	Special Education Account
<b>Revenue</b>			
Local sources			
Pass-through levies	\$ 181,739	\$ 37,774	\$ -
Tuition	823,369	6,305,271	13,327,972
Investment earnings	-	-	-
Other	26,016	148,461	6,814
State sources	10,548	5,790,340	47,041,350
Federal sources	715,471	393,156	62,508
Total revenue	<u>1,757,143</u>	<u>12,675,002</u>	<u>60,438,644</u>
<b>Expenditures</b>			
Current			
Career and technical education	1,848,758	-	-
Academic education	-	12,363,817	-
Special education	-	-	58,611,588
Student clubs	-	-	-
Administrative support services and operations and maintenance	-	-	-
Allocated costs	-	-	-
Debt service			
Principal	-	116,922	7,643
Interest	-	19,349	-
Total expenditures	<u>1,848,758</u>	<u>12,500,088</u>	<u>58,619,231</u>
Excess (deficiency) of revenue over expenditures	(91,615)	174,914	1,819,413
<b>Other financing sources (uses)</b>			
Issuance of subscription liabilities	-	-	-
Intrafund transfers	-	(115,262)	(17,663)
Transfers (out)	-	-	-
Insurance recovery	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(115,262)</u>	<u>(17,663)</u>
Net change in fund balances	(91,615)	59,652	1,801,750
<b>Fund balances</b>			
Beginning of year	<u>431,457</u>	<u>232,843</u>	<u>12,568,209</u>
End of year	<u>\$ 339,842</u>	<u>\$ 292,495</u>	<u>\$ 14,369,959</u>

District-Wide Account	Severance and Property Account	Student Clubs Account	Total
\$ 1,934,256	\$ -	\$ -	\$ 2,153,769
2,577,813	-	-	23,034,425
934,197	-	-	934,197
693,938	-	14,673	889,902
10,064,746	-	-	62,906,984
1,847,119	-	-	3,018,254
<u>18,052,069</u>	<u>-</u>	<u>14,673</u>	<u>92,937,531</u>
-	-	-	1,848,758
-	-	-	12,363,817
-	-	-	58,611,588
-	-	15,680	15,680
17,194,387	-	-	17,194,387
(241,883)	241,883	-	-
59,744	-	-	184,309
2,709	-	-	22,058
<u>17,014,957</u>	<u>241,883</u>	<u>15,680</u>	<u>90,240,597</u>
1,037,112	(241,883)	(1,007)	2,696,934
268,613	-	-	268,613
(117,075)	250,000	-	-
(307,218)	-	-	(307,218)
37,141	-	-	37,141
<u>(118,539)</u>	<u>250,000</u>	<u>-</u>	<u>(1,464)</u>
918,573	8,117	(1,007)	2,695,470
<u>1,460,882</u>	<u>5,052,955</u>	<u>9,648</u>	<u>19,755,994</u>
<u>\$ 2,379,455</u>	<u>\$ 5,061,072</u>	<u>\$ 8,641</u>	<u>\$ 22,451,464</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Career and Technical Education Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2024  
 (With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 188,000	\$ 181,739	\$ (6,261)	\$ 188,124
Tuition	748,622	823,369	74,747	735,808
Other	26,533	26,016	(517)	8,500
State sources	13,549	10,548	(3,001)	8,960
Federal sources	755,306	715,471	(39,835)	770,232
Total revenue	<u>1,732,010</u>	<u>1,757,143</u>	<u>25,133</u>	<u>1,711,624</u>
<b>Expenditures</b>				
Career and technical education				
Salaries and wages	713,224	692,269	(20,955)	612,349
Employee benefits	360,367	339,701	(20,666)	308,943
Purchased services	732,932	677,858	(55,074)	735,344
Supplies and materials	89,949	90,887	938	66,678
Capital expenditures	14,000	9,932	(4,068)	34,164
Other	40,315	38,111	(2,204)	39,028
Allocated costs	<u>(40,000)</u>	<u>–</u>	<u>40,000</u>	<u>–</u>
Total expenditures	<u>1,910,787</u>	<u>1,848,758</u>	<u>(62,029)</u>	<u>1,796,506</u>
Net change in fund balances	<u>\$ (178,777)</u>	<u>(91,615)</u>	<u>\$ 87,162</u>	<u>(84,882)</u>
<b>Fund balances</b>				
Beginning of year		<u>431,457</u>		<u>516,339</u>
End of year		<u>\$ 339,842</u>		<u>\$ 431,457</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Academic Education Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual

Year Ended June 30, 2024

(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 33,000	\$ 37,774	\$ 4,774	\$ 33,035
Tuition	6,004,803	6,305,271	300,468	5,422,909
Other	147,966	148,461	495	165,310
State sources	6,062,635	5,790,340	(272,295)	5,106,063
Federal sources	393,164	393,156	(8)	313,076
Total revenue	<u>12,641,568</u>	<u>12,675,002</u>	<u>33,434</u>	<u>11,040,393</u>
<b>Expenditures</b>				
Academic education				
Salaries and wages	8,547,407	8,401,202	(146,205)	7,585,226
Employee benefits	3,008,969	2,925,024	(83,945)	2,596,424
Purchased services	670,568	642,448	(28,120)	504,021
Supplies and materials	460,884	333,876	(127,008)	263,041
Capital expenditures	2,500	2,500	–	–
Other	78,453	58,767	(19,686)	59,247
Allocated costs	(90,000)	–	90,000	–
Debt service				
Principal	–	116,922	116,922	83,068
Interest	–	19,349	19,349	–
Total expenditures	<u>12,678,781</u>	<u>12,500,088</u>	<u>(178,693)</u>	<u>11,091,027</u>
Excess (deficiency) of revenue over expenditures	(37,213)	174,914	212,127	(50,634)
<b>Other financing sources (uses)</b>				
Intrafund transfers	–	(115,262)	(115,262)	(368,995)
Sale of assets	–	–	–	2,111
Total other financing sources (uses)	<u>–</u>	<u>(115,262)</u>	<u>(115,262)</u>	<u>(366,884)</u>
Net change in fund balances	<u>\$ (37,213)</u>	<u>59,652</u>	<u>\$ 96,865</u>	<u>(417,518)</u>
<b>Fund balances</b>				
Beginning of year		<u>232,843</u>		<u>650,361</u>
End of year		<u>\$ 292,495</u>		<u>\$ 232,843</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Special Education Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual

Year Ended June 30, 2024

(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 12,696,576	\$ 13,327,972	\$ 631,396	\$ 13,125,342
Other	9,011	6,814	(2,197)	27,998
State sources	48,202,806	47,041,350	(1,161,456)	44,446,466
Federal sources	62,508	62,508	–	572,670
Total revenue	<u>60,970,901</u>	<u>60,438,644</u>	<u>(532,257)</u>	<u>58,172,476</u>
Expenditures				
Special education				
Current				
Salaries and wages	38,746,904	37,830,912	(915,992)	36,803,691
Employee benefits	17,766,554	17,321,547	(445,007)	16,682,497
Purchased services	2,546,005	2,414,233	(131,772)	2,407,238
Supplies and materials	713,693	555,771	(157,922)	498,482
Capital expenditures	272,498	273,527	1,029	135,946
Other	253,287	215,598	(37,689)	231,398
Debt service				
Principal	–	7,643	7,643	12,120
Total expenditures	<u>60,298,941</u>	<u>58,619,231</u>	<u>(1,679,710)</u>	<u>56,771,372</u>
Excess of revenue over expenditures	671,960	1,819,413	1,147,453	1,401,104
Other financing sources (uses)				
Intrafund transfers	–	(17,663)	(17,663)	368,995
Net change in fund balances	<u>\$ 671,960</u>	<u>1,801,750</u>	<u>\$ 1,129,790</u>	<u>1,770,099</u>
Fund balances				
Beginning of year		<u>12,568,209</u>		<u>10,798,110</u>
End of year		<u>\$ 14,369,959</u>		<u>\$ 12,568,209</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – District-Wide Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2024  
 (With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024		2023	
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 1,915,531	\$ 1,934,256	\$ 18,725	\$ 2,185,233
Tuition	2,577,741	2,577,813	72	2,486,859
Investment earnings	787,245	934,197	146,952	392,595
Other	1,192,387	693,938	(498,449)	344,177
State sources	10,378,336	10,064,746	(313,590)	8,977,796
Federal sources	2,315,633	1,847,119	(468,514)	2,193,837
Total revenue	<u>19,166,873</u>	<u>18,052,069</u>	<u>(1,114,804)</u>	<u>16,580,497</u>
<b>Expenditures</b>				
Current				
Administrative support services and operations and maintenance				
Salaries and wages	8,656,618	8,216,640	(439,978)	7,623,895
Employee benefits	3,502,780	3,271,443	(231,337)	3,126,038
Purchased services	4,127,764	3,745,966	(381,798)	3,591,587
Supplies and materials	1,481,536	1,173,659	(307,877)	1,273,484
Capital expenditures	520,554	756,959	236,405	1,646,893
Other	141,024	29,720	(111,304)	40,408
Allocated costs	(113,500)	(241,883)	(128,383)	(279,774)
Debt service				
Principal	–	59,744	59,744	18,322
Interest and fiscal charges	–	2,709	2,709	–
Total expenditures	<u>18,316,776</u>	<u>17,014,957</u>	<u>(1,301,819)</u>	<u>17,040,853</u>
Excess (deficiency) of revenue over expenditures	850,097	1,037,112	187,015	(460,356)
<b>Other financing sources (uses)</b>				
Issuance of subscription liabilities	–	268,613	268,613	428,612
Intrafund transfers	–	(117,075)	(117,075)	–
Transfers (out)	(422,811)	(307,218)	115,593	(410,706)
Insurance recovery	28,546	37,141	8,595	14,382
Total other financing sources (uses)	<u>(394,265)</u>	<u>(118,539)</u>	<u>275,726</u>	<u>32,288</u>
Net change in fund balances	<u>\$ 455,832</u>	<u>918,573</u>	<u>\$ 462,741</u>	<u>(428,068)</u>
<b>Fund balances</b>				
Beginning of year		<u>1,460,882</u>		<u>1,888,950</u>
End of year		<u>\$ 2,379,455</u>		<u>\$ 1,460,882</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Severance and Property Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2024  
 (With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources	\$ –	\$ –	\$ –	\$ –
Expenditures				
Current				
Severance costs				
Allocated costs	<u>243,500</u>	<u>241,883</u>	<u>(1,617)</u>	<u>279,774</u>
Excess (deficiency) of revenue over expenditures	(243,500)	(241,883)	1,617	(279,774)
Other financing sources				
Intrafund transfers	<u>–</u>	<u>250,000</u>	<u>250,000</u>	<u>–</u>
Net change in fund balances	<u>\$ (243,500)</u>	<u>8,117</u>	<u>\$ 251,617</u>	<u>(279,774)</u>
Fund balances				
Beginning of year		<u>5,052,955</u>		<u>5,332,729</u>
End of year		<u>\$ 5,061,072</u>		<u>\$ 5,052,955</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Student Clubs Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2024  
 (With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	\$ 5,500	\$ 14,673	\$ 9,173	\$ 23,059
Expenditures				
Current				
Student clubs				
Other	9,647	15,680	6,033	29,759
Net change in fund balances	<u>\$ (4,147)</u>	(1,007)	<u>\$ 3,140</u>	(6,700)
Fund balances				
Beginning of year		9,648		16,348
End of year		<u>\$ 8,641</u>		<u>\$ 9,648</u>

INTERMEDIATE DISTRICT NO. 287

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and temporary investments	\$ 24,542	\$ 29,151
Receivables		
Accounts and interest	713	2,567
Due from other governmental units	860	3,009
Inventory	<u>22,432</u>	<u>14,242</u>
Total assets	<u>\$ 48,547</u>	<u>\$ 48,969</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 25,957	\$ 28,757
Accounts and contracts payable	355	2,994
Due to other governmental units	300	-
Unearned revenue	<u>8,472</u>	<u>17,218</u>
Total liabilities	<u>35,084</u>	<u>48,969</u>
<b>Fund balances</b>		
Restricted for food service	<u>13,463</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 48,547</u>	<u>\$ 48,969</u>

INTERMEDIATE DISTRICT NO. 287

Food Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2024  
 (With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 18,291	\$ 20,958	\$ 2,667	\$ 59,413
State sources	21,757	17,544	(4,213)	14,836
Federal sources	484,055	496,772	12,717	359,038
Total revenue	<u>524,103</u>	<u>535,274</u>	<u>11,171</u>	<u>433,287</u>
Expenditures				
Current				
Food service	<u>946,914</u>	<u>829,029</u>	<u>(117,885)</u>	<u>843,993</u>
Excess (deficiency) of revenue over expenditures	(422,811)	(293,755)	129,056	(410,706)
Other financing sources				
Transfers in	<u>422,811</u>	<u>307,218</u>	<u>(115,593)</u>	<u>410,706</u>
Net change in fund balances	<u>\$ –</u>	<u>13,463</u>	<u>\$ 13,463</u>	<u>–</u>
Fund balances				
Beginning of year		<u>–</u>		<u>–</u>
End of year		<u>\$ 13,463</u>		<u>\$ –</u>

INTERMEDIATE DISTRICT NO. 287

Capital Projects – Building Construction Fund  
 Comparative Balance Sheet  
 as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	<u>\$ 3,612,179</u>	<u>\$ 4,352,294</u>
Liabilities		
Accounts and contracts payable	\$ 802,008	\$ 525,052
Fund balances		
Restricted for long-term facilities maintenance	<u>2,810,171</u>	<u>3,827,242</u>
Total liabilities and fund balances	<u>\$ 3,612,179</u>	<u>\$ 4,352,294</u>

INTERMEDIATE DISTRICT NO. 287

Capital Projects – Building Construction Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2024  
 (With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 55,000	\$ 179,036	\$ 124,036	\$ 48,402
Expenditures				
Capital outlay				
Purchased services	321,361	92,724	(228,637)	122,183
Capital expenditures	626,000	1,103,383	477,383	779,405
Total expenditures	<u>947,361</u>	<u>1,196,107</u>	<u>248,746</u>	<u>901,588</u>
Excess (deficiency) of revenue over expenditures	(892,361)	(1,017,071)	(124,710)	(853,186)
Other financing sources				
Bonds issued	–	–	–	4,666,082
Premium on bonds issued	–	–	–	14,346
Total other financing sources	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,680,428</u>
Net change in fund balances	<u>\$ (892,361)</u>	<u>(1,017,071)</u>	<u>\$ (124,710)</u>	3,827,242
Fund balances				
Beginning of year		<u>3,827,242</u>		<u>–</u>
End of year		<u>\$ 2,810,171</u>		<u>\$ 3,827,242</u>

INTERMEDIATE DISTRICT NO. 287

Debt Service Fund  
 Comparative Balance Sheet  
 as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 176,734	\$ –
Cash and investments held by trustee	19,543,316	17,704,685
Receivables		
Accounts and interest	290,741	263,323
Due from other governmental units	630,120	1,207,462
Lease	<u>1,718,644</u>	<u>1,899,559</u>
Total assets	<u>\$ 22,359,555</u>	<u>\$ 21,075,029</u>
Liabilities		
Due to other funds	\$ –	\$ 628,236
Unearned revenue	–	7,823
Total liabilities	<u>–</u>	<u>636,059</u>
Deferred inflows of resources		
Lease revenue for subsequent years	1,718,644	1,899,559
Fund balances		
Restricted for debt service	<u>20,640,911</u>	<u>18,539,411</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,359,555</u>	<u>\$ 21,075,029</u>

INTERMEDIATE DISTRICT NO. 287

Debt Service Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2024  
 (With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024		Over (Under)	2023
	Budget	Actual	Budget	Actual
Revenue				
Local sources				
Pass-through levies	\$ 5,513,171	\$ 5,593,483	\$ 80,312	\$ 5,208,175
Tuition	1,015,476	958,161	(57,315)	1,064,567
Investment earnings	648,280	685,947	37,667	615,376
Other	223,962	223,962	–	223,962
Federal sources	1,524,101	1,524,184	83	1,531,599
Total revenue	<u>8,924,990</u>	<u>8,985,737</u>	<u>60,747</u>	<u>8,643,679</u>
Expenditures				
Debt service				
Principal	3,440,000	3,440,000	–	3,310,000
Interest	3,429,533	3,429,533	–	3,248,962
Fiscal charges and other	29,600	14,704	(14,896)	105,014
Total expenditures	<u>6,899,133</u>	<u>6,884,237</u>	<u>(14,896)</u>	<u>6,663,976</u>
Excess of revenue over expenditures	2,025,857	2,101,500	75,643	1,979,703
Other financing sources				
Bonds issued	–	–	–	83,918
Net change in fund balances	<u>\$ 2,025,857</u>	<u>2,101,500</u>	<u>\$ 75,643</u>	<u>2,063,621</u>
Fund balances				
Beginning of year		<u>18,539,411</u>		<u>16,475,790</u>
End of year		<u>\$ 20,640,911</u>		<u>\$ 18,539,411</u>

INTERMEDIATE DISTRICT NO. 287

Combining Statement of Net Position  
 Proprietary Funds  
 Internal Service Funds  
 as of June 30, 2024  
 (With Comparative Totals as of June 30, 2023)

	Health Self-Insurance	Dental Self-Insurance	2024	2023
Current assets				
Cash and temporary investments	\$ 19,982,977	\$ 610,564	\$ 20,593,541	\$ 18,439,159
Receivables				
Accounts and interest	1,176	264	1,440	2,272
Due from other governmental units	6,033	-	6,033	5,070
Total current assets	<u>19,990,186</u>	<u>610,828</u>	<u>20,601,014</u>	<u>18,446,501</u>
Current liabilities				
Accounts payable	180,861	67,294	248,155	535,366
Claims payable	1,058,339	13,422	1,071,761	748,840
Due to other governmental units	6,022	-	6,022	5,571
Unearned revenue	1,004,923	42,914	1,047,837	979,900
Total current liabilities	<u>2,250,145</u>	<u>123,630</u>	<u>2,373,775</u>	<u>2,269,677</u>
Net position				
Unrestricted	<u>\$ 17,740,041</u>	<u>\$ 487,198</u>	<u>\$ 18,227,239</u>	<u>\$ 16,176,824</u>

INTERMEDIATE DISTRICT NO. 287

Combining Statement of Revenue, Expenses, and Changes in Net Position  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2024  
 (With Comparative Totals for the Year Ended June 30, 2023)

	Health Self-Insurance	Dental Self-Insurance	2024	2023
Operating revenue				
Contributions from governmental funds	\$ 12,933,768	\$ 574,154	\$ 13,507,922	\$ 13,309,586
Operating expenses				
Dental benefit claims and expenses	-	649,032	649,032	619,522
Health benefit claims and expenses	10,324,117	-	10,324,117	9,949,163
Administrative fees	1,355,419	46,272	1,401,691	1,346,930
Total operating expenses	<u>11,679,536</u>	<u>695,304</u>	<u>12,374,840</u>	<u>11,915,615</u>
Operating income (loss)	1,254,232	(121,150)	1,133,082	1,393,971
Nonoperating revenues				
Investment earnings	<u>888,012</u>	<u>29,321</u>	<u>917,333</u>	<u>502,199</u>
Change in net position	2,142,244	(91,829)	2,050,415	1,896,170
Net position				
Beginning of year	<u>15,597,797</u>	<u>579,027</u>	<u>16,176,824</u>	<u>14,280,654</u>
End of year	<u>\$ 17,740,041</u>	<u>\$ 487,198</u>	<u>\$ 18,227,239</u>	<u>\$ 16,176,824</u>

INTERMEDIATE DISTRICT NO. 287

Combining Statement of Cash Flows  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2024  
 (With Comparative Totals for the Year Ended June 30, 2023)

	Health Self-Insurance	Dental Self-Insurance	2024	2023
Cash flows from operating activities				
Received from assessments made to other funds	\$ 12,958,642	\$ 617,086	\$ 13,575,728	\$ 13,278,594
Payments for claims	(10,294,918)	(642,070)	(10,936,988)	(10,342,762)
Payments for fees	(1,355,419)	(46,272)	(1,401,691)	(1,346,930)
Net cash from operating activities	1,308,305	(71,256)	1,237,049	1,588,902
Cash flows from investing activities				
Investment income received	888,012	29,321	917,333	502,199
Net change in cash and cash equivalents	2,196,317	(41,935)	2,154,382	2,091,101
Cash and temporary investments				
Beginning of year	17,786,660	652,499	18,439,159	16,348,058
End of year	\$ 19,982,977	\$ 610,564	\$ 20,593,541	\$ 18,439,159
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 1,254,232	\$ (121,150)	\$ 1,133,082	\$ 1,393,971
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Changes in assets and liabilities				
Accounts and interest receivable	814	18	832	(969)
Due from other governmental units	(963)	-	(963)	(5,070)
Accounts payable	(293,668)	6,457	(287,211)	350,919
Claims payable	322,416	505	322,921	(125,497)
Due to other governmental units	451	-	451	501
Unearned revenue	25,023	42,914	67,937	(24,953)
Net cash from operating activities	\$ 1,308,305	\$ (71,256)	\$ 1,237,049	\$ 1,588,902

OTHER DISTRICT INFORMATION

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INTERMEDIATE DISTRICT NO. 287

Government-Wide Revenue by Type  
Last Ten Fiscal Years

Year Ended June 30,	Program Revenues		General Revenues	Total
	Charges for Services	Operating Grants and Contributions		
2015	\$ 23,560,298 27.7%	\$ 55,382,586 65.1%	\$ 6,128,183 7.2%	\$ 85,071,067 100.0%
2016	23,370,376 27.1%	56,860,030 66.0%	5,896,624 6.9%	86,127,030 100.0%
2017	21,967,097 23.9%	63,067,492 68.6%	6,938,340 7.5%	91,972,929 100.0%
2018	21,577,449 23.2%	63,488,292 68.4%	7,819,389 8.4%	92,885,130 100.0%
2019	20,647,784 22.3%	64,929,651 70.2%	6,908,878 7.5%	92,486,313 100.0%
2020	21,104,022 21.7%	67,325,134 69.1%	8,982,484 9.2%	97,411,640 100.0%
2021	19,630,956 21.1%	63,896,514 68.7%	9,436,601 10.2%	92,964,071 100.0%
2022	20,834,633 22.1%	64,325,990 68.1%	9,266,013 9.8%	94,426,636 100.0%
2023	20,974,437 21.5%	64,757,060 66.5%	11,709,563 12.0%	97,441,060 100.0%
2024	21,339,268 20.6%	70,592,979 68.0%	11,841,001 11.4%	103,773,248 100.0%

INTERMEDIATE DISTRICT NO. 287

Government-Wide Expenses by Function  
Last Ten Fiscal Years

Year Ended June 30,	Career and Technical Education	Academic Education	Special Education	Student Clubs	Administrative Support Services and Operations and Maintenance
2015	\$ 1,204,770 1.5%	\$ 10,771,569 13.1%	\$ 49,436,189 60.2%	\$ 29,074 -	\$ 15,884,064 19.4%
2016	1,142,660 1.4%	10,121,670 12.3%	51,068,483 62.0%	29,516 -	15,386,789 18.7%
2017	1,369,906 1.3%	13,060,608 12.6%	67,710,721 65.0%	39,188 -	17,056,602 16.4%
2018	1,189,352 1.2%	13,538,974 13.2%	66,311,391 64.8%	26,229 -	16,765,264 16.3%
2019	870,531 1.2%	8,577,294 12.0%	43,028,735 60.4%	18,349 -	14,436,356 20.4%
2020	1,441,711 1.6%	11,808,725 12.7%	57,723,643 62.3%	13,682 -	17,469,152 18.9%
2021	1,521,795 1.7%	10,847,983 11.8%	58,192,490 63.4%	5,787 -	17,523,399 19.1%
2022	998,931 1.2%	9,689,617 11.2%	54,196,824 62.6%	13,084 -	17,940,049 20.7%
2023	1,551,446 2.0%	8,457,087 10.7%	47,381,560 59.7%	29,759 -	17,911,782 22.6%
2024	1,757,311 2.0%	11,200,610 12.8%	53,196,197 60.9%	15,680 -	17,326,591 19.9%

Food Service	Community Service	Interest and Fiscal Charges	Total
\$ 771,783 0.9%	\$ 152,350 0.2%	\$ 3,835,131 4.7%	\$ 82,084,930 100.0%
718,400 0.9%	162,080 0.2%	3,739,564 4.5%	82,369,162 100.0%
792,317 0.8%	99,396 0.1%	3,911,327 3.8%	104,040,065 100.0%
787,048 0.8%	96,678 0.1%	3,710,574 3.6%	102,425,510 100.0%
729,364 1.0%	— —	3,533,236 5.0%	71,193,865 100.0%
659,890 0.7%	— —	3,523,231 3.8%	92,640,034 100.0%
663,423 0.7%	— —	3,054,146 3.3%	91,809,023 100.0%
739,308 0.8%	— —	3,054,308 3.5%	86,632,121 100.0%
866,392 1.0%	— —	3,148,556 4.0%	79,346,582 100.0%
803,770 0.9%	— —	3,063,083 3.5%	87,363,242 100.0%

INTERMEDIATE DISTRICT NO. 287

General Fund Revenue by Source  
Last Ten Fiscal Years

<u>Year Ended June 30,</u>	<u>Pass-Through Levies</u>	<u>Tuition</u>	<u>Federal Revenue</u>	<u>State Revenue</u>	<u>Other Revenue</u>	<u>Total</u>
2015	\$ 3,151,287	\$ 20,430,978	\$ 928,060	\$ 51,522,895	\$ 3,079,307	\$ 79,112,527
2016	3,850,274	19,398,980	275,271	53,880,747	2,794,534	80,199,806
2017	3,279,663	19,262,787	336,177	58,159,071	2,303,186	83,340,884
2018	2,319,442	20,447,609	320,008	59,815,242	2,145,934	85,048,235
2019	2,426,180	19,865,146	546,783	61,551,068	1,380,770	85,769,947
2020	2,597,370	21,051,703	550,089	63,397,394	1,127,821	88,724,377
2021	2,576,713	18,699,103	1,554,714	60,530,137	818,492	84,179,159
2022	2,473,934	20,738,868	2,550,036	59,345,316	571,528	85,679,682
2023	2,406,392	21,770,918	3,849,815	58,539,285	961,639	87,528,049
2024	2,153,769	23,034,425	3,018,254	62,906,984	1,824,099	92,937,531

SINGLE AUDIT AND  
OTHER REQUIRED REPORTS

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INTERMEDIATE DISTRICT NO. 287

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Agriculture</b>			
Passed through Minnesota Department of Education			
Child nutrition cluster			
National School Lunch Program	10.555	\$ 325,607	
School Breakfast Program	10.553	139,441	
Summer Food Service Program for Children	10.559	<u>13,606</u>	
Total child nutrition cluster			\$ 478,654
Local Food For Schools Cooperative Agreement Program	10.185		4,000
Child Nutrition Discretionary Grants Limited Availability	10.579		25,000
COVID-19 – Pandemic EBT Administrative Costs	10.649		653
<b>U.S. Department of the Treasury</b>			
Passed through Minnesota Department of Education			
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		53,410
<b>U.S. Department of Education</b>			
Passed through Minnesota Department of Education			
Special education cluster			
Special Education Grants to States	84.027		36,926
Comprehensive Literacy Development	84.371		551,825
Education Stabilization Fund			
COVID-19 – Elementary and Secondary			
School Emergency Relief (ESSER) Fund	84.425D	82,523	
COVID-19 – American Rescue Plan – Elementary and Secondary			
School Emergency Relief (ARP ESSER) Fund	84.425U	561,801	
COVID-19 – American Rescue Plan – Elementary and Secondary			
School Emergency Relief – Homeless Children and Youth Fund	84.425W	<u>9,295</u>	
Total ALN 84.425			653,619
English Language Acquisition State Grants	84.365		31,328
Supporting Effective Instruction State Grants	84.367		4,293
Career and Technical Education – Basic Grants to States	84.048		715,470
			\$ 420,341
<b>U.S. Department of Justice</b>			
Direct			
STOP School Violence	16.839		9,160
<b>U.S. Department of Health and Human Services</b>			
Passed through Minnesota Department of Education			
Substance Abuse and Mental Health Services Projects of			
Regional and National Significance	93.243	<u>671,353</u>	
Total federal awards			<u>\$ 3,235,691</u>

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: All pass-through entities listed above use the same federal Assistance Listing Numbers (ALN) as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 3: The District did not elect to use the 10 percent de minimis indirect cost rate.

Note 4: The District had \$32,687 of noncash assistance included in the National School Lunch Program, federal ALN 10.555.

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

To the Board of Directors and Management of  
Intermediate District No. 287  
Plymouth, Minnesota

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate District No. 287 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2024.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 or significant deficiencies may exist that have not been identified.

(continued)

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

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

### **PURPOSE OF THIS REPORT**

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

*Malloy, Montague, Karnowski, Radosevich & Co., P.A.*

Minneapolis, Minnesota  
December 20, 2024



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

To the School Board and Management of  
Intermediate District No. 287  
Plymouth, Minnesota

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

***OPINION ON EACH MAJOR FEDERAL PROGRAM***

We have audited Intermediate School District No. 287's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District 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 programs for the year ended June 30, 2024.

***BASIS FOR OPINION ON EACH MAJOR FEDERAL PROGRAM***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance requirements referred to above.

(continued)

## ***RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE***

Management is responsible for compliance with the requirements referred to on the previous page and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

## ***AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to on the previous page occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to on the previous page is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to on the previous page and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

(continued)

## REPORT ON 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 a 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 Auditor's Responsibilities for the Audit of Compliance section on the previous page and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Malloy, Montague, Karnowski, Radosevich & Co., P. A.*

Minneapolis, Minnesota  
December 20, 2024

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PRINCIPALS

Thomas A. Karnowski, CPA  
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INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

To the Board of Directors and Management of  
Intermediate District No. 287  
Plymouth, Minnesota

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate School District No. 287 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2024.

**MINNESOTA LEGAL COMPLIANCE**

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 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 District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

**PURPOSE OF THIS REPORT**

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 report is not suitable for any other purpose.

*Malloy, Montague, Karnowski, Radosevich & Co., P.A.*

Minneapolis, Minnesota  
December 20, 2024

INTERMEDIATE DISTRICT NO. 287

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024

**A. SUMMARY OF AUDIT RESULTS**

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

**Financial Statements**

What type of auditor’s report is issued?   X   Unmodified  
       Qualified  
       Adverse  
       Disclaimer

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No  
 Significant deficiency(ies) identified?        Yes   X   None reported  
 Noncompliance material to the financial statements noted?        Yes   X   No

**Federal Awards**

Internal controls over major federal award programs:

Material weakness(es) identified?        Yes   X   No  
 Significant deficiency(ies) identified?        Yes   X   None reported

Type of auditor’s report issued on compliance for major programs?

U.S. Department of Education – COVID-19 – Education Stabilization Fund Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

       Yes   X   No

Programs tested as major programs:

Program or Cluster(s)	Federal ALN
U.S. Department of Education – COVID-19 – Education Stabilization Fund	84.425
Threshold for distinguishing type A and B programs.	<u>  \$ 750,000  </u>
Does the auditee qualify as a low-risk auditee?	<u>  X  </u> Yes <u>      </u> No

INTERMEDIATE DISTRICT NO. 287

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2024

**B. FINANCIAL STATEMENT FINDINGS**

None.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS**

None.

INTERMEDIATE DISTRICT NO. 287

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2024

	Audit	UFARS	Audit – UFARS
<b>General Fund</b>			
Total revenue	\$ 92,937,531	\$ 92,937,531	\$ –
Total expenditures	\$ 90,240,597	\$ 90,240,596	\$ 1
Nonspendable			
460 Nonspendable fund balance	\$ 288,572	\$ 288,572	\$ –
Restricted			
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
403 Staff development	\$ –	\$ –	\$ –
407 Capital projects levy	\$ –	\$ –	\$ –
408 Cooperative revenue	\$ –	\$ –	\$ –
412 Literacy incentive aid	\$ –	\$ –	\$ –
414 Operating debt	\$ –	\$ –	\$ –
416 Levy reduction	\$ –	\$ –	\$ –
417 Taconite building maintenance	\$ –	\$ –	\$ –
420 American Indian education aid	\$ 26,133	\$ 26,133	\$ –
424 Operating capital	\$ –	\$ –	\$ –
426 \$25 taconite	\$ –	\$ –	\$ –
427 Disabled accessibility	\$ –	\$ –	\$ –
428 Learning and development	\$ –	\$ –	\$ –
434 Area learning center	\$ –	\$ –	\$ –
435 Contracted alternative programs	\$ –	\$ –	\$ –
436 State approved alternative program	\$ –	\$ –	\$ –
438 Gifted and talented	\$ –	\$ –	\$ –
439 English learner	\$ –	\$ –	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
441 Basic skills programs	\$ 365,714	\$ 365,714	\$ –
448 Achievement and integration	\$ –	\$ –	\$ –
449 Safe schools levy	\$ 980,389	\$ 980,389	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
453 Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459 Basic skills extended time	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ 507,105	\$ 507,105	\$ –
471 Student support personnel	\$ –	\$ –	\$ –
472 Medical Assistance	\$ 3,294,531	\$ 3,294,531	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
475 Title VII – impact aid	\$ –	\$ –	\$ –
476 PILT	\$ –	\$ –	\$ –
Committed			
418 Committed for separation	\$ –	\$ –	\$ –
461 Committed fund balance	\$ –	\$ –	\$ –
Assigned			
462 Assigned fund balance	\$ 8,783,788	\$ 8,783,788	\$ –
Unassigned			
422 Unassigned fund balance	\$ 8,205,232	\$ 8,205,232	\$ –
<b>Food Service</b>			
Total revenue	\$ 535,274	\$ 535,274	\$ –
Total expenditures	\$ 829,029	\$ 829,029	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
452 OPEB liability not in trust	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 13,463	\$ 13,463	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Community Service</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
426 \$25 taconite	\$ –	\$ –	\$ –
431 Community education	\$ –	\$ –	\$ –
432 ECFE	\$ –	\$ –	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
444 School readiness	\$ –	\$ –	\$ –
447 Adult basic education	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

INTERMEDIATE DISTRICT NO. 287

Uniform Financial Accounting and Reporting Standards  
Compliance Table (continued)  
June 30, 2024

	Audit	UFARS	Audit – UFARS
<b>Building Construction</b>			
Total revenue	\$ 179,036	\$ 179,036	\$ –
Total expenditures	\$ 1,196,107	\$ 1,196,107	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
407 Capital projects levy	\$ –	\$ –	\$ –
413 Projects funded by COP	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ 2,810,171	\$ 2,810,171	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Debt Service</b>			
Total revenue	\$ 8,985,737	\$ 8,985,737	\$ –
Total expenditures	\$ 6,884,237	\$ 6,884,236	\$ 1
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
433 Maximum effort loan	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 20,640,911	\$ 20,640,911	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Trust</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>Custodial Fund</b>			
Total revenue	\$ 5,045	\$ 5,044	\$ 1
Total expenditures	\$ 3,342	\$ 3,342	\$ –
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ 97,254	\$ 97,254	\$ –
448 Achievement and integration	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
<b>Internal Service</b>			
Total revenue	\$ 14,425,255	\$ 14,425,255	\$ –
Total expenditures	\$ 12,374,840	\$ 12,374,840	\$ –
422 Net position	\$ 18,227,239	\$ 18,227,239	\$ –
<b>OPEB Revocable Trust Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>OPEB Irrevocable Trust Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>OPEB Debt Service Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

Note: Statutory restricted deficits, if any, are reported in unassigned fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

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Management Report

for

Intermediate District No. 287  
Plymouth, Minnesota

June 30, 2024

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PRINCIPALS

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Kalen T. Karnowski, CPA

To the Board of Directors and Management of  
Intermediate District No. 287  
Plymouth, Minnesota

We have prepared this management report in conjunction with our audit of Intermediate District No. 287's (the District) financial statements for the year ended June 30, 2024. We have organized this report into the following sections:

- Audit Summary
- Financial Trends in Public Education in Minnesota
- Financial Trends of Your District
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the District, management, and those with responsibility for oversight of the District's financial reporting process comments resulting from our audit and information relevant to school district financing in Minnesota. Accordingly, this report is not suitable for any other purpose.

*Malloy, Montague, Karnowski, Radosevich & Co., P.A.*

Minneapolis, Minnesota  
December 20, 2024

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## AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the Board of Directors, administration, or those charged with governance of the District.

### **OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS*, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### **PLANNED SCOPE AND TIMING OF THE AUDIT**

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

### **AUDIT OPINIONS AND FINDINGS**

Based on our audit of the District's financial statements for the year ended June 30, 2024:

- We have issued an unmodified opinion on the District's basic financial statements. Our report included a paragraph emphasizing the District's implementation of Governmental Accounting Standards Board (GASB) authoritative literature, which changed the requirements for accounting for groups of similar capital assets this year. Our opinion was not modified with respect to this matter.
- We noted no deficiencies in the District's internal control over financial reporting that we consider to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

## **FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

As part of our audit of the District's financial statements for the year ended June 30, 2024, we performed procedures to follow-up on any findings and recommendations that resulted from the prior year audit. We reported the following finding that was corrected by the District in the current year:

- During our audit of the year ended June 30, 2023, we noted that the District did not have documented written controls to ensure compliance with the U.S Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for federal awards (Uniform Guidance) subrecipient monitoring requirements. The District did not maintain documentation of its evaluation of each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward, nor did the District maintain documentation of the results of the subrecipients' Single Audit, if any, for purposes of determining the appropriate subrecipient monitoring. Based on our testing in the current year, the District implemented adequate procedures to correct this prior year finding.

## **SIGNIFICANT ACCOUNTING POLICIES**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the *fiscal year* ended June 30, 2024. However, the District implemented the following GASB guidance change during the year:

As described in Note 1 of the notes to basic financial statements, the District implemented new GASB guidance related to capital assets during the fiscal year ended June 30, 2024. This new guidance requires governments to capitalize groups of similar assets if significant, even when individually they are below the government's capitalization threshold. This change resulted in a restatement, which increased beginning net position in the government-wide financial statements by \$1,189,353 in the current year.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

## **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Special education state aid includes an adjustment related to tuition billings to and from other school districts for special education services, which are computed using formulas derived by the Minnesota Department of Education (MDE). Because of the timing of the calculations, this adjustment for the current fiscal year is not finalized until after the District has closed its financial records. The impact of this adjustment on the receivable and revenue recorded for state special education aid is calculated using preliminary information available to the District.

The District has recorded a liability in the Statement of Net Position for severance benefits payable for which it is probable employees will be compensated. The “vesting method” used by the District to calculate this liability is based on assumptions involving the probability of employees becoming eligible to receive the benefits (vesting), the potential use of accumulated sick leave prior to termination, and the age at which such employees are likely to retire.

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies, primarily described in GASB Statement Nos. 68 and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

The District has considered recording an amount for an allowance for doubtful accounts. This calculation is based on the probability of collection based on past experience with members, nonmembers, and other users of the District’s services.

The depreciation/amortization of capital assets involves estimates pertaining to useful lives.

The District’s self-insured activities require recording a liability for claims incurred, but not yet reported, which are based on estimates.

We evaluated the key factors and assumptions used by management to develop the estimates discussed above and the previous page in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to OPEB and pension benefits are particularly sensitive, due to the materiality of the liabilities and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

#### **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### **CORRECTED AND UNCORRECTED MISSTATEMENTS**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit’s financial statements taken as a whole.

#### **DISAGREEMENTS WITH MANAGEMENT**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

## **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated December 20, 2024.

## **MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

## **OTHER AUDIT FINDINGS OR ISSUES**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **OTHER MATTERS**

We applied certain limited procedures to the management’s discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information, Schedule of Expenditures of Federal Awards, and the Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table accompanying the financial statements, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and other district information, which accompany the financial statements, but are not RSI. Such information 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.

## FINANCIAL TRENDS IN PUBLIC EDUCATION IN MINNESOTA

This section provides some state-wide funding and financial trends in public education in Minnesota.

### BASIC GENERAL EDUCATION REVENUE

The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to average daily membership (ADM). Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

The table below presents a summary of the formula allowance for the past decade and as approved for the next fiscal year. The Legislature approved a per pupil increases of \$143 for fiscal 2025. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts.

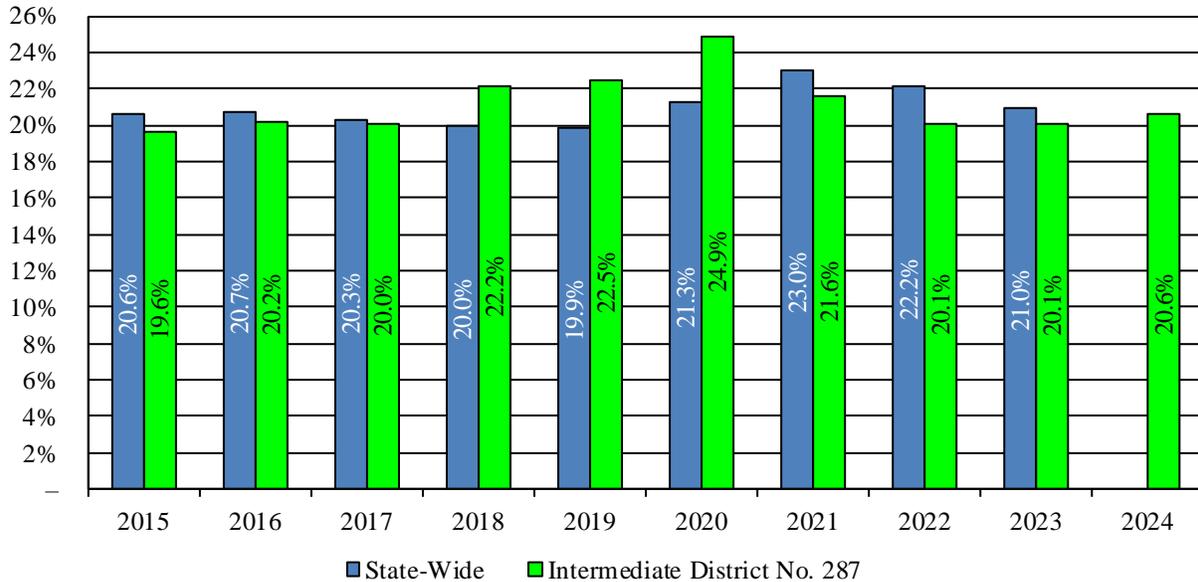
Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2015	\$ 5,831	2.00 %
2016	\$ 5,948	2.00 %
2017	\$ 6,067	2.00 %
2018	\$ 6,188	2.00 %
2019	\$ 6,312	2.00 %
2020	\$ 6,438	2.00 %
2021	\$ 6,567	2.00 %
2022	\$ 6,728	2.45 %
2023	\$ 6,863	2.00 %
2024	\$ 7,138	4.00 %
2025	\$ 7,281	2.00 %

For fiscal 2026 and beyond, the actual increase will be equal to the Consumer Price Index-Urban (CPI-U), with a floor of 2.00 percent and a cap of 3.00 percent. CPI-U is determined based upon the prior two fourth-quarter totals. The inclusion of inflationary increases to this formula does not prevent future legislative increases from being approved.

## STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

One of the most common and comparable statistics used to evaluate school district financial health is the unrestricted operating fund balance as a percentage of operating expenditures.

State-Wide Unrestricted Operating Fund Balance  
as a Percentage of Operating Expenditures



Note: State-wide information is not available for fiscal 2024.

The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts has been relatively stable over the last decade, ranging from 20.6 percent at the end of fiscal 2015 to 21.0 percent at the end of fiscal 2023, with a slight uptick during the fiscal years impacted by the COVID-19 pandemic.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 20.6 percent at the end of the current year, as compared to 20.1 percent at the end of the prior fiscal year.

Having an appropriate fund balance is an important factor in assessing the District's financial health because a government, like any organization, requires a certain amount of equity to operate. It is important to review fund balance levels on an ongoing basis to ensure a sufficient equity reserve is available to support programs and cash flow of the District.

## FINANCIAL TRENDS OF YOUR DISTRICT

### DISTRICT FINANCIAL POSITION

The following table presents four years of comparative operating results for the District's General Fund:

	Year Ended June 30,			
	2021	2022	2023	2024
Revenue	\$ 84,179,159	\$ 85,679,682	\$ 87,528,049	\$ 92,937,531
Expenditures	86,232,890	86,658,844	87,009,291	90,240,597
Excess (deficiency) of revenue over expenditures	(2,053,731)	(979,162)	518,758	2,696,934
Other financing sources (uses)	(231,921)	(251,557)	34,399	(1,464)
Net change in fund balances	(2,285,652)	(1,230,719)	553,157	2,695,470
Fund balances				
Beginning of year	22,719,208	20,433,556	19,202,837	19,755,994
End of year	<u>\$ 20,433,556</u>	<u>\$ 19,202,837</u>	<u>\$ 19,755,994</u>	<u>\$ 22,451,464</u>
Fund balances				
Nonspendable for prepaid items	\$ 59,977	\$ 125,543	\$ 133,782	\$ 288,572
Restricted for American Indian education aid	-	-	-	26,133
Restricted for basic skills programs	264,604	115,586	17,663	365,714
Restricted for basic skills extended time	115,262	115,262	115,262	-
Restricted for safe schools levy	754,197	645,942	514,244	980,389
Restricted for long-term facilities maintenance	614,086	658,985	529,625	507,105
Restricted for Medical Assistance	1,267,152	1,510,671	2,495,391	3,294,531
Assigned for operational adjustment reserve	457,288	310,388	181,420	95,721
Assigned for donations	6,571	6,146	-	-
Assigned for severance	5,563,206	5,167,529	5,024,941	4,811,072
Assigned for tuition adjustments	1,788,609	1,788,609	2,128,941	2,128,941
Assigned for property	186,334	165,200	28,014	250,000
Assigned for student clubs	21,658	16,348	9,648	8,641
Assigned for vehicle depreciation	101,664	101,664	101,664	99,382
Assigned for collaborative curriculum project	113,669	113,669	29,158	1,568
Assigned for strategic priorities	988,863	498,681	717,243	1,246,715
Assigned for subsequent year's budget	678,874	529,541	244,962	-
Assigned for vaping settlement	-	-	-	141,748
Unassigned	7,451,542	7,333,073	7,484,036	8,205,232
Total fund balances	<u>\$ 20,433,556</u>	<u>\$ 19,202,837</u>	<u>\$ 19,755,994</u>	<u>\$ 22,451,464</u>
Unassigned General Fund balances as a percentage of expenditures	<u>8.6%</u>	<u>8.5%</u>	<u>8.6%</u>	<u>9.1%</u>
Total fund balances as a percentage of expenditures	<u>23.7%</u>	<u>22.2%</u>	<u>22.7%</u>	<u>24.9%</u>

The District completed the year with a net increase in General Fund balance of \$2,695,470. This compares to a budget which projected an increase in fund balance of \$664,155. The net change in fund balance was \$2,031,315 higher when compared to budgeted amounts. This difference was mainly the result of the net change in fund balance increasing more than budgeted amounts in the Special Education and District-Wide Accounts by \$1,129,790 and \$462,741, respectively.

The District continues to assign fund balance for the MDE state special education tuition billing adjustments. The District has a significant receivable in this area that is being classified as an assigned balance until the appeal process is completed and finalized.

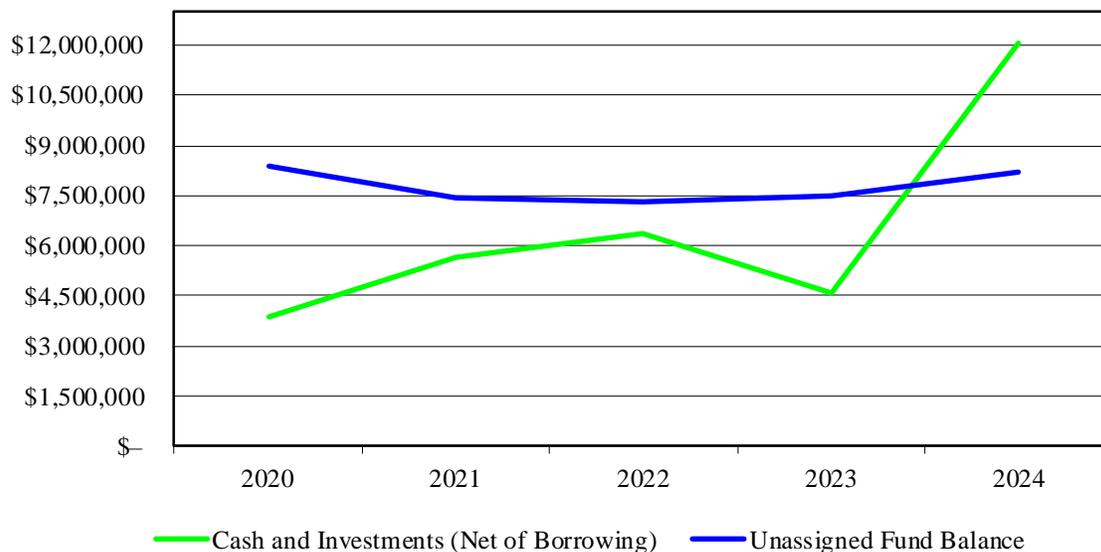
The table on the previous page reflects the total and unassigned General Fund balances and as a percentage of annual expenditures, which differ from those used in the previous discussion of state-wide fund balances, which are based on a state formula.

**FUND BALANCE POLICY**

Unassigned fund balance as a percentage of expenditures is one key measure of a district’s financial health. The resources represented by this fund balance are critical to a district’s ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion the impact of unexpected costs or funding shortfalls. For your district, this ratio is 9.1 percent of total current year expenditures. This ratio compares to the District’s fund balance policy, which endeavors to maintain an unassigned fund balance as a percentage of the District’s operating budget, excluding operating capital programs, of at least 6.0 to 8.0 percent.

The following graph summarizes the level of cash and investments, net of borrowing, and unassigned fund balance in the General Fund:

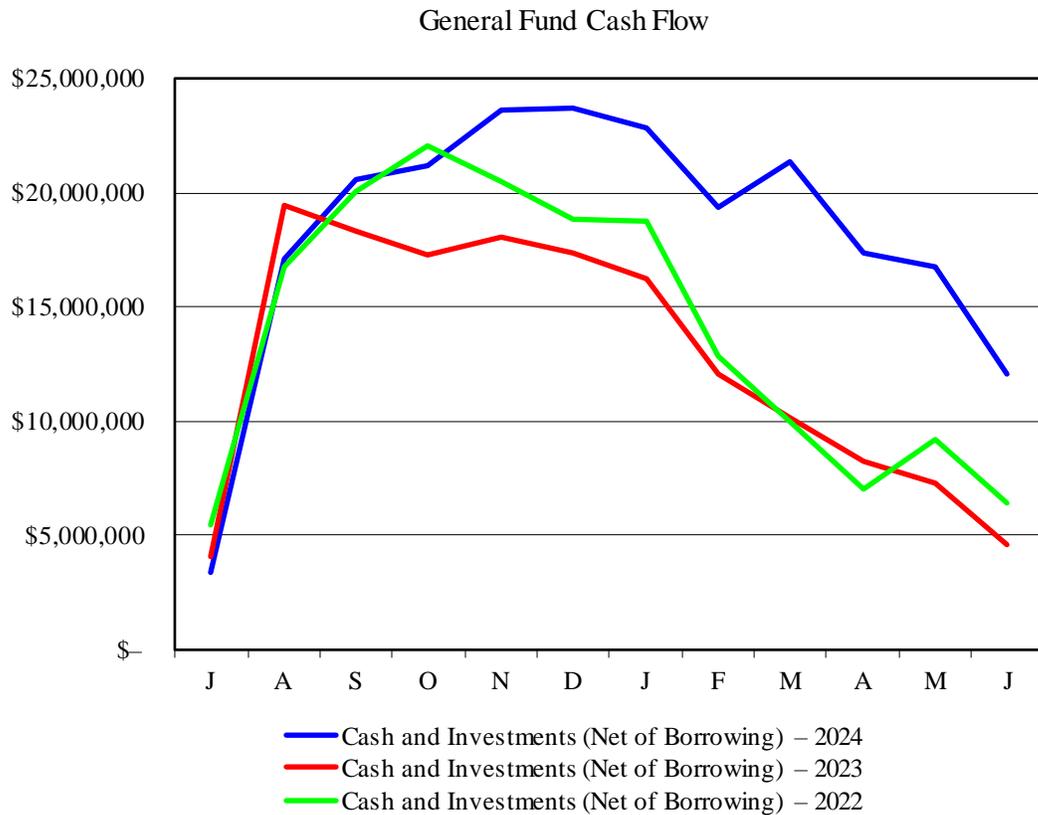
General Fund Financial Position



The above graph shows a slight increase in unassigned fund balance and a significant increase in cash and investments (net of borrowing) at June 30, 2024. The graph also shows other fluctuations in year-end cash balances. These changes are typically caused by changes in the tuition billing cycles and systems of the District. Changes in funding structure and state aid payment schedules also significantly affect the cash flow of Minnesota school districts. The increase in cash and investments in 2024 is the result of the timing of payments from the MDE, which resulted in decreased amounts due from the MDE at June 30, 2024. An increase in investment earnings was also recognized by the District, due to improved market performance in fiscal 2024.

## GENERAL FUND CASH FLOW

In addition to changes in the level of cash and investments from year-to-year, this level varies considerably, due to the timing of various revenues and expenditures during the year. The following graph summarizes the month-end cash and investments balance throughout the last three fiscal years:



The graph above shows the peaks and valleys of the General Fund cash and investments balance (net of borrowing) on a monthly basis. The swing between its high and low month-end cash balances was about \$20.3 million for fiscal 2024.

## GENERAL FUND OPERATIONS AND FINANCIAL POSITION BY ACCOUNT

The following tables present comparative operating results for some of the accounts of the District's General Fund:

### Special Education Account

	Year Ended June 30,			
	2021	2022	2023	2024
Revenue and other financing sources	\$ 58,456,371	\$ 57,559,818	\$ 58,541,471	\$ 60,438,644
Expenditures and other financing uses	59,780,671	57,792,336	56,771,372	58,636,894
Excess (deficiency)	(1,324,300)	(232,518)	1,770,099	1,801,750
Fund balances				
Beginning of year	12,354,928	11,030,628	10,798,110	12,568,209
End of year	\$ 11,030,628	\$ 10,798,110	\$ 12,568,209	\$ 14,369,959

In fiscal 2024, the Special Education Account expenditures and other financing uses were less than revenues and other financing sources by \$1,801,750, while the District's budgeted expectations projected an increase of \$671,960. State sources were lower than budget by \$1,161,456, mainly due to lower than projected state special education aid driven by lower than expected special education expenditures. Tuition revenue exceeded budget by \$631,396, mainly due to higher than projected Medical Assistance revenues. Expenditures were less than budget by \$1,679,710, mainly in salaries and benefits, mostly from open positions.

Special Education Account revenue and other financing sources increased \$1,897,173, due to an increase in state aid sources revenue. Special Education Account expenditures (excluding other financing uses) increased \$1,847,859, mostly in salaries and benefits.

### Career and Technical Education Account

	Year Ended June 30,			
	2021	2022	2023	2024
Revenue and other financing sources	\$ 1,084,353	\$ 1,191,366	\$ 1,711,624	\$ 1,757,143
Expenditures and other financing uses	1,383,794	1,089,010	1,796,506	1,848,758
Excess (deficiency)	(299,441)	102,356	(84,882)	(91,615)
Fund balances				
Beginning of year	713,424	413,983	516,339	431,457
End of year	\$ 413,983	\$ 516,339	\$ 431,457	\$ 339,842

In fiscal 2024, the Career and Technical Education Account fund balance decreased by \$91,615, while budget expectations projected a decrease of \$178,777 in fund balance.

## Academic Education Account

	Year Ended June 30,			
	2021	2022	2023	2024
Revenue and other financing sources	\$ 10,136,239	\$ 10,424,659	\$ 11,042,504	\$ 12,675,002
Expenditures and other financing uses	10,745,325	10,364,777	11,460,022	12,615,350
Excess (deficiency)	(609,086)	59,882	(417,518)	59,652
Fund balances				
Beginning of year	1,199,565	590,479	650,361	232,843
End of year	\$ 590,479	\$ 650,361	\$ 232,843	\$ 292,495

The Academic Education Account fund balance increased by \$59,652 in 2024, while budget projections provided for a decrease in fund balance of \$37,213. Tuition revenue was more than budget by \$300,468, mainly related to the increase in students enrolled in the Northern Star Online program. Expenditures were lower than budget by \$178,693, mainly in salaries and benefits. The District reported an intrafund transfer to another account of \$115,262 that was not budgeted.

Revenue (excluding other financing sources) in this account increased by \$1,634,609 in fiscal 2024. This was mainly in online learning programs as discussed above.

Expenditures (excluding other financing uses) increased in this account by \$1,409,061 in fiscal 2024. Most of this increase was related to increases in salaries and benefits, due to the growth in the Northern Star Online program.

## District-Wide Account

This account includes costs for administration, district-wide operations, maintenance, and grants.

	Year Ended June 30,			
	2021	2022	2023	2024
Revenue and other financing sources	\$ 16,499,525	\$ 16,720,519	\$ 17,023,491	\$ 18,357,823
Expenditures and other financing uses	<u>16,517,157</u>	<u>17,458,837</u>	<u>17,451,559</u>	<u>17,439,250</u>
Excess (deficiency)	(17,632)	(738,318)	(428,068)	918,573
Fund balances				
Beginning of year	<u>2,644,900</u>	<u>2,627,268</u>	<u>1,888,950</u>	<u>1,460,882</u>
End of year	<u>\$ 2,627,268</u>	<u>\$ 1,888,950</u>	<u>\$ 1,460,882</u>	<u>\$ 2,379,455</u>

The District-Wide Account fund balance increased by \$918,573 in 2024. This compares to a budgeted increase in fund balance of \$455,832. Revenues (excluding other financing sources) were under budget by \$1,114,804, mostly in other, state, and federal revenue related to local and federal grants and aids. Expenditures (excluding other financing uses) were under budget by \$1,301,819. The most significant expenditures under budget were for salaries and wages by \$439,978, mainly due to open positions and purchased services by \$381,798, mainly from lower grant spending.

Revenue (excluding other financing sources) in this account increased by \$1,471,572, mainly in state sources, including newly approved funding. Expenditures (excluding other financing uses) decreased by \$25,896. Capital expenditures related to long-term facilities maintenance expenditures decreased, which was offset by an increase in salaries and benefits, due to added staffing and contractual settlements.

## OTHER GOVERNMENTAL FUNDS

### Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund revenue and other financing sources exceeded expenditures by \$13,463. The remaining fund balance is restricted exclusively for federal supply chain assistance expenditures.

### Capital Project – Building Construction Fund

Expenditures exceeded revenues by \$1,017,071 in the current year. The change in the fund balance is due to the District spending down prior year long-term facilities maintenance bond issuances.

### Debt Service Fund

The District's Debt Service Fund revenue exceeded expenditures by \$2,101,500, leaving a fund balance of \$20,640,911 at June 30, 2024. This increase in fund balance was planned and correlates to the increase in cash and investments held by trustee for debt service payments.

### Internal Service Funds

The District's internal service funds are used to account for health and dental insurance offered by the District to its employees as self-insured plans. As of June 30, 2024, the Dental Self-Insurance Fund had unrestricted net position of \$487,198. The Health Self-Insurance Fund showed an increase in net position of \$2,142,244 and unrestricted net position of \$17,740,041 at June 30, 2024, representing 151.9 percent of operating expenses.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's financial statements include fund-based information that focuses on budgetary compliance, and the sufficiency of the District's current assets to finance its current liabilities. The governmental reporting model also requires the inclusion of two government-wide financial statements designed to present a clear picture of the District as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering educational services, including capital assets and long-term liabilities.

Theoretically, net position represents district resources available for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, this statement divides net position into three components: net investment in capital assets, restricted, and unrestricted. The following table presents a summarized reconciliation of the District's governmental fund balances to net position, and the separate components of net position for the last two years:

	Year Ended June 30,		Change
	2023	2024	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 42,122,647	\$ 45,916,009	\$ 3,793,362
Net book value of capital assets	82,802,630	83,694,378	891,748
Subscription liabilities	(315,102)	(399,406)	(84,304)
Certificates of participation payable	(60,370,000)	(57,250,000)	3,120,000
General obligation bonds payable	(8,480,000)	(8,160,000)	320,000
Severance benefits and compensated absences payable	(7,654,877)	(5,970,582)	1,684,295
OPEB adjustments	(4,330,357)	(4,102,419)	227,938
Net pension-related adjustments	(55,637,241)	(50,444,548)	5,192,693
Bond refunding deferments	316,446	284,801	(31,645)
Internal service funds net position	16,176,824	18,227,239	2,050,415
Accrued interest payable	(567,388)	(453,888)	113,500
Unamortized premium/discount on debt issued	(2,583,880)	(2,262,523)	321,357
Total net position – governmental activities	<u>\$ 1,479,702</u>	<u>\$ 19,079,061</u>	<u>\$ 17,599,359</u>
Net position			
Net investment in capital assets	\$ 15,197,336	\$ 18,717,421	\$ 3,520,085
Restricted	21,644,208	25,374,358	3,730,150
Unrestricted	(35,361,842)	(25,012,718)	10,349,124
Total net position	<u>\$ 1,479,702</u>	<u>\$ 19,079,061</u>	<u>\$ 17,599,359</u>

Some of the District's fund balances translate into restricted net position by virtue of external restrictions (statutory restrictions) or by the nature of the fund they are in (e.g., Food Service Special Revenue Fund balance can only be spent for food service program costs). The unrestricted net position category consists mainly of the General Fund unrestricted fund balances, offset against noncapital long-term obligations, such as vacation payable, severance payable, net pension, and net OPEB liabilities.

Unrestricted net position increased \$10,349,124 in fiscal 2024. This change in unrestricted net position was from an increase in the General Fund balance and the Internal Service Fund net position and the changes in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension obligations in the current year.

The District's net investment in capital assets increased \$3,520,085 in fiscal 2024. The change in this category of net position typically depends on the relationship between the rate at which the District is adding capital assets, the rate capital assets are being depreciated/amortized, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. This category was also impacted by a change in accounting principle totaling \$1,189,353. The restricted balance increased \$3,730,150, mainly in restricted for debt service.

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## ACCOUNTING AND AUDITING UPDATES

The following is a summary of Governmental Accounting Standards Board (GASB) standards expected to be implemented in the next few years.

### **GASB STATEMENT NO. 101, *COMPENSATED ABSENCES***

The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used, but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used, but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

### **GASB STATEMENT NO. 102, *CERTAIN RISK DISCLOSURES***

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.

This new guidance defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosures should include actions by the government to mitigate the risk. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

### **GASB STATEMENT NO. 103, *FINANCIAL REPORTING MODEL IMPROVEMENTS***

This Statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

- Management's discussion and analysis
- Unusual or infrequent items
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position
- Information about major component units in basic financial statements
- Budgetary comparison information
- Financial trends information in the statistical section

The objective of this Statement is to improve key components of the financial reporting model to enhance its quality and effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

District Service Center  
1820 Xenium Lane North  
Plymouth, MN 55441-3708

Telephone: 763-559-3535  
[www.district287.org](http://www.district287.org)

Corrective Action Plans and  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2024

**A. FINANCIAL STATEMENT FINDINGS**

None.

**B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**C. MINNESOTA LEGAL COMPLIANCE FINDINGS**

None.

**D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF EDUCATION, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, CAREER AND TECHNICAL EDUCATION – BASIC GRANTS TO STATES – FEDERAL ALN 84.048**

**2023-001 Internal Control Over Compliance With Subrecipient Monitoring Requirements**

Corrective action has been taken.

**INTERMEDIATE DISTRICT 287  
PLYMOUTH, MINNESOTA  
BOARD OF EDUCATION**



**Regular Meeting – January 23, 2025**

**AGENDA SECTION: BUSINESS SERVICES REPORT**

**ITEM: Recommendation for Board Acceptance of the  
Audited Financial Report for the year ended June 30, 2024**

**PRESENTED BY: Brian Schultz, Exec. Dir. of Business Services & Operations**

**1. Background Information**

Jim Eichten, Managing Partner of MMKR, Certified Public Accountants & Co., P.A. will present the district’s Audited Financial Report for the year ended June 30, 2024.

**2. Fiscal Impact/Funding Source:**

**3. RECOMMENDED ACTION:**

The Board accepts the audited financial report for the year ended June 30, 2024.

Motion by: \_\_\_\_\_ Yes \_\_\_\_ Passed \_\_\_\_

Second by: \_\_\_\_\_ Yes \_\_\_\_ Failed \_\_\_\_

Abstentions: \_\_\_\_\_



# December 2024 Financials Quarterly Board Report

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January 23, 2025



# Revenues & Expenditures - December 2024

Revenues*	
Total	\$64,185,264
% Of Budget	48.0%
Compare to 2 Prior Years	Similar 

Expenditures*	
Total	\$48,855,144
% Of Budget	37.3%
Compare to 2 Prior Years	Slightly Below 

\* Without Construction Funds

# Investments



## Regular Investments

Prior Month Total	\$40,814,189
Interest/Dividend Earned	115,705
Add/(reduction) to Investments	0
Dec. End Total	\$40,929,894

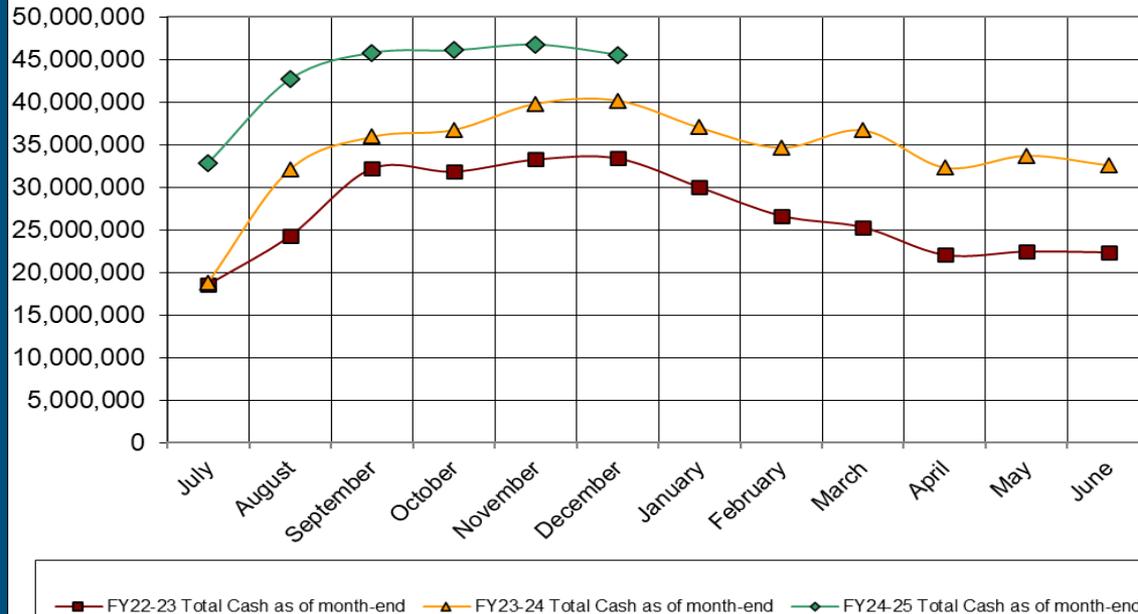
## LTFM Construction Investments

Prior Month Total	\$2,883,929
Interest Earned	10,989
Construction Draws	(42,007)
Dec. End Total	\$2,852,911

# Cash Flow



**CASH POSITION**  
**Total Cash as of Month-End**



# Disbursements & Receipts

## Disbursements

Accounts Payable	\$5,115,227
Payroll	3,507,579
Total Disbursements	\$8,622,806

## Receipts

- \$7,311,849



# Average Daily Membership - Compare to Prior Year

Program	December ADM	Prior Year Comparison
Alternative Learning Centers	262	+18
Northern Star Online	469	+96
Career & Technical	93	+31

Program	December ADM	Prior Year Comparison
Special Education	530	+51
Care & Treatment	97	+10



Questions  
Questions

**INTERMEDIATE DISTRICT 287  
PLYMOUTH, MINNESOTA  
BOARD OF EDUCATION**



**Regular Meeting – January 23, 2025**

**AGENDA SECTION: BUSINESS SERVICES REPORT**

**ITEM: Approval of Routine Monthly Finance Report**

**PRESENTED BY: Brian Schultz, Exec. Dir. of Business Services & Operations**

**1. Background Information**

The December Budget vs. Actual Reports are presented for Board information and review. These reports indicate that year-to-date revenue in all funds (excluding Funds 06 & 11) total \$64,185,264, or 48.0% of the Revenue Budget of \$133,794,419. Including Funds 06 & 11 year-to-date revenue in all funds total \$64,281,919, or 48.0% of the Revenue Budget of \$133,874,419. The District’s monthly revenue will continue to be based upon the cash payments we receive from MDE Special Education Uniform Tuition system and other state aids. Revenue will be made whole at the end of each fiscal year as we calculate all of our receivables and recognize the revenue receivable as part of the audit.

Year-to-date expenditures in all funds (excluding Funds 06 & 11) total \$48,855,144, or 37.3% of the Expenditure Budget of \$130,940,229. Including Funds 06 & 11 year-to-date expenditures in all funds total \$48,911,059, or 37.0% of the Expenditure Budget of \$132,116,006.

The amounts shown for 2023-24 are as of the end of the fiscal year at June 30th, and are preliminary at this point. They reflect the normal month end which is basically on a cash basis without accrual entries. Numerous receivables and payables are calculated after year-end, and these amounts will continue to change up to and through the audit process.

DDA  
Attachments

**2. Fiscal Impact/Funding Source: None**

**3. RECOMMENDED ACTION: The Board approve the Finance & Donation Reports items as presented.**

Motion by: \_\_\_\_\_ Yes \_\_\_\_ Passed \_\_\_\_

Second by: \_\_\_\_\_ Yes \_\_\_\_ Failed \_\_\_\_

Abstentions: \_\_\_\_\_

**The mission of Intermediate District 287 is to be the premier provider of innovative specialized services to ensure that each member district can meet the unique learning needs of its students.**

**DISTRICT 287**  
**REVENUE COMPARISON**

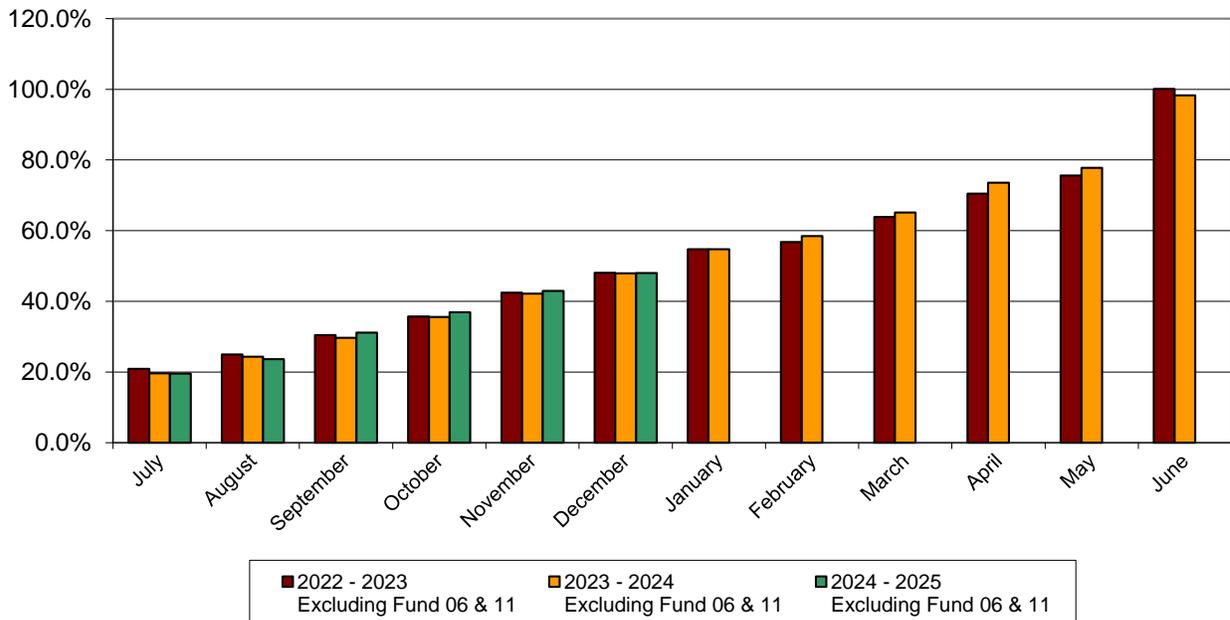
Month	2022 - 2023		2023 - 2024		2024 - 2025		2024 - 2025	
	Excluding Fund 06 & 11		Excluding Fund 06 & 11		Excluding Fund 06 & 11		Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
	Amount	of Budget	Amount	of Budget	Amount	of Budget	Amount	of Budget
July	23,192,942	20.9%	23,454,555	19.7% <sup>2</sup>	26,130,396	19.5% <sup>3</sup>	26,122,849	19.5%
August	4,486,051	25.0%	5,555,759	24.3% <sup>2</sup>	5,533,085	23.7% <sup>3</sup>	5,576,799	23.7%
September	6,032,596	30.4%	6,418,580	29.7% <sup>2</sup>	9,995,943	31.1% <sup>3</sup>	10,029,936	31.2%
October	5,841,372	35.7%	7,033,514	35.6% <sup>2</sup>	7,739,129	36.9% <sup>3</sup>	7,747,211	37.0%
November	7,490,646	42.4% <sup>1</sup>	7,853,633	42.2% <sup>2</sup>	8,106,095	43.0% <sup>3</sup>	8,113,520	43.0%
December	6,260,247	48.1% <sup>1</sup>	6,852,360	47.9% <sup>2</sup>	6,680,616	48.0% <sup>3</sup>	6,691,605	48.0%
January	7,338,783	54.7% <sup>1</sup>	8,090,580	54.7% <sup>2</sup>				
February	2,303,833	56.8% <sup>1</sup>	4,501,636	58.5% <sup>2</sup>				
March	7,885,058	63.9% <sup>1</sup>	7,937,907	65.2% <sup>2</sup>				
April	7,250,156	70.4% <sup>1</sup>	10,002,641	73.5% <sup>2</sup>				
May	5,714,807	75.6% <sup>1</sup>	5,089,254	77.8% <sup>2</sup>				
June	27,134,282	100.1% <sup>1</sup>	24,442,780	98.3% <sup>2</sup>				
<b>TOTAL</b>	<b>110,930,774</b>	<b>100.1%</b>	<b>117,233,200</b>	<b>98.3%</b>	<b>64,185,264</b>	<b>48.0%</b>	<b>64,281,919</b>	<b>48.0%</b>
<b>BUDGET</b>	<b>110,842,085</b> <sup>1</sup>		<b>119,257,057</b> <sup>2</sup>		<b>133,794,419</b> <sup>3</sup>		<b>133,874,419</b>	

<sup>1</sup> excludes Funds 06 & 11 budgeted revenue of \$4,734,553

<sup>2</sup> excludes Funds 06 & 11 budgeted revenue of \$55,000

<sup>3</sup> excludes Funds 06 & 11 budgeted revenue of \$80,000

**REVENUE COMPARISON - ALL FUNDS**  
**YTD REVENUE BY MONTH**  
**(excluding Fund 06 & 11)**



## \_Board- Revenue/Expense Summary by Fund Report

December 2024-2025

Intermediate District No. 287

Revenue Fund	Prior YE Act	Budget	MTD Activity	YTD Activity	% Used	YTD Unrealized
01 - GENERAL FUND	18,089,211.39	18,528,330.00	232,400.32	5,219,770.00	28.17%	13,308,560.00
02 - FOOD SERVICE FUND	842,491.85	974,270.00	50,296.32	184,217.84	18.91%	790,052.16
04 - COMMUNITY SERVICE FUND	0.00	0.00	0.00	0.00		0.00
06 - BUILDING CONSTRUCTION FUND	0.00	0.00	0.00	0.00		0.00
07 - DEBT SERVICE FUND	8,985,736.82	9,062,376.00	0.00	6,589,449.78	72.71%	2,472,926.22
08 - TRUST FUND	0.00	0.00	0.00	0.00		0.00
10 - SCHOLARSHIP FUND	5,044.29	5,356.00	95.00	95.00	1.77%	5,261.00
11 - LTFM BOND FUND	179,035.62	80,000.00	10,988.86	96,654.64	120.82%	-16,654.64
12 - ALC - ACADEMIC FUND	12,675,002.28	13,357,314.00	5,980.59	3,600,978.05	26.96%	9,756,335.95
13 - CAREER & TECH FUND	1,757,142.13	2,674,173.00	0.00	996,562.45	37.27%	1,677,610.55
14 - SPECIAL EDUCATION FUND	60,438,643.50	74,387,375.00	4,960,465.79	40,475,649.13	54.41%	33,911,725.87
20 - INTERNAL SERVICE FUND	603,475.41	686,700.00	64,423.35	327,967.60	47.76%	358,732.40
21 - SELF HEALTH INSURANCE FUND	13,821,779.96	14,111,440.00	1,366,682.21	6,788,512.35	48.11%	7,322,927.65
51 - STUDENT CLUB FUND	14,672.50	7,085.00	272.16	2,062.16	29.11%	5,022.84
<b>Total Revenue</b>	<b>117,412,235.75</b>	<b>133,874,419.00</b>	<b>6,691,604.60</b>	<b>64,281,919.00</b>	<b>48.02%</b>	<b>69,592,500.00</b>

**DISTRICT 287**  
**EXPENDITURE COMPARISON**

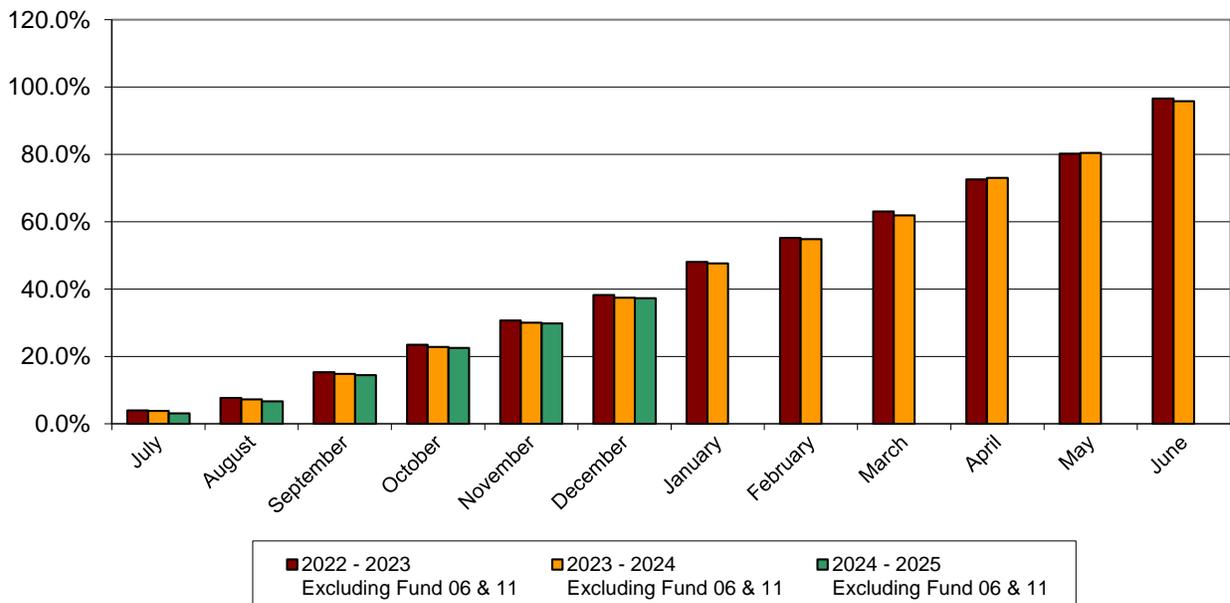
Month	2022 - 2023		2023 - 2024		2024 - 2025		2024 - 2025	
	Excluding Fund 06 & 11		Excluding Fund 06 & 11		Excluding Fund 06 & 11		Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
July	4,329,606	3.9%	4,424,027	3.8% <sup>2</sup>	4,013,490	3.1% <sup>3</sup>	3,844,417	2.9%
August	4,135,827	7.7%	3,954,604	7.3% <sup>2</sup>	4,735,735	6.7% <sup>3</sup>	4,738,018	6.5%
September	8,396,694	15.3%	8,668,867	14.8% <sup>2</sup>	10,198,405	14.5% <sup>3</sup>	10,377,104	14.4%
October	9,015,517	23.5%	9,257,161	22.8% <sup>2</sup>	10,581,202	22.6% <sup>3</sup>	10,581,966	22.4%
November	7,908,978	30.7% <sup>1</sup>	8,286,923	30.0% <sup>2</sup>	9,450,008	29.8% <sup>3</sup>	9,491,250	29.5%
December	8,310,856	38.2% <sup>1</sup>	8,555,529	37.4% <sup>2</sup>	9,876,304	37.3% <sup>3</sup>	9,878,304	37.0%
January	10,876,386	48.1% <sup>1</sup>	11,690,319	47.6% <sup>2</sup>				
February	7,802,263	55.2% <sup>1</sup>	8,340,543	54.8% <sup>2</sup>				
March	8,659,691	63.0% <sup>1</sup>	8,148,996	61.9% <sup>2</sup>				
April	10,529,808	72.6% <sup>1</sup>	12,848,626	73.0% <sup>2</sup>				
May	8,408,779	80.2% <sup>1</sup>	8,498,201	80.4% <sup>2</sup>				
June	18,041,489	96.6% <sup>1</sup>	17,696,852	95.8% <sup>2</sup>				
<b>TOTAL</b>	<b>106,415,894</b>	<b>96.6%</b>	<b>110,370,648</b>	<b>95.8%</b>	<b>48,855,144</b>	<b>37.3%</b>	<b>48,911,059</b>	<b>37.0%</b>
<b>BUDGET</b>	<b>110,162,497</b> <sup>1</sup>		<b>115,244,351</b> <sup>2</sup>		<b>130,940,229</b> <sup>3</sup>		<b>132,116,006</b>	

<sup>1</sup> excludes Funds 06 & 11 budgeted expenditures of \$346,290

<sup>2</sup> excludes Funds 06 & 11 budgeted expenditures of \$947,361

<sup>3</sup> excludes Funds 06 & 11 budgeted expenditures of \$1,175,777

**EXPENDITURE COMPARISON - ALL FUNDS**  
**YTD EXPENDITURES BY MONTH**  
**(excluding Fund 06 & 11)**



**Board- Revenue/Expense Summary by Fund Report**

December 2024-2025

Intermediate District No. 287

<b>Expenditure Fund</b>	<b>Prior YE Act</b>	<b>Budget</b>	<b>MTD Activity</b>	<b>YTD Activity</b>	<b>% Used</b>	<b>YTD Unrealized</b>
01 - GENERAL FUND	17,295,445.57	18,709,739.00	1,159,408.99	9,201,602.61	49.18%	9,508,136.39
02 - FOOD SERVICE FUND	829,028.85	974,270.00	75,244.11	395,237.55	40.57%	579,032.45
04 - COMMUNITY SERVICE FUND	0.00	0.00	0.00	0.00		0.00
06 - BUILDING CONSTRUCTION FUND	0.00	0.00	0.00	0.00		0.00
07 - DEBT SERVICE FUND	6,884,236.11	6,882,410.00	4,000.00	1,613,452.25	23.44%	5,268,957.75
08 - TRUST FUND	0.00	0.00	0.00	0.00		0.00
09 - AGENCY FUND	0.00	0.00	0.00	0.00		0.00
10 - SCHOLARSHIP FUND	3,341.66	12,526.00	821.44	821.44	6.56%	11,704.56
11 - LTFM BOND FUND	1,196,106.77	1,175,777.00	2,000.00	55,914.62	4.76%	1,119,862.38
12 - ALC - ACADEMIC FUND	12,500,087.52	13,237,994.00	1,333,500.79	5,842,879.44	44.14%	7,395,114.56
13 - CAREER & TECH FUND	1,848,757.33	2,633,283.00	97,905.04	640,363.24	24.32%	1,992,919.76
14 - SPECIAL EDUCATION FUND	58,619,231.50	74,503,269.00	6,047,320.34	25,827,252.91	34.67%	48,676,016.09
20 - INTERNAL SERVICE FUND	695,304.72	748,500.00	58,116.96	273,717.12	36.57%	474,782.88
21 - SELF HEALTH INSURANCE FUND	11,679,535.12	13,230,500.00	1,099,626.21	5,057,140.54	38.22%	8,173,359.46
51 - STUDENT CLUB FUND	15,679.35	7,738.00	359.67	2,676.81	34.59%	5,061.19
<b>Total Expenses</b>	<b>111,566,754.50</b>	<b>132,116,006.00</b>	<b>9,878,303.55</b>	<b>48,911,058.53</b>	<b>37.02%</b>	<b>83,204,947.47</b>

# Intermediate District 287

## *Responsive. Innovative. Solutions.*

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### INTER-OFFICE MEMORANDUM

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DATE: **January 10, 2024**

TO: Members of the School Board

FROM: Brian C. Schultz, Exec. Dir. of Business Services & Operations

RE: **Cash Report - December** Claims, Payroll, Receipts, and Investments

A. Recommendation: Request the Board approve payment of the items listed below:

1. A/P payments for: <b>December 2024</b>	Totaling	\$	<u>5,115,227.37</u>
a) Check #'s <b>114967 - 115098</b>			
and Wire Transfers - #'s <b>4000002112 - 4000002135, 4000002137 - 4000002144, 9000007188 - 9000007274</b>			
2. Bond payments for: <b>December 2024</b>	Totaling	\$	<u>-</u>
a) Wire Transfers - #'s <b>None</b>			
3. Payroll payments for: <b>December 2024</b>	Totaling	\$	<u>3,507,579.45</u>
a) Check #'s			
b) Direct Deposit #'s <b>9000146018 - 9000147977</b>			
4. Receipts for: <b>December 2024</b>	Totaling	\$	<u>7,311,849.17</u>
a) Receipt #'s <b>20250626 - 20250706</b>			
5. Invest. at end of mo. <b>December 2024</b>			
a) Fund 01 - General Fund	\$		40,929,893.81
b) Fund 11 - 2022A LTFM Bond (Construction Costs)	\$		<u>2,852,910.81</u>
	\$		<u>43,782,804.62</u>

This report has been prepared under the direction of Dave Anderson and is presented for approval by the School Board. Dave and I would be glad to answer any questions.

INTERMEDIATE DISTRICT 287  
INVESTMENTS ON HAND  
DECEMBER 2024

**#01-104-00 - Investments (General)**

INSTITUTION	RATE OF RETURN (%)	DATE	ACTIVITY	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	4.507			12,524.56
PMA - MNTrust SDA - Nexbank, SSB - ICS, TX	4.350			16,276,382.46
PMA - MNTrust SDA - Bell Bank, MN	4.350			6,539,132.68
PMA - MNTrust SDA - Bank of China, NY	4.400			6,364,919.94
PMA - MNTrust CD - First State Bank of DeQueen, AR	5.261			237,400.00
PMA - MNTrust CD - BAC Community Bank, CA	5.209			237,500.00
PMA - MNTrust CD - NorthEast Community Bank, NY	5.215			237,500.00
PMA - MNTrust CD - The First National Bank of Hutchinson, KS	5.152			237,650.00
PMA - MNTrust CD - COREBANK, OK	4.396			239,400.00
PMA - MNTrust CD - NexBank, TX	4.739			238,600.00
PMA - MNTrust CD - Capital Credit Union, ND	4.437			239,300.00
PMA - MNTrust CD - UNITED HERITAGE CREDIT UNION, TX	4.596			238,900.00
PMA - MNTrust CD - Bank Of Clarke, VA	4.333			239,500.00
PMA - MNTrust CD - Western Alliance Bank, CA	4.175			239,900.00
PMA - MNTrust CD - BOM Bank, LA	4.438			239,300.00
PMA - MNTrust CD - Grand Ridge National Bank, IL	4.168			239,900.00
PMA - MNTrust CD - Omb Bank, MO	4.000			240,300.00
PMA - MNTrust CD - North American Banking Company, MN	4.201			239,800.00
PMA - MNTrust CD - T Bank, National Association, TX	4.204			239,800.00
PMA - MNTrust CD - GBank, NV	4.206			239,800.00
PMA - MNTrust CD - TruStone Financial Credit Union, MN	4.160			2,550,000.00
PMA - MNTrust CD - First Internet Bank of Indiana, IN	4.007			237,200.00
PMA - MNTrust CD - The Western State Bank, KS	4.136			235,300.00
PMA - MNTrust DTC - OAKSTAR BANK NA, 67389LAZ6	3.996			248,194.15
PMA - MNTrust CD - TruStone Financial Credit Union, MN	4.090			1,500,000.00
PMA - MNTrust DTC - VALLEY NATL BK WAYNE, 919853NZ0	3.898			244,241.86
PMA - MNTrust DTC - AMERICAN EXPR NATL BK, 02589AFD9	3.805			244,209.54
PMA - MNTrust DTC - MORGAN STANLEY PVT BANK, 61776NDI	3.905			244,209.29
PMA - MNTrust DTC - ALLY BANK, 02007G3P6	3.905			244,209.84
PMA - MNTrust DTC - FIRST PREMIER BANK, 33610RVS9	3.797			244,246.82
PMA - MNTrust DTC - FIRST BANK/HAMILTON NJ, 319137CN3	3.505			244,675.82
PMA - MNTrust CD - American Plus Bank, N.A., CA	3.600			233,000.00
PMA - MNTrust CD - Farmers Bank & Trust, KS	3.500			233,500.00
PMA - MNTrust CD - KS StateBank, KS	3.650			232,600.00
PMA - MNTrust DTC - PREMIER COMMUNITY BK WI, 74048CBK	3.504			248,699.31
PMA - MNTrust DTC - BUSINESS FIRST BANK, 098079BZ8	3.504			248,698.59
PMA - MNTrust DTC - ALL IN FEDERAL CREDIT UN, 01664MAM1	3.554			248,698.95
PMA - MNTrust CD - Freedom Northwest Credit Union , ID	4.071			230,700.00
<b>Total PMA - MNTrust Investments on Books</b>				<b>40,929,893.81</b>

**ACTIVITY DETAIL:**

Investments on our Book at End of Prior Month	40,814,188.57
Current Month Activity	
Deposits	-
Withdrawals	-
Interest Earned - Recorded	115,665.52
Dividends Earned	39.72
Interest/Dividends Earned - To Be Recorded in Next Month	-

Total Investments at End of Month & Un-recorded Interest

40,929,893.81

**#11-104-00 - Investments (2022A LTFM Bond - Construction Costs)**

INSTITUTION	RATE OF RETURN (%)	DATE	ACTIVITY	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	4.507			1,915,184.25
PMA - MNTrust CD Account Balance	4.059-4.718			450,500.00
PMA - MNTrust SEC Account Balance	4.001-4.005			487,226.56
Total PMA - MNTrust Investments on Books for Fund 11				<u><u>2,852,910.81</u></u>

ACTIVITY DETAIL:

Investments on our Book at End of Prior Month	2,883,928.54
Current Month Activity:	
Deposits	
Distributions/Repemptions	(42,006.59)
Interest/Dividends/Purchases Earned - Recorded	10,988.86
Adjustments - move funds not used for closing costs to construction (from Fund 07)	
Interest/Dividends Earned - To Be Recorded in Next Month	
Total Investments at End of Month & Un-recorded Interest	<u><u>2,852,910.81</u></u>

Total 2022A LTFM Investments (Fund 11) at End of Month

2,852,910.81

INTERMEDIATE DISTRICT 287  
INVESTMENT ACTIVITY - 2022A LTFM BOND  
December 2024

**Investments (2022A LTFM Bond - Construction Costs) - MNTrust**

MONTH POSTED	DATE	DESCRIPTION	AMOUNT
Nov-22	11/22/22	Proceeds from 2022A LTFM Bond	4,740,596.00
Nov-22	11/30/22	Interest/Dividends	4,282.32
Dec-22	12/30/22	Distributions/Construction Draws	-45,645.18
Jan-23	01/01/23	Interest/Dividends	687.30
Feb-23	02/07/23	Distributions/Construction Draws	-15,000.00
Feb-23	02/28/23	Interest/Dividends (for Jan & Feb '23)	19,146.93
Mar-23	03/31/23	Interest/Dividends	5,534.59
Apr-23	04/28/23	Distributions/Construction Draws	-165,570.33
Apr-23	04/30/23	Interest/Dividends	5,018.40
May-23	05/31/23	Distributions/Construction Draws	-39,431.25
May-23	05/31/23	Interest/Dividends	5,132.72
Jun-23	06/30/23	Interest/Dividends	8,599.22
Jul-23	07/31/23	Distributions/Construction Draws	-172,551.00
Jul-23	07/31/23	Interest/Dividends	9,456.04
Aug-23	08/31/23	Interest/Dividends	17,655.68
Sep-23	09/30/23	Interest/Dividends	5,613.71
Sep-23	09/30/23	Distributions/Construction Draws	-64,403.28
Oct-23	10/31/23	Interest/Dividends	14,867.49
Oct-23	10/31/23	Distributions/Construction Draws	-459,154.50
Nov-23	11/30/23	Interest/Dividends	4,587.09
Dec-23	12/28/23	Distributions/Construction Draws	-118,947.96
Dec-23	12/31/23	Interest/Dividends	8,053.03
Jan-24	01/31/24	Interest/Dividends - recorded in Feb.	8,951.48
Feb-24	02/29/24	Interest/Dividends	8,674.49
Mar-24	04/01/24	Interest/Dividends	4,290.91
Apr-24	04/30/24	Distributions/Construction Draws	-90,040.61
Apr-24	04/30/24	Interest/Dividends	4,057.92
May-24	05/31/24	Distributions/Construction Draws	-15,421.57
May-24	05/31/24	Interest/Dividends	3,871.68
Jun-24	06/30/24	Distributions/Construction Draws	-114,204.33
Jun-24	06/30/24	Interest/Dividends	39,989.94
Jul-24	07/31/24	Distributions/Construction Draws	-205,158.46
Jul-24	07/31/24	Interest/Dividends	41,419.43
Aug-24	08/31/24	Distributions/Construction Draws	-243,211.97
Aug-24	08/31/24	Interest/Dividends	43,713.97
Sep-24	09/30/24	Distributions/Construction Draws	-242,331.43
Sep-24	09/30/24	Interest/Dividends	33,992.84
Oct-24	10/31/24	Distributions/Construction Draws	-178,698.47
Oct-24	10/31/24	Interest/Dividends	8,081.63
Nov-24	11/30/24	Interest/Dividends	7,424.07
Dec-25	12/31/24	Distributions/Construction Draws	-42,006.59
Dec-25	12/31/24	Interest/Dividends	10,988.86

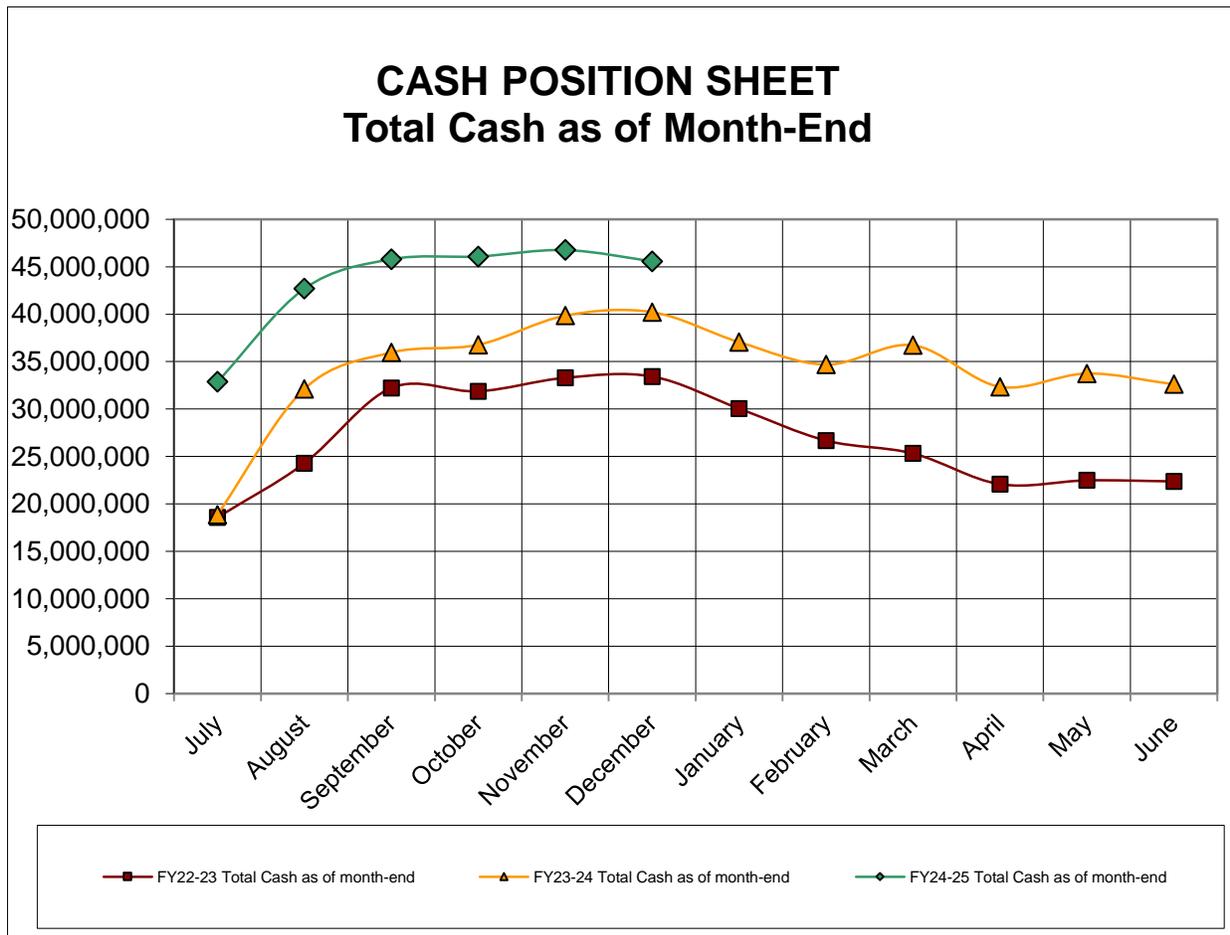
2022A LTFM Bond Investments - Balance as of End of Month 2,852,910.81

# Intermediate District 287

## Cash and Investment Position Sheet- Monthly Total Net Cash- All Accounts

<u>Date</u>	<u>FY22-23 Total Cash as of month-end</u>	<u>FY23-24 Total Cash as of month-end</u>	<u>FY24-25 Total Cash as of month-end</u>
July	18,572,017	18,858,236	32,864,612
August	24,288,930	32,119,813	42,689,540
September	32,223,695	35,958,742	45,793,738
October	31,867,127	36,774,908	46,084,518
November	33,293,625	39,840,981	46,762,578
December	33,430,295	40,212,901	45,567,325
January	30,048,503	37,055,362	
February	26,677,119	34,683,875	
March	25,316,842	36,722,274	
April	22,075,795	32,345,881	
May	22,481,243	33,746,144	
June	22,374,821	32,610,936	

- Includes Self-Funded Insurance Cash Balances.



**INTERMEDIATE DISTRICT 287**

**DECEMBER 2024 ACTIVITY**

**ELECTRONIC TRANSFERS IN:**

<b>DATE</b>	<b>TO</b>	<b>AGENCY</b>	<b>RECEIPT #</b>	<b>AMOUNT</b>	<b>DESCRIPTION</b>
12/2/2024	MSDLAF	MN DEPT OF EDUCATION-034	20250673	245,292.96	ESSER III, PERKINS BASIC
12/3/2024	MSDLAF	MN DEPT OF EDUCATION-034	20250674	114,451.18	ANTI BIAS GRANT
12/4/2024	MSDLAF	MN STATE MMB	20250675	150,394.78	MA 3RD PARTY BILLING
12/9/2024	MSDLAF	MSDLAF	20250676	(30.53)	INTEREST ADJ DEC 2024
12/10/2024	MSDLAF	GIVE MN	20250677	95.00	GIVE MN DONATION
12/12/2024	MSDLAF	MN STATE MMB-FNS	20250678	10,771.25	CHILD NUTRITION NOV - ABEC
12/12/2024	MSDLAF	MN STATE MMB-FNS	20250679	17,927.92	CHILD NUTRITION NOV - NEC
12/12/2024	MSDLAF	MN STATE MMB-FNS	20250680	11,301.23	CHILD NUTRITION NOV - SEC
12/12/2024	MSDLAF	MN STATE MMB-FNS	20250681	5,504.56	CHILD NUTRITION NOV - WEC
12/12/2024	MSDLAF	MN STATE MMB-FNS	20250682	2,859.61	CHILD NUTRITION NOV - YOUABLE
12/12/2024	MSDLAF	MN STATE MMB-FNS	20250683	236.71	SFSP ADDITIONAL FUNDS
12/12/2024	MSDLAF	MN DEPT OF EDUCATION-034	20250684	11,622.99	PERKINS RESERVE, ARP HOMELESS GRANT
12/13/2024	MSDLAF	MN STATE MMB	20250685	4,562,208.76	GEN ED, SPED, SPED SITES/PROG
12/16/2024	MSDLAF	MSDLAF	20250686	0.06	INTEREST ADJ DEC 2024
12/18/2024	MSDLAF	MN STATE MMB	20250687	167,373.34	MA 3RD PARTY BILLING
12/20/2024	MSDLAF	2022A LTFM BOND	20250688	42,006.59	LTFM REIMBURSEMENT REQUEST
12/24/2024	MSDLAF	MN DEPT OF EDUCATION-034	20250689	133,421.97	CLSD GRANT
12/24/2024	MSDLAF	MSDLAF	20250690	15.63	INTEREST ADJ DEC 2024
12/30/2024	MSDLAF	MN STATE MMB	20250691	82,501.73	IDEAS SPED SITES/PROG
12/31/2024	MSDLAF	BRAINTREE	20250692	3,676.84	DEC TUITION
12/31/2024	MSDLAF	BENEFIT RESOURCE INC	20250693	17,845.59	COBRA NOV PAYMENTS
12/31/2024	MSDLAF	MN DEPT OF EDUCATION-034	20250694	48,902.43	PIPELINE GRANT
12/31/2024	MSDLAF	MSDLAF	20250695	27,395.23	INTEREST EARNED DEC 2024
12/31/2024	MSDLAF	PAYPAL	20250696	750.20	DEC TUITION
12/31/2024	MSDLAF	SCHOOLCAFE - ABEC	20250697	73.00	STUDENT DEFERRED REVENUE
12/31/2024	MSDLAF	SCHOOLCAFE - NEC	20250698	82.00	STUDENT DEFERRED REVENUE
12/31/2024	MSDLAF	SCHOOLCAFE - SEC	20250699	78.00	STUDENT DEFERRED REVENUE
12/31/2024	MSDLAF	SCHOOLCAFE - WEC	20250700	75.00	STUDENT DEFERRED REVENUE
12/31/2024	MSDLAF	SQUARE - BREMER BEAN SHOP ABEC	20250701	1,115.08	DEC STORE SALES
12/31/2024	MSDLAF	SQUARE - HENNEPIN TEA & COFFEE HTC	20250702	910.59	DEC STORE SALES
12/31/2024	MSDLAF	SQUARE - JITTERBUG NEC	20250703	1,596.17	DEC STORE SALES
12/31/2024	MSDLAF	SQUARE - COMMON GROUNDS SEC	20250704	1,603.19	DEC STORE SALES
12/31/2024	MSDLAF	SQUARE - SNACK SHACK WEC	20250705	1,841.07	DEC STORE SALES
12/24/2024	MSDLAF	SSA	20250706	105.35	ONLINE COMMISSION
<b>MTD TOTALS</b>				<b>5,664,005.48</b>	

**INTERMEDIATE DISTRICT 287**

**DECEMBER 2024 ACTIVITY**

**WIRE TRANSFERS OUT:**

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
12/5/2024	MSDLAF	BANK OF MONTREAL	4000002112	53,683.96	P-CARD EXPENSE
12/13/2024	MSDLAF	BPAS	4000002113	66,552.48	VEBA
12/13/2024	MSDLAF	EDUCATORS BENEFIT CONSULTANTS	4000002114	86,433.72	403B RETIREMENT
12/13/2024	MSDLAF	MN DEPT OF REVENUE	4000002115	460.76	STATE TAXES
12/13/2024	MSDLAF	MN DEPT OF REVENUE	4000002116	99,698.21	STATE TAXES
12/13/2024	MSDLAF	PUBLIC EMPLOYEES RETIREMENT	4000002117	138,453.66	PERA
12/13/2024	MSDLAF	TEACHERS RETIREMENT ASSN	4000002118	259,204.34	TRA
12/13/2024	MSDLAF	US BANK	4000002119	583,011.17	FEDERAL TAXES
12/3/2024	MSDLAF	HEALTH PARTNERS	4000002120	219,322.20	HAI CLAIMS
12/9/2024	MSDLAF	HEALTH PARTNERS	4000002121	176,329.58	HAI CLAIMS
12/10/2024	MSDLAF	PITNEY BOWES	4000002122	468.87	QUARTERLY POSTAGE MACHINE LEASE
12/13/2024	MSDLAF	PITNEY BOWES	4000002123	25.00	ACCESS & SHIPPING W/O HW OR METER
12/16/2024	MSDLAF	HEALTH PARTNERS	4000002124	584.00	FREQUENT FITNESS
12/16/2024	MSDLAF	HEALTH PARTNERS	4000002125	278,475.45	HAI CLAIMS
12/4/2024	MSDLAF	SUBURBAN WASTE MN	4000002126	4,587.92	UTILITY BILL
12/4/2024	MSDLAF	XCEL ENERGY	4000002127	32,696.73	UTILITY BILL
12/18/2024	MSDLAF	XCEL ENERGY	4000002128	14.22	UTILITY BILL
12/30/2024	MSDLAF	BPAS	4000002129	66,194.80	VEBA
12/30/2024	MSDLAF	EDUCATORS BENEFIT CONSULTANTS	4000002130	87,385.91	403B RETIREMENT
12/30/2024	MSDLAF	MN DEPT OF REVENUE	4000002131	460.76	STATE TAXES
12/30/2024	MSDLAF	MN DEPT OF REVENUE	4000002132	101,033.60	STATE TAXES
12/30/2024	MSDLAF	PUBLIC EMPLOYEES RETIREMENT	4000002133	140,676.66	PERA
12/30/2024	MSDLAF	TEACHERS RETIREMENT ASSN	4000002134	256,739.46	TRA
12/30/2024	MSDLAF	US BANK	4000002135	585,079.48	FEDERAL TAXES
12/31/2024	MSDLAF	BENEFIT RESOURCES INC	4000002137	6,756.00	FLEX SPENDING MONTHLY INVOICE
12/20/2024	MSDLAF	CITY OF PLYMOUTH	4000002138	673.55	UTILITY BILL
12/30/2024	MSDLAF	BENEFIT RESOURCES INC	4000002139	17,759.28	FLEX SPENDING ACCOUNT PAYMENTS
12/30/2024	MSDLAF	HEALTH PARTNERS	4000002140	206,416.48	HAI CLAIMS
12/23/2024	MSDLAF	HEALTH PARTNERS	4000002141	208,879.60	HAI CLAIMS
12/23/2024	MSDLAF	CITY OF MINNETONKA	4000002142	805.89	UTILITY BILL
12/23/2024	MSDLAF	CITY OF NEW HOPE	4000002143	1,327.79	UTILITY BILL
12/16/2024	MSDLAF	US BANK	4000002144	196.15	CASH MANAGEMENT SERVICES
12/5/2024	MSDLAF	US BANK	9000007188-9000007197	38,284.06	AP ACH PAYMENTS
12/11/2024	MSDLAF	US BANK	9000007191	(400.00)	AP ACH PAYMENTS RETURN
12/15/2024	MSDLAF	US BANK	9000007198-9000007210	2,922.47	STAFF REIMBURSEMENTS
12/10/2024	MSDLAF	US BANK	9000007211	400.00	AP ACH PAYMENTS
12/12/2024	MSDLAF	US BANK	9000007212-9000007218	96,901.80	AP ACH PAYMENTS
12/12/2024	MSDLAF	US BANK	9000007212-9000007218	(96,901.80)	AP ACH PAYMENTS VOID
12/16/2024	MSDLAF	US BANK	9000007219-9000007233	168,804.25	AP ACH PAYMENTS
12/23/2024	MSDLAF	US BANK	9000007234-9000007247	110,915.81	AP ACH PAYMENTS
12/30/2024	MSDLAF	US BANK	9000007248-9000007274	2,036.02	STAFF REIMBURSEMENTS
12/13/2024	MSDLAF	US BANK	9000146018-9000146998	1,752,781.99	PAYROLL
12/16/2024	MSDLAF	US BANK	9000146275	(1,132.69)	PAYROLL RETURN
12/17/2024	MSDLAF	US BANK	9000146999	1,132.69	PAYROLL REISSUE
12/30/2024	MSDLAF	US BANK	9000147000-9000147977	1,754,797.46	PAYROLL
<b>MTD TOTALS</b>				<b>7,510,929.74</b>	





**DONATION REPORT  
 INTERMEDIATE DISTRICT 287  
 2024-2025  
 DECEMBER 2024**

<b>DONATION DATE</b>	<b>DESCRIPTION</b>	<b>VIN #</b>	<b>EST. VALUE</b>	<b>DONOR</b>	<b>CAMPUS</b>	<b>PROGRAM</b>
12/10/24	DIRECT DEPOSIT		\$95.00	GIVE MN	MISC	STUDENT WELLNESS
12/16/24	ACTIVE STATION TREADMILL DESK		\$0.00	FARAH, TONY & RITA	ABEC	TIER 3 STUDENTS
		<b>TOTAL</b>	<b>\$95.00</b>			

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

## DISTRICT POLICY

### *SECOND READ*

**POLICY SERIES: EMPLOYEE**

**SUBJECT: EQUAL EMPLOYMENT OPPORTUNITY**

**BOARD APPROVED:**

**REVISION DATE:**

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## **401 EQUAL EMPLOYMENT OPPORTUNITY**

### **I. PURPOSE**

The purpose of this policy is to provide equal employment opportunity for all applicants for school district employment and for all school district employees.

### **II. GENERAL STATEMENT OF POLICY**

- A. The policy of the school district is to provide equal employment opportunity for all applicants and employees. The school district does not unlawfully discriminate on the basis of race, color, creed, religion, national origin, sex, sex stereotypes, sex characteristics, pregnancy or related conditions, sexual orientation, gender identity, and gender expression, marital status, status with regard to public assistance, disability, sexual orientation, including gender identity or expression, age, family care leave status, or veteran status. The school district also makes reasonable accommodations for disabled employees.
- B. The school district prohibits the harassment of any individual for any of the categories listed above. For information about the types of conduct that constitute impermissible harassment and the school district's internal procedures for addressing complaints of harassment, please refer to the school district's policy on harassment and violence.
- C. This policy applies to all areas of employment, including hiring, discharge, promotion, compensation, facilities, or privileges of employment.
- D. Every school district employee shall be responsible for following this policy.
- E. Any person having a question regarding this policy should discuss it with:

Dr. Kevin Witherspoon  
1820 Xenium Lane North  
Plymouth, MN 55441  
[kjwitherspoon@district287.org](mailto:kjwitherspoon@district287.org)  
763-550-3133

***Legal References:*** Minn. Stat. Ch. 363A (Minnesota Human Rights Act)  
29 U.S.C. § 621 *et seq.* (Age Discrimination in Employment Act)  
29 U.S.C. § 2615 (Family and Medical Leave Act)  
38 U.S.C. § 4211 *et seq.* (Employment and Training of Veterans)  
38 U.S.C. § 4301 *et seq.* (Employment and Reemployment Rights of Members of the Uniformed Services)  
42 U.S.C. § 2000e *et seq.* (Equal Employment Opportunities; Title VII of the Civil Rights Act)  
42 U.S.C. § 12101 *et seq.* (Equal Opportunity for Individuals with Disabilities)

***Cross References:*** MSBA/MASA Model Policy 402 (Disability Nondiscrimination)  
MSBA/MASA Model Policy 405 (Veteran's Preference)  
MSBA/MASA Model Policy 413 (Harassment and Violence)

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

## DISTRICT POLICY

### *SECOND READ*

**POLICY SERIES: EMPLOYEE**

**SUBJECT: DISABILITY NONDISCRIMINATION**

**BOARD APPROVED:**

**REVISION DATE:**

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## **402 DISABILITY NONDISCRIMINATION POLICY**

### **I. PURPOSE**

The purpose of this policy is to provide a fair employment setting for all persons and to comply with state and federal law.

### **II. GENERAL STATEMENT OF POLICY**

- A. The school district shall not discriminate against qualified individuals with disabilities because of the disabilities of such individuals in regard to job application procedures, hiring, advancement, discharge, compensation, job training, and other terms, conditions, and privileges of employment.
- B. The school district shall not engage in contractual or other arrangements that have the effect of subjecting its qualified applicants or employees with disabilities to discrimination on the basis of disability. The school district shall not exclude or otherwise deny equal jobs or job benefits to a qualified individual because of the known disability of an individual with whom the qualified individual is known to have a relationship or association.
- C. The school district shall make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee unless the accommodation would impose undue hardship on the operation of the business of the school district.
- D. Any job applicant or employee wishing to discuss the need for a reasonable accommodation or other matters related to a disability or the enforcement and application of this policy should contact:  
Dr. Kevin Witherspoon  
1820 Xenium Lane North  
Plymouth, MN 55441  
[kjwitherspoon@district287.org](mailto:kjwitherspoon@district287.org)  
763-550-3133

This individual is the school district's appointed ADA/Section 504 coordinator.

***Legal References:*** Minn. Stat. Ch. 363A (Minnesota Human Rights Act)  
29 U.S.C. § 794 *et seq.* (Section 504 of the Rehabilitation Act of 1973)  
42 U.S.C. § 12101 (Americans with Disabilities Act)  
29 C.F.R. Part 32 (Nondiscrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance)  
34 C.F.R. Part 104 (Nondiscrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance)

***Cross References:*** MSBA/MASA Model Policy 413 (Harassment and Violence)  
MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination)

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

## DISTRICT POLICY

### *SECOND READ*

**POLICY SERIES: EMPLOYEE**

**SUBJECT: EXPENSE REIMBURSEMENT**

**BOARD APPROVED:**

**REVISION DATE:**

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## **412 EXPENSE REIMBURSEMENT**

### **I. PURPOSE**

The purpose of this policy is to identify school district business expenses that involve initial payment by an employee and qualify for reimbursement from the school district, and to specify the manner by which the employee seeks reimbursement.

### **II. AUTHORIZATION**

All school district business expenses to be reimbursed must be approved by the supervising administrator. Such expenses to be reimbursed may include transportation, meals, lodging, registration fees, required materials, parking fees, tips, and other reasonable and necessary school district business-related expenses.

### **III. REIMBURSEMENT**

A. Requests for reimbursement must be itemized on the official school district form and are to be submitted to the designated administrator. Receipts for lodging, commercial transportation, registration, and other reasonable and necessary expenses must be attached to the reimbursement form.

B. Automobile travel shall be reimbursed at the mileage rate set by the IRS guidelines. Commercial transportation shall reflect economy fares and shall be reimbursed only for the actual cost of the trip.

### **IV. ESTABLISHMENT OF DIRECTIVES AND GUIDELINES**

A team, including the superintendent shall develop a schedule of reimbursement rates for school district business expenses, including those expenses requiring advance approval and specific rates of reimbursement. The superintendent shall also develop directives and guidelines to address methods and times for submission of requests for reimbursement.

**Legal References:** Minn. Stat. § 15.435 (Airline Travel Credit)  
Minn. Stat. § 471.665 (Mileage Allowances)  
Minn. Op. Atty. Gen. 1035 (Aug. 23, 1999) (Retreat Expenses)  
Minn. Op. Atty. Gen. 161b-12 (Aug. 4, 1997) (Transportation Expenses)  
Minn. Op. Atty. Gen. 161B-12 (Jan. 24, 1989) (Operating Expenses of Car)

**Cross References:** MSBA/MASA Model Policy 214 (Out-of-State Travel by School Board Members)

# Intermediate District 287

## RESPONSIVE. INNOVATIVE. SOLUTIONS.

### DISTRICT POLICY

#### *SECOND READ*

**POLICY SERIES:** Business Operations  
**SUBJECT:** Student Transportation Safety  
**BOARD APPROVED:** May 2012  
**REVISION DATE:** February 2019

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## Policy 709 Student Transportation Safety

### I. PURPOSE

The purpose of this policy is to provide safe transportation for students and to educate students on safety issues and the responsibilities of school bus ridership.

### II. GENERAL STATEMENT OF POLICY

The safe transportation of students is a high priority for the District. While the District does not transport students to and from their homes or member districts, the District does transport students attending its programs to other locations for related services and programming. In certain circumstances, the District may manage the provision of transportation services for students attending its programs where transportation is not ordinarily provided by their district of residence. Students will be transported in appropriately maintained vehicles operated by trained and certified drivers, in compliance with District policies, procedures, and student transportation safety laws and rules.

### III. PLAN FOR STUDENT TRANSPORTATION SAFETY TRAINING

#### A. School Bus Safety Week

The school district may designate a school bus safety week. The National School Bus Safety Week is the third week in October.

#### B. Student School Bus Safety Training

1. The school district shall provide students enrolled in grades kindergarten (K) through age 22 with age-appropriate school bus safety training of the following concepts:
  - a. school district policies for student conduct and school bus safety;
  - c. appropriate conduct while on the bus;
  - d. the danger zones surrounding a school bus;
  - e. procedures for safely boarding and leaving a school bus;
  - f. procedures for safe vehicle lane crossing; and
  - g. school bus evacuation and other emergency procedures.

2. All students in grades K through 6 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training by the end of the third week of school. All students in grades 7 through age 22 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training or receive bus safety instruction materials by the end of the sixth week of school, if they have not previously received school bus training. Students who enroll in a school after the second week of school, are transported by school bus, and have not received training in their previous school districts shall undergo school bus safety training or receive bus safety instructional materials within 4 weeks of their first day of attendance.
3. The school district will make reasonable accommodations in training for students known to speak English as a second language and students with disabilities.

C. Active Transportation Safety Training

1. Training required
  - a. The school district must provide public school pupils enrolled in kindergarten through grade 3 with age-appropriate active transportation safety training. At a minimum, the training must include pedestrian safety, including crossing roads.
  - b. The school district must provide pupils enrolled in grades 4 through 8 with age-appropriate active transportation safety training. At a minimum, the training must include:
    - (1) pedestrian safety, including crossing roads safely using the searching left, right, left for vehicles in traffic technique; and
    - (2) bicycle safety, including relevant traffic laws, use and proper fit of protective headgear, bicycle parts and safety features, and safe biking techniques.
2. Deadlines.
  - a. Students under subdivision 1, paragraph (a), who are enrolled during the first or second week of school and have not previously received active transportation safety training specified in that paragraph must receive the safety training by the end of the third week of school.
  - b. Students under subdivision 1, paragraph (b), who are enrolled during the first or second week of school and have not previously received active transportation safety training specified in that paragraph must receive the safety training by the end of the sixth week of school.
  - c. Students under subdivision 1, paragraph (a) or (b), who enroll in a school after the second week of school and have not received the appropriate active transportation safety training in their previous school district must undergo the training or receive active transportation safety instructional materials within four weeks of the first day of attendance.

3. Instruction
  - a. The school district may provide active transportation safety training virtually.
  - b. The district must make reasonable accommodations for the active transportation safety training of pupils known to speak English as a second language and pupils with a disability.

#### **IV. PARENT, GUARDIAN, CAREGIVER INVOLVEMENT**

##### **A. Parents/Guardians/Caregiver Responsibilities for Transportation Safety**

Parents/Guardians/Caregiver are responsible to:

1. Become familiar with school district rules, policies, regulations, and the principles of school bus safety, and thoroughly review them with their children;
2. Support safe riding and walking practices, and recognize that students are responsible for their actions;
3. Communicate safety concerns to their school administrators;
4. Monitor and support students on the bus
5. Have their children properly dressed for the weather; and
6. Have a plan in case the bus is late.

#### **VI. SCHOOL BUS DRIVER TRAINING**

##### **A. Training**

1. All new school bus drivers shall be provided with pre-service training, including in-vehicle (actual driving) instruction, before transporting students and shall meet the competency testing specified in the Minnesota Department of Public Safety Model School Bus Driver Training Manual. All school bus drivers shall receive in-service training annually. For purposes of this section, "annually" means at least once every 380 days from the initial or previous evaluation and at least once every 380 days from the initial or previous license verification. The school district shall retain on file an annual individual school bus driver "evaluation certification" form for each school district driver as contained in the Model School Bus Driver Training Manual.
2. All bus drivers operating a type III vehicle will be provided with annual training and certification as set forth in Section VII.C.1.b., below, by either the school district or the entity from whom such services are contracted by the school district.

##### **B. Evaluation**

School bus drivers with a Class D license will be evaluated annually and all other bus drivers will be assessed periodically for the following competencies:

1. Safely operate the type of school bus the driver will be driving;

2. Understand student behavior, including issues relating to students with disabilities;
3. Ensure orderly conduct of students on the bus and handling incidents of misconduct appropriately;
4. Know and understand relevant laws, rules of the road, and local school bus safety policies;
5. Handle emergency situations; and
6. Safely load and unload students.

The evaluation must include completion of an individual "school bus driver evaluation form" (road test evaluation) as contained in the Model School Bus Driver Training Manual.

## **VII. OPERATING RULES AND PROCEDURES**

### **A. General Operating Rules**

1. School buses shall be operated in accordance with state traffic and school bus safety laws and the procedures contained in the Minnesota Department of Public Safety Model School Bus Driver Training Manual.
2. Only students assigned to the school bus by the school district shall be transported. The number of students or other authorized passengers transported in a school bus shall not be more than the legal capacity for the bus. No person shall be allowed to stand when the bus is in motion.
3. Bus drivers must minimize, to the extent practical, the idling of school bus engines and exposure of children to diesel exhaust fumes.
4. To the extent practical, the school district will designate school bus loading/unloading zones at a sufficient distance from school air-intake systems to avoid diesel fumes from being drawn into the systems.
5. A bus driver may not operate a school bus while communicating over, or otherwise operating, a cellular phone for personal reasons, whether hand-held or hands free, when the vehicle is in motion or a part of traffic. For purposes of this paragraph, "school bus" has the meaning given in Minnesota Statutes, section 169.011, subdivision 71. In addition, "school bus" also includes type III vehicles when driven by employees or agents of the school district. "Cellular phone" means a cellular, analog, wireless, or digital telephone capable of sending or receiving telephone or text messages without an access line for service.

### **B. Type III Vehicles**

1. Type III vehicles are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of 10 or fewer people including the driver and a gross vehicle weight rating of 10,000 pounds or less. A van or bus converted to a seating capacity of 10 or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

2. Type III vehicles must be painted a color other than national school bus yellow.
3. Type III vehicles shall be state inspected in accordance with legal requirements.
4. Vehicles model year 2007 or older must not be used as type III vehicles to transport school children, except those vehicles that are manufactured to meet the structural requirements of federal motor vehicle safety standard 222, Code of Federal Regulations, title 49, part 571.
5. If a type III vehicle is school district owned, the school district name will be clearly marked on the side of the vehicle. The type III vehicle must not have the words "school bus" in any location on the exterior of the vehicle or in any interior location visible to a motorist.
6. A "type III vehicle" must not be outwardly equipped and identified as a type A, B, C, or D bus.
7. Eight-lamp warning systems and stop arms must not be installed or used on type III vehicles.
8. Type III vehicles must be equipped with mirrors as required by law.
9. Any type III vehicle may not stop traffic and may not load or unload before making a complete stop and disengaging gears by shifting into neutral or park. Any type III vehicle used to transport students must not load or unload so that a student has to cross the road, except where not possible or impractical, then the driver or assistant must escort a student across the road. If the driver escorts the student across the road, then the motor must be stopped, the ignition key removed, the brakes set, and the vehicle otherwise rendered immobile.
10. Any type III vehicle used to transport students must carry emergency equipment including:
  - a. Fire extinguisher. A minimum of one 10BC rated dry chemical type fire extinguisher is required. The extinguisher must be mounted in a bracket and must be located in the driver's compartment and be readily accessible to the driver and passengers. A pressure indicator is required and must be easily read without removing the extinguisher from its mounted position.
  - b. First aid kit and body fluids cleanup kit. A minimum of a 10-unit first aid kit and a body fluids cleanup kit is required. They must be contained in removable, moisture- and dust-proof containers mounted in an accessible place within the driver's compartment and must be marked to indicate their identity and location.
  - c. Passenger cars and station wagons may carry a fire extinguisher, a first aid kit, and warning triangles in the trunk or trunk area of the vehicle if a label in the driver and front passenger area clearly indicates the location of these items.

11. Students will not be regularly transported in private vehicles that are not state inspected as type III vehicles. Only emergency, unscheduled transportation may be conducted in vehicles with a seating capacity of 10 or fewer without meeting the requirements for a type III vehicle. Also, parents may use a private vehicle to transport their own children under a contract with the district. The school district has no system of inspection for private vehicles.
12. All drivers of type III vehicles will be licensed drivers and will be familiar with the use of required emergency equipment. The school district will not knowingly allow a person to operate a type III vehicle if the person has been convicted of an offense that disqualifies the person from operating a school bus.
13. Type III vehicles will be equipped with child passenger restraints, and child passenger restraints will be utilized to the extent required by law.

C. Type III Vehicle Driven by Employees with a Driver's License Without a School Bus Endorsement

1. The holder of a Class A, B, C, or D driver's license, without a school bus endorsement, may operate a type III vehicle, described above, under the following conditions:
  - a. The operator is an employee of the entity that owns, leases, or contracts for the school bus, which may include the school district.
  - b. The operator's employer, which may include the school district, has adopted and implemented a policy that provides for annual training and certification of the operator in:
    - (1) safe operation of a type III vehicle;
    - (2) understanding student behavior, including issues relating to students with disabilities;
    - (3) encouraging orderly conduct of students on the bus and handling incidents of misconduct appropriately;
    - (4) knowing and understanding relevant laws, rules of the road, and local school bus safety policies;
    - (5) handling emergency situations;
    - (6) proper use of seat belts and child safety restraints;
    - (7) performance of pretrip vehicle inspections;
    - (8) safe loading and unloading of students, including, but not limited to:
      - (a) utilizing a safe location for loading and unloading students at the curb, on the nontraffic side of the roadway, or at off-street loading areas, driveways, yards, and other areas to enable the student to avoid hazardous conditions;
      - (b) refraining from loading and unloading students in a vehicular traffic lane, on the shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;

- (c) avoiding a loading or unloading location that would require a student to cross a road, or ensuring that the driver or an aide personally escort the student across the road if it is not reasonably feasible to avoid such a location;
    - (d) placing the type III vehicle in "park" during loading and unloading;
    - (e) escorting a student across the road under clause (c) only after the motor is stopped, the ignition key is removed, the brakes are set, and the vehicle is otherwise rendered immobile; and
  - (9) compliance with paragraph V.F. concerning reporting convictions to the employer within 10 days of the date of conviction.
- c. A background check or background investigation of the operator has been conducted that meets the requirements under Minnesota Statutes, section 122A.18, subdivision 8, or Minnesota Statutes, section 123B.03 for school district employees; Minnesota Statutes, section 144.057 or Minnesota Statutes, chapter 245C for day care employees; or Minnesota Statutes, section 171.321, subdivision 3, for all other persons operating a type III vehicle under this section.
  - d. Operators shall submit to a physical examination as required by Minnesota Statutes, section 171.321, subdivision 2.
  - e. The operator's employer requires preemployment drug testing of applicants for operator positions. Current operators must comply with the employer's policy under Minnesota Statutes, section 181.951, subdivisions 2, 4, and 5. Notwithstanding any law to the contrary, the operator's employer may use a breathalyzer or similar device to fulfill random alcohol testing requirements.
  - f. The operator's driver's license is verified annually by the entity that owns, leases, or contracts for the type III vehicle as required by Minnesota Statutes section 171.321, subdivision 5.
  - g. A person who sustains a conviction, as defined under Minnesota Statutes, 609.02, of violating Minnesota Statutes, section 169A.25, 169A.26, 169A.27 (driving while impaired offenses), or 169A.31 (alcohol-related school bus driver offenses), or whose driver's license is revoked under Minnesota Statutes, sections 169A.50 to 169A.53 of the implied consent law, or who is convicted of violating or whose driver's license is revoked under a similar statute or ordinance of another state, is precluded from operating a type III vehicle for 5 years from the date of conviction.

- h. A person who has ever been convicted of a disqualifying offense as defined in Minnesota Statutes, section 171.3215, subdivision 1(c), (i.e., felony, controlled substance, criminal sexual conduct offenses, or offenses for surreptitious observation, indecent exposure, use of minor in a sexual performance, or possession of child pornography or display of pornography to a minor) may not operate a type III vehicle.
  - i. A person who sustains a conviction, as defined under Minnesota Statutes, section 609.02, of a moving offense in violation of Minnesota Statutes, chapter 169 within 3 years of the first of 3 other moving offenses is precluded from operating a type III vehicle for 1 year from the date of the last conviction.
  - j. Students riding the type III vehicle must have training required under Minnesota Statutes, section 123B.90, Subd. 2 (See Section II.B., above).
  - k. Documentation of meeting the requirements listed in this section must be maintained under separate file at the business location for each type III vehicle operator. The school district or any other entity that owns, leases, or contracts for the type III vehicle operating under this section is responsible for maintaining these files for inspection.
- 2. The Type III vehicle must bear a current certificate of inspection issued under Minnesota Statutes, section 169.451.
  - 3. An employee of the school district who is not employed for the sole purpose of operating a type III vehicle may, in the discretion of the school district, be exempt from paragraphs VII.C.1.d. (physical examination) and VII.C.1.e. (drug testing), above.

D. Type A-I "Activity" Buses Driven by Employees with a Driver's License Without a School Bus Endorsement

- 1. The holder of a Class D driver's license, without a school bus endorsement, may operate a type A-I school bus or a Multifunction School Activity Bus (MFSAB) under the following conditions:
  - a. The operator is an employee of the school district or an independent contractor with whom the school district contracts for the school bus and is not solely hired to provide transportation services under this paragraph.
  - b. The operator drives the school bus only from points of origin to points of destination, not including home-to-school trips to pick up or drop off students.
  - c. The operator is prohibited from using the 8-light system if the vehicle is so equipped.
  - d. The operator has submitted to a background check and physical examination as required by Minnesota Statutes, section 171.321, subdivision 2.

- e. The operator has a valid driver's license and has not sustained a conviction of a disqualifying offense as set forth in Minnesota Statutes, section 171.02, subdivisions 2a(h) - 2a(j).
  - f. The operator has been trained in the proper use of child safety restraints as set forth in the National Highway Traffic Safety Administration's "Guideline for the Safe Transportation of Pre- school Age Children in School Buses," if child safety restraints are used by passengers, in addition to the training required in Section VI., above.
  - g. The bus has a gross vehicle weight rating of 14,500 pounds or less and is designed to transport 15 or fewer passengers, including the driver.
2. The school district shall maintain annual certification of the requirements listed in this section for each Class D license operator.
  3. A school bus operated under this section must bear a current certificate of inspection.
  4. The word "School" on the front and rear of the bus must be covered by a sign that reads "Activities" when the bus is being operated under authority of this section.

#### **VIII. SCHOOL DISTRICT EMERGENCY PROCEDURES**

- A. If possible, school bus drivers or their supervisors shall call "911" or the local emergency phone number in the event of a serious emergency.
- B. School bus drivers shall meet the emergency training requirements contained in Unit III "Crash & Emergency Preparedness" of the Minnesota Department of Public Safety Model School Bus Driver Training Manual. This includes procedures in the event of a crash (accident).
- C. School bus drivers and bus assistants for special education students requiring special transportation service because of their handicapping condition shall be trained in basic first aid procedures, shall within one (1) month after the effective date of assignment participate in a program of in-service training on the proper methods for dealing with the specific needs and problems of students with disabilities, assist students with disabilities on and off the bus when necessary for their safe ingress and egress from the bus; and ensure that protective safety devices are in use and fastened properly.
- D. Emergency Health Information shall be maintained on the school bus for students requiring special transportation service because of their handicapping condition. The information shall state:
  1. the student's name and address;
  2. the nature of the student's disabilities;
  3. emergency health care information; and
  4. the names and telephone numbers of the student's physician, parents, guardians, or custodians, and some person other than the student's parents or custodians who can be contacted in case of an emergency.

**IX. SCHOOL DISTRICT VEHICLE MAINTENANCE STANDARDS**

- A. All school vehicles shall be maintained in safe operating conditions through a systematic preventive maintenance and inspection program adopted or approved by the school district.
- B. All school vehicles shall be state inspected in accordance with legal requirements.
- C. A copy of the current daily pre-trip inspection report must be carried in the bus. Daily pre-trip inspections shall be maintained on file in accordance with the school district's record retention schedule. Prompt reports of defects to be immediately corrected will be submitted.
- D. Daily post-trip inspections shall be performed to check for any children or lost items remaining on the bus and for vandalism.

**X. SCHOOL TRANSPORTATION SAFETY DIRECTOR**

The superintendent has designated an individual to serve as the school district's school transportation safety director, who is:

Amy Tiedens  
1820 Xenium Lane North  
Plymouth, MN 55441  
[astiedens@district287.org](mailto:astiedens@district287.org)  
763-550-7132

The school transportation safety director shall have day-to-day responsibility for student transportation safety, including transportation of nonpublic school children when provided by the school district. The school transportation safety director will assure that this policy is periodically reviewed to ensure that it conforms to law. The school transportation safety director shall certify annually to the school board that each school bus driver meets the school bus driver training competencies required Minnesota Statutes, section 171.321, subdivision 4. The transportation safety director also shall annually verify or ensure that the private contractor utilized by the school has verified the validity of the driver's license of each employee who regularly transports students for the school district in a type A, B, C, or D school bus, type III vehicle, or MFSAB with the National Driver Register or the Department of Public Safety. Upon request of the school district superintendent or the superintendent of the school district where nonpublic students are transported, the school transportation safety director also shall certify to the superintendent that students have received school bus safety training in accordance with state law. The name, address and telephone number of the school transportation safety director are on file in the school district office. Any questions regarding student transportation or this policy may be addressed to the school transportation safety director.

**XI. STUDENT TRANSPORTATION SAFETY COMMITTEE**

The school board may establish a student transportation safety committee. The chair of the student transportation safety committee is the school district's school transportation safety director. The school board shall appoint the other members of the student transportation safety committee. Membership may include parents, school bus drivers, representatives of school bus companies, local law enforcement officials, other school district staff, and representatives from other units of local government.

**Legal References:**

Minn. Stat. § 123B.91 (School District Bus Safety Responsibilities)

**Cross References:**

SRR120 Student Conduct & Discipline

287 Student Handbook (What are the expectations for buses or vans?) (page

14) Student Conduct and Discipline Policy

Intermediate District 287 Employee Handbook (Driving District Vehicles) (page

28) 287 Transportation Support Services 2018-19

# CONNECTIONS

News from the Association of Metropolitan School Districts

January 2025  
Volume 22  
Number 4

## Partnering with Families, Strengthening Language Access

**January 31, 2025**  
**Executive/Legislative Committee Meeting**  
7:30 a.m. - 9 a.m.  
Anderson Center  
Bethel University  
Arden Hills

**February 7, 2025**  
**Board of Directors Meeting**  
7 a.m. - 9 a.m.  
Quora Education Center  
NE Metro 916  
Little Canada

**February 28, 2025**  
**Executive/Legislative Committee Meeting**  
7:30 a.m. - 9 a.m.  
Anderson Center  
Bethel University  
Arden Hills

**March 7, 2025**  
**Board of Directors Meeting**  
7 a.m. - 9 a.m.  
Quora Education Center  
NE Metro 916  
Little Canada



**WELCOME!**  
WE CAN HELP YOU IN YOUR LANGUAGE.  
Please let us know if you need an interpreter or a document translated - at no cost to you.

**AMHARIC** እንኳን ደህና መጡ! በራስዎ ቋንቋ ድጋፍ ማድረግ የምንችል ሲሆን እባክዎ እስተርጓሚ የሚያስፈልግዎት ከሆነ ያሳውቁን - ወይንም የለብዎትም።

**ARABIC** مرحبًا! يمكننا مساعدتك بلغتك. يرجى إعلامنا إذا كنت بحاجة إلى مترجم أو ترجمة وثيقة - دون فرض أي تكلفة عليك.

**CHINESE** 欢迎您! 我们可以使用您偏好的语言为您提供帮助, 如果您需要口译服务或翻译版本的文件, 请随时告诉我们, 您无需承担任何费用。

**OROMO** Baga Nagaan Dhufur! Afaan keessaniin sin gargaarra, maalloo turjumaana ykn hiikoo sanaada yoo barbaa'adani nutti himaa - qarshi isin hin kaffalchisu.

**RUSSIAN** Добро пожаловать! Мы можем помочь вам на вашем языке. Сообщите, если вам нужен устный переводчик или перевод документа. Это совершенно бесплатно.

**SOMALI** Soo dhawo! Waxaan kugu caawin karnaa laa'gadaada. Fadlan nala socodsii haddii aad ubaahan tahay turjubaan ama lagu fahmo dukumintii - oo bilaash kuu ah adiga.

**SPANISH** ¡Bienvenidos! Podemos ayudarle en su idioma, por favor, háganos saber si necesita un intérprete o un documento traducido - sin costo alguno para usted.

**VIETNAMESE** Xin chào mừng! Chúng tôi có thể trợ giúp quý vị bằng ngôn ngữ của quý vị. Xin cho biết nếu quý vị cần thông dịch viên hoặc cần dịch tài liệu - hoàn toàn miễn phí cho quý vị.

Before next school year, all Minnesota school districts need to have a school board-approved Language Access Plan (Minn. Stat. § 123B.32). The plan should outline the tools, processes, and resources available to effectively assist students and adults who communicate in a language other than English. A guiding principle behind this legislation is that all families are welcomed and valued partners in their child's learning; language should not be a barrier.

Like most Minnesota school districts, Rosemount-Apple Valley-Eagan District 196 has seen a significant increase in cultural and linguistic diversity. More than 100 languages are spoken within the district, and nearly 10% of students identify as English Learners. Language

Access has been a strategic priority in our district for a long time. What is unique now is our ability to empower people and technology to help all families participate in and access information for their children's education, regardless of the language they speak.

Continued on page 2

Thank you to the over 200 AMSD members and legislators who attended the 2025 AMSD Session Preview last week. We were honored to welcome Education Commissioner Willie Jett to the event and I'd also like to thank Sen. Mary Kunes, Sen. Michael Kreun, Rep. Ron Kresha, and Rep. Cheryl Youakim for serving on a panel and sharing an overview of what they anticipate for the 2025 session. The 2025 session will be challenging, and it will be imperative that AMSD members stay engaged. Please plan to attend the AMSD/MASA Region 9 Day at the Capitol on March 24. Your advocacy makes a difference!

*From the AMSD Chair, Laura Oksnevad, St. Anthony-New Brighton Board Member*



# Fostering an Inclusive, Equitable and Collaborative Environment

Continued from page 1

## Transformative Tools

With growing needs for interpreters in many languages, how does a district scale language access? On-demand remote video interpretation services have been one of the most impactful advancements under our Language Access Plan. Imagine a parent walking into school, pointing to a poster of their preferred language, and the school office staff bringing in a remote interpreter through video on demand.

Remote video interpretation services, available anytime, allow access to over 300 languages. On-demand interpreting has transformed parent-teacher conferences, enabled more meaningful dialogue, deepened relationships, and supported critical educational meetings. As a district, we have also prioritized translating communications. From newsletters to two-way texting and emergency alerts, families receive information in their preferred language, keeping them informed and engaged. A digital-first communication philosophy allows the district to leverage rapidly improving communication technologies.

## Investing in People

Recognizing that people-centric relationships drive connection, we know that technology is only a tool for meeting the needs of a multi-lingual community. People are the heart of our plan, which requires professionally trained interpretation and translation services for our most commonly spoken languages. A multilingual communications specialist, cultural family advocates, English language development specialists, and school office staff are the connectors between families and schools in closing cultural and linguistic gaps. Staff training for Language Access is a priority across the district, ensuring educators, clerical staff, and administrators feel confident and equipped to support multilingual families effectively.



## A Vision for the Future

The Language Access Plan reflects our commitment to fostering an inclusive, equitable, and collaborative educational environment. By actively listening to families, adapting to their needs, and embracing continuous improvement, we envision a school system dedicated to honoring diverse needs and cultures. We see multilingualism as a gift to nurture. By embracing the diversity of language in District 196, we are paving the way for a more inclusive future where every family feels valued and we inspire our students for lifelong success.

At their January Meeting, the Rosemount-Apple Valley-Eagan District 196 School Board approved our [Language Access Plan](#), codifying work that started years ago. Their action strengthens our district's broader strategic goals of enhancing engagement, improving student achievement, and advancing equity. Visit our [Language Services](#) webpage to learn more.

*This month's member feature was submitted by Allyson Garin, Communications Coordinator, Rosemount-Apple Valley-Eagan District 196.*

# 2025 AMSD Session Preview Brings Legislators and Education Leaders Together

About 170 education leaders — superintendents, school board members and district staff — were joined by 35 state legislators on Jan. 10 for the AMSD Legislative Session Preview, an annual event that highlights AMSD’s legislative priorities for the upcoming legislative session.

The 2025 preview, held at Northeast Intermediate School District 916’s Quora Education Center, featured compelling presentations from AMSD Chair Laura Oksnevad, St. Anthony-New Brighton Supt. Renee Corneille, Anoka-Hennepin Supt. Cory McIntyre, and Prior Lake-Savage Supt. Michael Thomas. Minnesota Department of Education Commissioner Willie Jett spoke as well, acknowledging a challenging budget environment for the upcoming session and urging legislators and education leaders to collaborate to prioritize student outcomes.

The annual preview provides an opportunity for legislators to hear the priorities of AMSD member school districts and discuss important education issues. AMSD member school districts collectively serve more than half of the public school students in Minnesota.

This year’s AMSD presentations highlighted key points from the 2025 legislative platform, with specific examples from each of the presenters’ home districts. The platform focuses on several themes including:

- Funding to stabilize school district budgets, including increases in the formula allowance and also local optional revenue which has been frozen for a decade;
- Enhancing local control to give locally-elected school boards and their administrators the ability to respond to their respective communities' needs;
- Enhancing student-centered learning by broadening the definition of hours of instruction to allow students to earn credit for learning wherever it occurs; and
- Enhancing school safety.



*Minnesota Department of Education Commissioner Willie Jett spoke at the 2025 AMSD Session Preview.*



*St. Anthony-New Brighton Supt. Renee Corneille and AMSD Chair Laura Oksnevad*

Chair Oksnevad and Supt. Corneille detailed how their district — the smallest geographically in the state — faces many of the same challenges that larger districts do, such as the percentage of students requiring special education services, and the percentage of students in poverty. They also noted that state equalization aid has deteriorated greatly over the last decade creating significant property tax inequities.

Supt. McIntyre, representing the state’s largest school district, shared how a convergence of several factors including historic inflation, rising labor costs, and new requirements and expectations for schools, have caused

*Continued on page 4*

# AMSD Superintendents Outline Budget Challenges

*Continued from page 3*

expenditures to outpace revenue by a significant margin. He noted that his district has already begun trimming \$26 million from its budget even before the Legislature meets this year.

Supt. Thomas reinforced how inflationary costs have outpaced revenue. He also noted that the sheer number of new requirements placed on school districts, even though they come with the best of intentions, have taken a heavy toll on school district budgets and district staff.

The AMSD presentation was followed by a legislative panel discussion of key leaders in the E-12 legislative arena. Representatives Ron Kresha (R-Little Falls) and Cheryl Youakim (DFL-Hopkins), and Senators Michael Kreun (R-Blaine) and Mary Kunesh (DFL-New Brighton) each offered their perspective on AMSD's priorities as well as highlighting issues they hope to address. The legislators also noted that the projected state budget shortfall in 2028-29 creates a significant challenge to providing new funding for schools.



*Anoka-Hennepin Supt. Cory McIntyre*



*Prior Lake-Savage Supt. Michael Thomas*

- [LINK: View the AMSD 2025 Legislative Preview Presentation](#)
- [LINK: View a PDF of the 2025 AMSD Legislative Platform](#)



*Rep. Ron Kresha (R-Little Falls) and Rep. Cheryl Youakim (DFL-Hopkins)*



*Sen. Michael Kreun (R-Blaine) and Sen. Mary Kunesh (DFL-New Brighton)*

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

## Board Calendar (Second & Fourth Thursday of the Month)

*Start Time: 6:30 PM*

<b>January 2025 – December 2025</b>	
January 9, 2025 <i>(possible conflict MSBA Conference)</i>	January 23, 2025
February 13, 2025	February 27, 2025
March 13, 2025	<del>March 27, 2025</del> <i>(Conflict with Spring Break)</i>
April 10, 2025	April 24, 2025
May 8, 2025	May 22, 2025
June 12, 2025	June 26, 2025
No July Meeting	
August 28, 2025	
September 11, 2025	September 25, 2025
October 9, 2025	October 23, 2025
November 13, 2025	
December 11, 2025	

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

## Board Calendar (Second & Fourth Thursday of the Month)

*Start Time: 6:30 PM*

**TENTATIVE**

<b>January 2026 – December 2026</b>	
January 8, 2026 <i>(possible conflict MSBA Conference)</i>	January 22, 2026
February 12, 2026	February 26, 2026
March 12, 2026	<del>March 26, 2026</del> Conflict with Spring Break
April 9, 2026	April 23, 2026
May 14, 2026	May 28, 2026
June 11, 2026	June 25, 2026
No July Meeting	
August 27, 2026	
September 10, 2026	September 24, 2026
October 8, 2026	October 22, 2026
November 12, 2026	
December 10, 2026	

**INTERMEDIATE DISTRICT 287**  
**January 23, 2025**  
**SCHOOL BOARD CALENDAR**

***TENTATIVE***

**January 2025**

23	Thursday	General Meeting of the Board	6:30 PM	DSC
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**February 2025**

13	Thursday	School Board Retreat	4:30 PM	DSC
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13	Thursday	General Meeting of the Board	6:30 PM	DSC
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27	Thursday	General Meeting of the Board	6:30 PM	DSC
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**March 2025**

13	Thursday	General Meeting of the Board	6:30 PM	DSC
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<del>27</del>	<del>Thursday</del>	<del>General Meeting of the Board</del>	<del>6:30 PM</del>	<del>DSC</del>
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*(conflict with Spring Break, added additional April meeting)*

**April 2025**

10	Thursday	General Meeting of the Board	6:30 PM	DSC
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24	Thursday	General Meeting of the Board	6:30 PM	DSC
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**May 2025**

08	Thursday	School Board Retreat	4:30 PM	DSC
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08	Thursday	General Meeting of the Board	6:30 PM	DSC
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22	Thursday	General Meeting of the Board	6:30 PM	DSC
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**June 2025**

12	Thursday	General Meeting of the Board	6:30 PM	DSC
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26	Thursday	General Meeting of the Board	6:30 PM	DSC
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- ◆ General Board Meeting – Date Change
- ◆ New Event
- ◆ Event Date Change

# Intermediate District 287

*RESPONSIVE. INNOVATIVE. SOLUTIONS.*

## Get on the Bus & Local 2209 Breakfast Schedule

2024-2025

### Get on the Bus

Tuesday, February 4<sup>th</sup>  
South Education Center  
Bus leaves 287 DSC @ 8:30 AM

<u>Dan Ginestra</u>	<u>Anne Casey</u>
_____	_____
_____	_____
_____	_____

Tuesday, April 15<sup>th</sup>  
Itinerant

Bus leaves 287 DSC @ 8:30 AM

<u>Dan Ginestra</u>	<u>Anne Casey</u>
_____	_____
_____	_____
_____	_____

### Local 2209/Board Meeting 1:00 PM

Tuesday, February 11<sup>th</sup>  
District Service Center  
(3<sup>rd</sup> Floor – Room 316)

_____	_____
_____	_____
_____	_____
_____	_____

Tuesday, April 22<sup>nd</sup>  
District Service Center  
(3<sup>rd</sup> Floor – Room 316)

_____	_____
_____	_____
_____	_____
_____	_____



# Get on the Bus

Please feel free to invite the Board Members, Superintendent, and District Administrators from your district to attend.

**SAVE THE DATE**

## ***We'll Visit:***

**South Education Center**  
7450 Penn Avenue North  
Richfield, MN 55423

**TUESDAY, February 4, 2025**

**8:30 AM - 11:30 AM**

*The bus departs 287 at 8:30 a.m.*

### **MEETING POINT**



Intermediate District 287  
1820 Xenium Ln N  
Plymouth, MN 55441

**RSVP**



Wauneen Mgeni  
wbdmgeni@district287.org  
763-550-7101

### **We will**

- Celebrate the ways that our students are empowered through their learning and growth through -
  - Speech & Communications Interventions
  - Occupational Therapy Strategies and Self-Regulation Techniques
  - Transition Services & Independence-Building Programs
- Observe real-life examples of student empowerment in classrooms

### **South Education Center**

South Education Center serves students in Kindergarten through Transition with unique needs through a variety of programs

**Intermediate District 287**