

Regular School Board Meeting

Tuesday, December 1, 2020 5:00 PM

917 Board Room, 130 145th Street East, Rosemount, MN 55068

I. Call to Order - Chair Dr. DeeDee Currier

II. Roll Call - Linda Berg

III. Conduct Pledge of Allegiance - Chair Dr. DeeDee Currier

IV. Preamble - Supt. Mark Zuzek

V. Visitors Opportunity to be Heard - Chair Dr. DeeDee Currier

VI. 917 Employee and Teacher of the Fall Quarter - Jennifer Hetland and Jamie Dalbesio

VII. New Business - Dr. DeeDee Currier

A. Review and Approve Audit for 2019-2020 - Jim Eichten

B. Motion to discuss consideration to change the start time of Board meetings - Chair Dr. DeeDee Currier

VIII. Updates from Student Services and DCALS - Dr. Melissa Schaller/Eric VanBrocklin

IX. Consent Items - Chair Dr. DeeDee Currier

A.

- Minutes: November 10, 2020, Regular School Board Minutes
- Personnel Summaries
- Policies: Final reading:
 - o 820 Provisions for the Closing of Schools Weather
 - o 601 School District Curriculum and Instruction Goals
 - o 603 Curriculum Development

X. Donations

XI. Executive Director of Business Services Reports - Nicolle Roush

A. Bills, Wire Transfers, Investment Report

XII. Policies - Supt. Mark Zuzek

XIII. Adjournment - Dr. DeeDee Currier

REMOTE SCHOOL BOARD MEETINGS

Supt. Zuzek read the following statement:

“Intermediate School District 917 – General Process for Remote School Board Meetings. Due to the current federal and state emergency declarations, the Minnesota directive to residents to stay at home, and guidance about limiting person-to-person contact due to the COVID-19 (coronavirus) pandemic, this meeting of the Intermediate School District 917 School Board is being conducted in accordance with Minnesota Statutes 13D.021 – Meetings by Telephone or Other Electronic Means.

Due to the health pandemic, the school board determined that it is not feasible for at least one board member, the superintendent, or the school district’s legal counsel to be physically present at the regular meeting location and that it is not feasible for the public to attend this meeting at the regular meetings location due to the health pandemic. Persons may monitor this meeting from a remote location by video link through Google Hangouts. School board members are reminded to mute their microphone or phone when they are not speaking. School board members wishing to speak should ‘raise hand via Boardbook’ and wait to be recognized by the Chair. If not recognized, then go off mute and let us know.

The chair will determine the order in which board members wishing to speak will be recognized. When recognized, the board member should unmute the microphone or phone, speak, and then mute their device.

All votes will be conducted by roll call. Each school board member should wait until their name is called before voting.

This meeting is being recorded and is available upon request.”

INTERMEDIATE SCHOOL DISTRICT NO. 917
ROSEMOUNT, MINNESOTA

Financial Statements and
Supplemental Information

Year Ended
June 30, 2020

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INDEPENDENT SCHOOL DISTRICT NO. 917

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INTRODUCTORY SECTION

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INTERMEDIATE SCHOOL DISTRICT NO. 917

School Board and Administration
as of June 30, 2020

SCHOOL BOARD

| <u>Board of Directors</u> | <u>Member District</u> | <u>Position on Board</u> |
|---------------------------|------------------------|--------------------------|
| Jill Lewis | ISD No. 199 | Chairperson |
| Russ Rohloff | ISD No. 200 | Vice Chairperson |
| Kathy Lewis | ISD No. 194 | Treasurer |
| Vanda Pressnall | ISD No. 195 | Clerk |
| Tom Bennett | ISD No. 271 | Director |
| Dee Dee Currier | ISD No. 191 | Director |
| Wendy Felton | SSD No. 6 | Director |
| Melissa Sauser | ISD No. 192 | Director |
| Byron Schwab | ISD No. 197 | Director |

ADMINISTRATION

| | |
|-------------------|-------------------------------|
| Mark Zuzek | Superintendent |
| Melissa Schaller | Director of Special Education |
| Eric Van Brocklin | Secondary Education Principal |
| Nicolle Roush | Business Manager |

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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 School Board and Management of
Intermediate School District No. 917
Rosemount, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page 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, 2020, 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.

EMPHASIS OF MATTER

As described in Note 1 of the notes to basic financial statements, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2020. Our opinion is not modified with respect to this matter.

OTHER MATTERS

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, although not a part of the basic financial statements, is required by the GASB, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and other information section, are presented for purposes of additional analysis and are not required parts 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.

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

The introductory and other information sections have 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 them.

(continued)

Prior Year Comparative Information

We have previously audited the District's 2019 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 2, 2019. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2019 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 November 16, 2020 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
November 16, 2020

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INTERMEDIATE SCHOOL DISTRICT NO. 917

Management's Discussion and Analysis Year Ended June 30, 2020

This section of Intermediate School District No. 917's (the District) annual financial statements presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2020. Please read it in conjunction with the other components of the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2020 by \$11,646,354 (net position deficit). The District's total net position decreased by \$583,608 during the fiscal year ended June 30, 2020, excluding the change in accounting principle as discussed below.
- The District recorded a change in accounting principle in the current year with the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The implementation of this standard changed the way the District reports certain fiduciary activities that were previously reported in a separate financial document. The implementation of this standard increased beginning net position in the government-wide statements and beginning fund balance in the General Fund by \$3,820.
- The District's total General Fund balance at June 30, 2020 is \$10,132,120.
- The District's governmental funds Balance Sheet reflects a \$9,471,747 unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Independent Auditor's Report;
- Management's discussion and analysis;
- 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, which are presented as supplemental 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. 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 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 regular and special education instruction, transportation, administration, and food services, are primarily financed with tuition charges and state aids.

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) 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 supplemental information section.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America.

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. Because 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 explain the relationship (or differences) between these two types of financial statement presentations.

Proprietary Funds – Internal service fund services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District uses internal service funds to report activities that provide supplies and services for the District’s other programs and activities. These services have been included with governmental activities in the government-wide financial statements. The District currently has three internal service funds, including funds for accounting for post-employment employee benefits, and medical self-insurance and dental self-insurance plans.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

| | 2020 | 2019 |
|--|-----------------|-----------------|
| Assets | | |
| Current and other assets | \$ 19,322,793 | \$ 17,368,195 |
| Capital assets, net of accumulated depreciation | 9,050,323 | 9,108,562 |
| Total assets | \$ 28,373,116 | \$ 26,476,757 |
| Deferred outflows of resources | | |
| Pension plan deferments | \$ 17,692,896 | \$ 23,444,119 |
| OPEB plan deferments | 80,002 | 60,929 |
| Deferred charge on refunding debt | 313,957 | 336,382 |
| Total deferred outflows of resources | \$ 18,086,855 | \$ 23,841,430 |
| Liabilities | | |
| Current and other liabilities | \$ 4,338,495 | \$ 4,069,088 |
| Long-term liabilities, including due within one year | 31,745,650 | 29,869,071 |
| Total liabilities | \$ 36,084,145 | \$ 33,938,159 |
| Deferred inflows of resources | | |
| Pension plan deferments | \$ 21,635,829 | \$ 27,005,050 |
| OPEB plan deferments | 386,351 | 441,544 |
| Total deferred inflows of resources | \$ 22,022,180 | \$ 27,446,594 |
| Net position | | |
| Net investment in capital assets | \$ 1,894,018 | \$ 1,667,450 |
| Restricted for other purposes | 93,757 | 138,880 |
| Unrestricted | (13,634,129) | (12,872,896) |
| Total net position | \$ (11,646,354) | \$ (11,066,566) |

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 amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, will 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 (OPEB), which impacts the unrestricted portion of net position.

The District's total net position at June 30, 2020 was \$579,788 less than in the prior year, mainly due to the change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans, which also contributed to the change in deferred outflows of resources, long-term liabilities, and deferred inflows of resources.

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

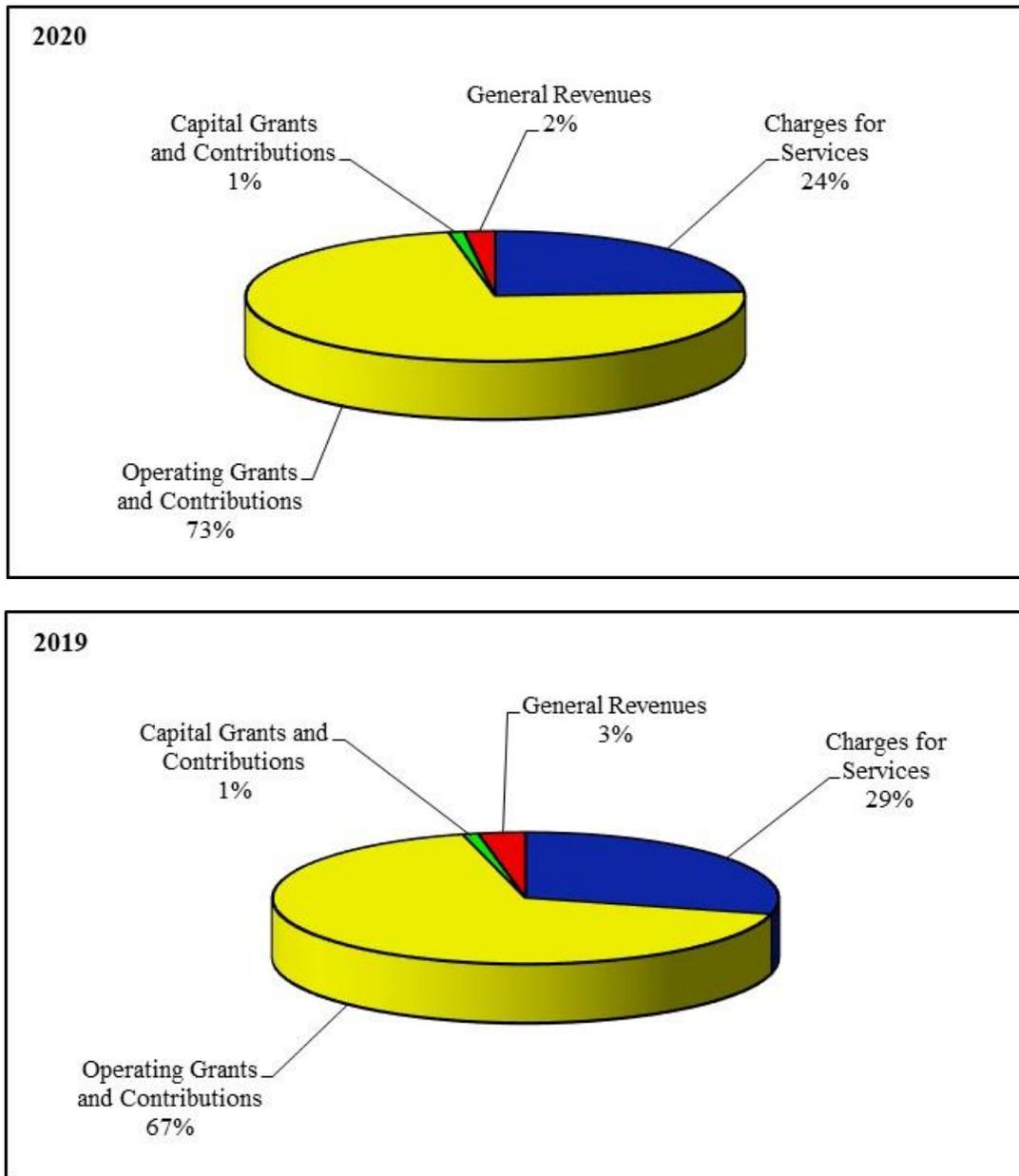
| | <u>2020</u> | <u>2019</u> |
|--|------------------------|------------------------|
| Revenues | | |
| Program revenues | | |
| Charges for services | \$ 10,276,311 | \$ 11,429,417 |
| Operating grants and contributions | 30,724,528 | 26,541,284 |
| Capital grants and contributions | 591,900 | 548,350 |
| General revenues | | |
| Other | 594,648 | 917,328 |
| Investment earnings | 104,869 | 153,615 |
| Total revenues | <u>42,292,256</u> | <u>39,589,994</u> |
| Expenses | | |
| Administrative and support services | 1,980,504 | 1,943,841 |
| Secondary vocational/DCALS | 4,104,278 | 2,399,143 |
| Special education programs | 36,440,788 | 26,491,744 |
| Food service | 114,859 | 159,619 |
| Interest and fiscal charges on debt | 235,435 | 241,276 |
| Total expenses | <u>42,875,864</u> | <u>31,235,623</u> |
| Change in net position | (583,608) | 8,354,371 |
| Net position – beginning, as previously reported | (11,066,566) | (19,420,937) |
| Change in accounting principle | 3,820 | – |
| Net position – beginning, as restated | <u>(11,062,746)</u> | <u>(19,420,937)</u> |
| Net position – ending | <u>\$ (11,646,354)</u> | <u>\$ (11,066,566)</u> |

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

The total cost of all programs and services was \$42,875,864. The District’s expenses are predominantly related to educating students. In fiscal 2019–2020, 95 percent of the District’s expenses were devoted to this purpose. The administrative and support services activity of the District accounted for 5 percent of total expenses for the year. It should be noted that the District allocated \$1,922,050 in administrative and support services expenses to the secondary vocational/Dakota County Area Learning School (DCALS) and special education programs in fiscal 2020. The increase in operating grants and contributions is mainly related to increases in state special education aid in the current year. The increase in expenses reflects the change in the PERA and the TRA multiple-employer defined benefit pension plans in both fiscal 2020 and 2019 as mentioned earlier.

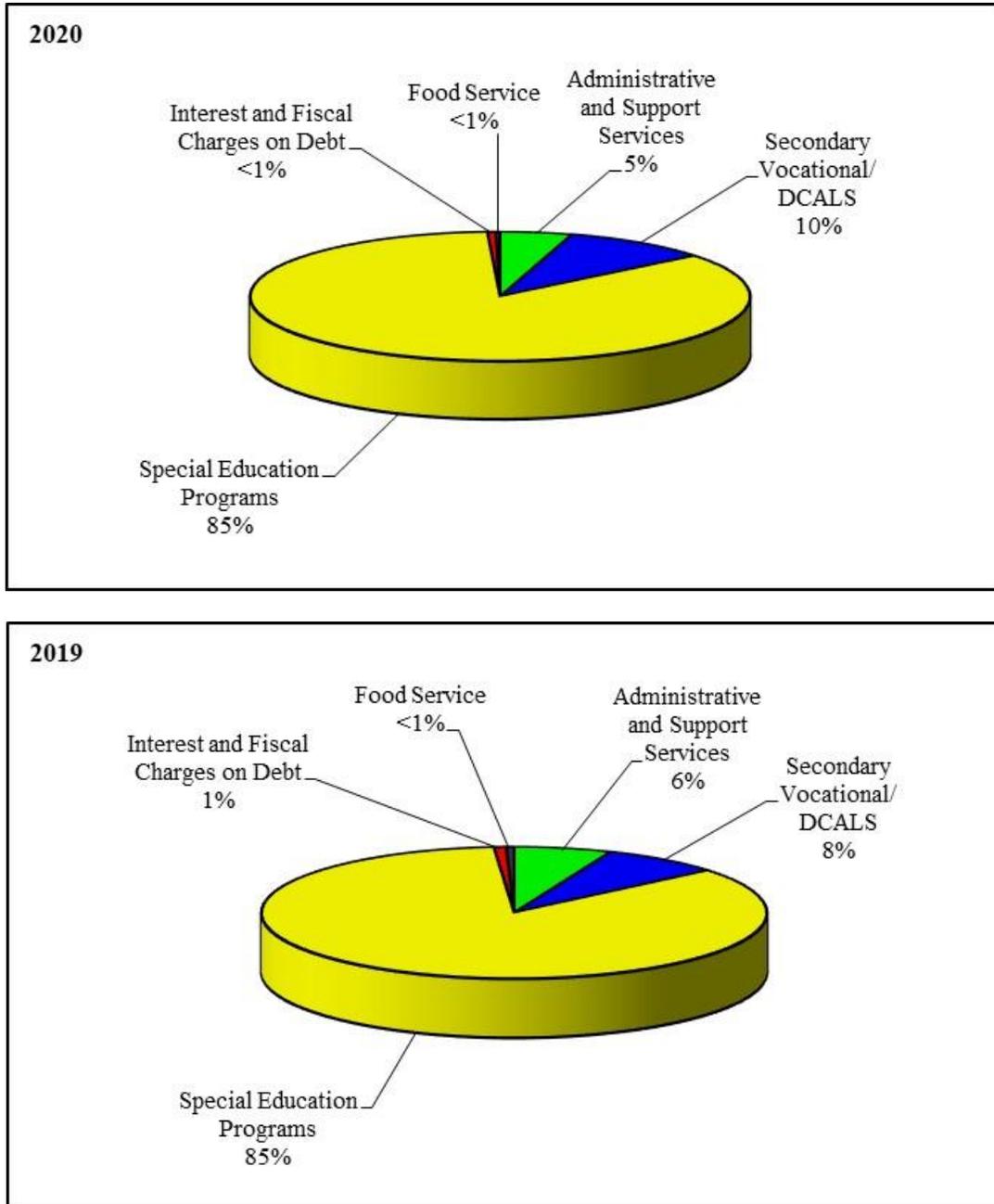
Figures A and B show further analysis of these revenue sources and expense functions:

Figure A – Sources of Revenue for Fiscal Years 2020 and 2019



The largest share of the District’s revenue is received from the state, including the aid formulas and most of the operating grants.

Figure B – Expenses for Fiscal Years 2020 and 2019



The District's expenses are predominately related to educating students. Programs (or functions), such as secondary vocational/DCALS and special education programs are directly related to classroom instruction, while the rest of the programs support instruction and other necessary costs to operate the District.

Table 3
Net Cost of Governmental Activities
for the Years Ended June 30, 2020 and 2019

| | 2020 | | 2019 | |
|-------------------------------------|-----------------------------|---|-----------------------------|---|
| | Total Cost of Services | Net (Expense) Revenue From Services | Total Cost of Services | Net (Expense) Revenue From Services |
| Governmental activities | | | | |
| Administrative and support services | \$ 1,980,504 | \$ (32,954) | \$ 1,943,841 | \$ 291,199 |
| Secondary vocational/DCALS | 4,104,278 | 555,917 | 2,399,143 | 2,227,174 |
| Special education programs | 36,440,788 | (1,556,449) | 26,491,744 | 5,049,782 |
| Food service | 114,859 | (14,204) | 159,619 | (43,451) |
| Interest and fiscal charges | 235,435 | (235,435) | 241,276 | (241,276) |
| Total | <u>\$ 42,875,864</u> | <u>\$ (1,283,125)</u> | <u>\$ 31,235,623</u> | <u>\$ 7,283,428</u> |

The overall net (expense) revenue from service was \$8,566,553 less than fiscal 2019, due mainly to the change in the PERA and the TRA multiple-employer defined benefit pension plans mentioned earlier in both fiscal 2020 and fiscal 2019.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Table 4 shows the change in total fund balances of each of the District's governmental funds:

| | Table 4 | | | Total Percent Change |
|---------------------------------|--|----------------------------|--------------------------|-------------------------|
| | Governmental Fund Balances as of June 30, 2020 and 2019 | | | |
| | 2020 | 2019 | Change | |
| Major fund | | | | |
| General | \$ 10,132,120 | \$ 9,797,202 | \$ 334,918 | 3.4% |
| Nonmajor fund | | | | |
| Food Service Special Revenue | — | — | — | — |
| Total governmental funds | <u>\$ 10,132,120</u> | <u>\$ 9,797,202</u> | <u>\$ 334,918</u> | 3.4% |

As previously discussed, the focus of the District's governmental funds is to provide information on near-term inflows and outflows of resources, and balances of spendable resources. Such information is useful in assessing the District's financing position. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use, as they represent the portion of fund balance, which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's School Board.

ENROLLMENT

Table 5
Average Daily Membership (ADM) Served
Last Five Fiscal Years

| | <u>2015–2016</u> | <u>2016–2017</u> | <u>2017–2018</u> | <u>2018–2019</u> | <u>2019–2020</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Secondary vocational resource programs | 108.41 | 92.80 | 106.57 | 101.79 | 94.33 |
| DCALS programs | 216.20 | 214.84 | 271.12 | 320.89 | 332.34 |
| Special education resource programs | 419.44 | 478.42 | 466.30 | 479.53 | 506.55 |

Funding for Minnesota school districts is largely driven by enrollment. In the current economic environment, member districts are striving to keep their students at their sites whenever possible. Overall, the District’s secondary vocational resource programs experienced a slight decline in students in 2019–2020. Alternative learning (DCALS) programs continue to experience growth from the previous fiscal year. Special education resource programs are experiencing growth in Dakota County Alternative Learning (DCALS), Program Alternative for Communication Education and Socialization (PACES), Students with Unique Needs (SUN), Therapeutic Education Alternative (TEA), Transition Education Services (TESA), Intra-Dakota Educational Alternative (IDEA), and several Care and Treatment programs. These programs have declining enrollment in Deaf and Hard of Hearing Resources (DHH), and Dakota Alternative for Severely Handicapped (DASH). They also closed the Youth Transition Program (YTP). Stable and predictable enrollment to maintain and fund programs will continue to be especially challenging in the secondary vocational resource programs.

GENERAL FUND

The General Fund is used by the District to record the primary operations of providing education services to students enrolled in intermediate school district programs. Capital and major maintenance projects are also included in the General Fund.

Table 6
Financial Position – General Fund
Last Five Fiscal Years

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|---------------|---------------|---------------|---------------|---------------|
| Unassigned fund balance | \$ 5,730,521 | \$ 5,922,746 | \$ 6,634,983 | \$ 9,339,643 | \$ 9,471,747 |
| Percent increase | 3.5% | 3.4% | 12.0% | 40.8% | 1.4% |
| Expenditures | \$ 28,598,875 | \$ 33,366,968 | \$ 32,756,448 | \$ 38,602,276 | \$ 41,790,457 |
| Percent increase (decrease) | 8.8% | 16.7% | (1.8%) | 17.8% | 8.3% |
| Unassigned fund balance as a percentage of expenditures | 20.0% | 17.8% | 20.3% | 24.2% | 22.7% |

The District ended the year with a \$331,098 increase in the General Fund balance excluding the change in accounting principle. Unassigned General Fund balance increased \$132,104. The total increase of \$331,098 is \$250,659 higher than anticipated in the District’s revised budget. The reason for the variance is due to the District experiencing better than expected results in the Secondary Education Account totaling \$384,344, including revenue exceeding projections by \$85,401, mainly due to having higher than anticipated enrollment, including 12 additional students at the DCALS program in fiscal 2020. Expenditures were lower than anticipated in this account by \$298,943, mainly in salaries and purchased services.

The District experienced a lower increase to fund balance than anticipated results in the Special Education Account with an increase of \$11,657, compared to an anticipated increase of \$148,637. State aid was less than budget, due to lower program activity in the current year. The special education programs received less tuition revenue than anticipated totaling \$314,581 for fiscal year 2020. Expenditures were also lower than budgeted amounts mainly in salaries, benefits, and across all areas as a result of moving to distance learning at the end of March, due to COVID-19.

Table 7 presents a summary of General Fund revenue:

| | <u>2020</u> | <u>2019</u> | <u>Change</u> |
|---------------------------------|--------------------------|--------------------------|-------------------------|
| Local sources | | | |
| Tuition | \$ 10,282,316 | \$ 11,324,143 | \$ (1,041,827) |
| Investment earnings | 54,944 | 85,149 | (30,205) |
| Other | 542,624 | 961,796 | (419,172) |
| State sources | 31,092,613 | 27,879,426 | 3,213,187 |
| Federal sources | <u>156,934</u> | <u>142,549</u> | <u>14,385</u> |
| Total General Fund revenues | <u>\$ 42,129,431</u> | <u>\$ 40,393,063</u> | <u>\$ 1,736,368</u> |

Total General Fund revenues increased \$1,736,368, or 4.3 percent, in fiscal 2020, as compared to the previous year. Overall, the changes in revenues can be attributed to an increase in enrollment of 31 ADMs in combination with increased expenditures, resulting in an increase in state revenue sources through tuition billing. Direct tuition revenues declined to local school districts for services outside of the state tuition billing system, due to a reduction of general education students billed directly and an increase in students receiving special education services billed through the state’s system.

The increase in state sources is due to a 2.0 percent increase in general education revenues. The remaining increase is the result of increased revenues from special education aid. There was an under accrual in the prior year that resulted in approximately \$178,662 of fiscal 2019 state special education aid revenue being recognized in the current year. The remaining increase in special education revenues is the result of increased entitlements of about \$2,884,344. Increased entitlement is due to average salary and benefit increases per contract of approximately 3.7 percent and an increase related to ADM growth. The growth was the result of several factors, including the Concord Education Center being in full operation in 2020. The DCALS, PACES, SUN, TESA, and TEA programs also expanded. In addition, students served by the District are changing and the District is serving more complex students with more services that need higher staffing ratios of related staff.

Table 8 presents a summary of General Fund expenditures:

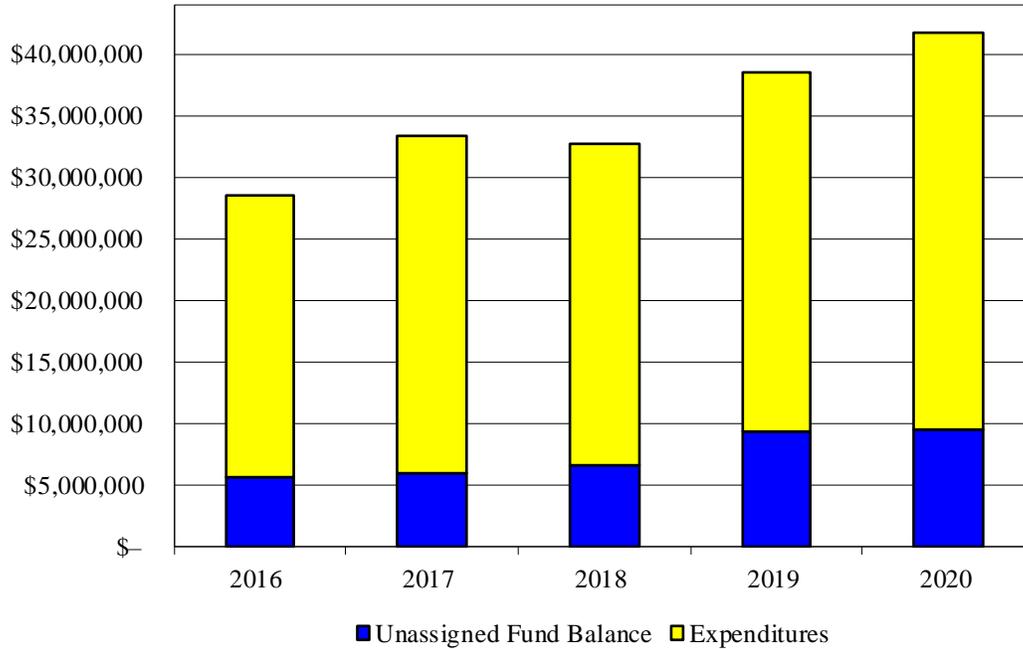
| | <u>2020</u> | <u>2019</u> | <u>Change</u> |
|---------------------------------|----------------------|----------------------|---------------------|
| Salaries | \$ 24,999,206 | \$ 22,746,079 | \$ 2,253,127 |
| Employee benefits | 9,022,930 | 8,042,126 | 980,804 |
| Purchased services | 5,129,662 | 5,019,654 | 110,008 |
| Supplies and materials | 1,155,196 | 1,058,944 | 96,252 |
| Other expenditures | 144,951 | 130,238 | 14,713 |
| Capital expenditures | 815,812 | 1,081,735 | (265,923) |
| Debt service | 522,700 | 523,500 | (800) |
| Total General Fund expenditures | <u>\$ 41,790,457</u> | <u>\$ 38,602,276</u> | <u>\$ 3,188,181</u> |

Total General Fund expenditures increased \$3,188,181, or 8.3 percent, from the previous year. Overall, the changes in expenditures can be attributed to an increase in salaries and benefits, which was mainly due to increases of 54.7 full-time equivalent (FTE) employees in the current year.

In summary, 2019–2020 General Fund revenues exceeded General Fund expenditures and other financing uses by \$331,098. As a result, total fund balance increased to \$10,132,120 at June 30, 2020 after including the change in accounting principle of \$3,820. After deducting nonspendable, restricted, and assigned funds, the unassigned fund balance increased from \$9,339,643 at June 30, 2019, to \$9,471,747 at June 30, 2020.

The following shows the General Fund unassigned fund balance as compared to expenditures:

Figure C
General Fund
Unassigned Fund Balance as Compared to Expenditures
Last Five Fiscal Years



The graph above is the single best measure of overall financial health. The unassigned fund balance of \$9.5 million at June 30, 2020, represents 22.7 percent of annual expenditures, or over two months of school year operations. The fund balances of an intermediate school district are key to its financial success, as the cash flow advance options available to intermediate school districts are more restrictive to access, compared to an independent school district. The continued maintenance of fund balance is essential for the District to minimize the impact that cash flow borrowing would have to member districts that would have to back any cash flow debt incurred by the District. With the current metering system and limited cash flow borrowing options available, the District believes it is necessary to maintain a minimum fund balance of 15.0 percent of annual budget to assure financial stability. The District's fund balance provides opportunities to incur one-time capital expenditures to mitigate the amount of long-term facilities maintenance levy that the District requests on behalf of member districts. The District continues to monitor its fund balances closely.

General Fund Budgetary Highlights

Table 9 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> |
|--|----------------------------|-------------------------|----------------------|--------------------------------------|
| Revenue | <u>\$ 44,251,126</u> | <u>\$ 43,911,919</u> | <u>\$ 42,129,431</u> | <u>\$ (1,782,488)</u> |
| Expenditures and other financing uses | <u>\$ 44,297,349</u> | <u>\$ 43,831,480</u> | <u>\$ 41,798,333</u> | <u>\$ (2,033,147)</u> |

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District might amend that budget for known changes in circumstances such as enrollment levels, grant funding, and employee contract settlements.

The District made revisions to the budget during the budget process in January. The District derives the majority of its revenue from tuition fees to member districts and state sources from the special education tuition billing system.

The District's revenues were lower than budgeted amounts by 4.1 percent, due to several factors. The District's anticipated revenues are determined by actual expenditures incurred, which came in under budget by \$2,030,463.

The District's expenditures and other financing uses were less than budgeted amounts by 4.6 percent, due to several factors. Overall, expenditures were under budget by \$2.0 million. The District continues to have unfilled complements on average of 50 employees at any given time during the current year, as it was difficult to find nonlicensed personnel. In addition, the District discontinued hiring in the spring due to moving to distance learning, due to the COVID-19 pandemic. In addition, with moving to distance learning there was additional cost savings in various areas from supplies, equipment, utilities, and mileage that were unforeseen.

FOOD SERVICE SPECIAL REVENUE FUND

Expenditures exceeded revenues by \$7,876 for the year. In order to eliminate the potential deficit in the Food Service Special Revenue Fund, the School Board approved a transfer of \$7,876 from the General Fund.

INTERNAL SERVICE FUNDS

The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District has three internal service funds. The District's internal service funds include financing for post-employment severance benefits and OPEB, and self-insurance of the employee medical and dental insurance programs. The self-insurance program experienced a \$1.2 million increase in fund balance, due to a decrease in claims, higher case claims, and utilization of service, due to the COVID-19 pandemic.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 10 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ended June 30, 2020 and 2019:

| | <u>2020</u> | <u>2019</u> | <u>Change</u> |
|-------------------------------|---------------------|---------------------|--------------------|
| Land | \$ 655,000 | \$ 655,000 | \$ - |
| Buildings | 11,274,493 | 11,168,352 | 106,141 |
| Furniture and equipment | 2,710,754 | 2,489,329 | 221,425 |
| Less accumulated depreciation | <u>(5,589,924)</u> | <u>(5,204,119)</u> | <u>(385,805)</u> |
| Total | <u>\$ 9,050,323</u> | <u>\$ 9,108,562</u> | <u>\$ (58,239)</u> |
| Depreciation expense | <u>\$ 422,942</u> | <u>\$ 406,143</u> | <u>\$ 16,799</u> |

Long-Term Liabilities

Table 11 illustrates the components of the District's long-term liabilities, together with changes from the prior year:

| | <u>2020</u> | <u>2019</u> | <u>Change</u> |
|---------------------------------------|----------------------|----------------------|---------------------|
| Certificates of participation payable | \$ 7,245,000 | \$ 7,540,000 | \$ (295,000) |
| Unamortized premium (discount) | 225,262 | 237,494 | (12,232) |
| Net pension liability | 22,127,351 | 20,169,161 | 1,958,190 |
| Severance benefits payable | 391,406 | 398,749 | (7,343) |
| Compensated absences payable | 375,856 | 337,148 | 38,708 |
| Total OPEB liability | <u>1,380,775</u> | <u>1,186,519</u> | <u>194,256</u> |
| Total | <u>\$ 31,745,650</u> | <u>\$ 29,869,071</u> | <u>\$ 1,876,579</u> |

The increase in the pension liability for the District is due to the change in the District's proportionate share of the state-wide PERA and TRA pension plan liabilities.

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

The **Vision** of the District is to be a community of students, families, teachers, staff members, school districts, regional organizations, and associations actively engaged in ensuring student learning success.

The **Mission** of the District is to serve as a quality, cost-effective resource for member school districts committed together to success for all learners.

The **Core Values** of the District are collaboration, passion for service, continuous improvement, stewardship, equity, open communication, and integrity.

The Vision, Mission, and Core Values of the District strongly inform budgetary decisions.

The District is charged by Minnesota Statutes to provide low incidence special education and secondary vocational technical education services to its member districts. In addition, the statutes indicate that intermediate districts should also provide its members with such other services that they require. Therefore, the District continually evaluates current service offerings and reviews additional areas of potential service to our member districts.

Current support services include:

- Provide robust offerings in Federal Setting III and Federal Setting IV Special Education programming.
- The DCALS program provides a high school Alternative Learning Center (ALC) at the Dakota County Technical College (DCTC). Providing the ALC services at the DCTC site allows for program extension into Career Technical Education programs, concurrent enrollment options in the DCTC course offerings, and a well-developed career pathway model in several careers.
- Partner with Independent School District (ISD) No. 197 to operate the DCALS North in West St. Paul. This site offers a convenient location in the northern part of the District.
- Provide the needed secondary alternative learning option to qualify a targeted services program for ISD Nos. 192, 197, 199, 200, and 271.
- Organize and facilitate regional networking meetings for superintendents, secondary principals, and special education directors.
- Collaborate with both public and private support service providers to meet the needs of member districts, and to increase the capacity of our communities to meet the diverse needs of children and families. Specifically, a recent successful grant from the state for embedded mental health services has been a tremendous addition.
- Collaborate with the Association of Metropolitan School Districts (AMSD), Minnesota Association of School Administrators (MASA), Minnesota School Boards Association (MSBA), and Association of Education Service Agencies (AESA) to advocate for legislation action to assist in the provision of district services.
- Collaborate with the other three intermediate school districts (916, 287, and 288) to advocate for legislative action to assist the District in meeting the needs of the unique students served by the intermediate school districts. We also collaborate on communicating about the mission and the services provided by the intermediate school districts.
- Provide special education consultation and direct service to the member districts through a purchase of services model.

Additional potential collaborative support services include:

- Potential expansion of the Transitional Educational Service Alternative (TESA) for students age 18 to 21, may be of interest to individual member districts. The TESA program launched in fiscal year 2020 in a space provided by Bloomington Public Schools, has been a terrific success. Although no specific plans are underway, it is a possibility for future expansion beginning in fiscal year 2022.
- Potential collaborations in career technical education are being investigated. With multiple member districts providing well-designed programs within their own communities, there may be synergistic opportunity to help coordinate inter-district collaborations throughout the member districts. It is likely that the District would serve as a fiscal agent for a collaborative endeavor.
- The District has experienced two years of high growth. We anticipate that the present growth rate in Students with Unique Needs (SUN) programming and in other special education service areas is likely to continue to increase. As a district, we have nearly utilized all of the available space in our school buildings. During the 2020 school year, we will need to develop plans for future expansion that may have a financial impact.

Existing circumstances that could significantly affect the District's financial health in the future:

- The District has appropriate fund balances to provide adequate opportunities to adapt to uncontrolled changes in revenue sources for the short-term (two or three years). The special education funding system is being managed in different ways by member districts. This drives each district to make different decisions about which services they provide on their own and which services they procure from the District. We need to remain relevant, responsible, and responsive to the ever-changing needs of the member districts.
- As general education revenue for many of our member districts may likely retract, we are aware that the cost efficiency of our Special Educational models will become a more significant concern.
- We are concerned that with the higher resignation rate, and the challenges of retention of certified teachers, the District will be challenged to fill all positions. As a district, we may need to consider potential incentives to hire qualified personnel.
- Due to the pandemic, we are aware that the needs of our students are greater than ever. We are aware that there may be a need for additional spending to help students recover from the lost opportunities from 2020.
- Career and Technical education is in a precarious position. As member districts close due to the pandemic, our student enrollment continues to decline. It will be a significant economic struggle to retain the current course offerings in our Career and Technical Education programs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

These financial statements are designed to provide our citizens, taxpayers, 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 Office, Intermediate School District No. 917, 1300 – 145th Street East, Rosemount, Minnesota 55068-2999.

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BASIC FINANCIAL STATEMENTS

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INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Net Position
as of June 30, 2020
(With Partial Comparative Information as of June 30, 2019)

| | Governmental Activities | |
|--|-------------------------|----------------------|
| | 2020 | 2019 |
| Assets | | |
| Cash and temporary investments | \$ 8,893,977 | \$ 6,166,940 |
| Receivables | | |
| Accounts and interest | 19,208 | 25,119 |
| Due from other governmental units | 10,233,224 | 11,003,361 |
| Inventory | 1,168 | 153 |
| Prepaid items | 130,839 | 129,147 |
| Restricted assets – temporarily restricted | | |
| Cash and investments held by trustee | 44,377 | 43,475 |
| Capital assets | | |
| Not depreciated | 655,000 | 655,000 |
| Depreciated, net of accumulated depreciation | 8,395,323 | 8,453,562 |
| Total capital assets, net of accumulated depreciation | <u>9,050,323</u> | <u>9,108,562</u> |
| Total assets | <u>28,373,116</u> | <u>26,476,757</u> |
| Deferred outflows of resources | | |
| Pension plan deferments | 17,692,896 | 23,444,119 |
| OPEB plan deferments | 80,002 | 60,929 |
| Deferred charge on refunding | 313,957 | 336,382 |
| Total deferred outflows of resources | <u>18,086,855</u> | <u>23,841,430</u> |
| Total assets and deferred outflows of resources | <u>\$ 46,459,971</u> | <u>\$ 50,318,187</u> |
| Liabilities | | |
| Salaries and compensated absences payable | \$ 3,342,825 | \$ 3,028,460 |
| Accounts and contracts payable | 330,903 | 443,075 |
| Accrued interest payable | 92,417 | 94,875 |
| Due to other governmental units | 565,643 | 412,071 |
| Unearned revenue | 6,707 | 90,607 |
| Long-term liabilities | | |
| Due within one year | 473,696 | 506,241 |
| Due in more than one year | 31,271,954 | 29,362,830 |
| Total long-term liabilities | <u>31,745,650</u> | <u>29,869,071</u> |
| Total liabilities | 36,084,145 | 33,938,159 |
| Deferred inflows of resources | | |
| Pension plan deferments | 21,635,829 | 27,005,050 |
| OPEB plan deferments | 386,351 | 441,544 |
| Total deferred inflows of resources | <u>22,022,180</u> | <u>27,446,594</u> |
| Net position | | |
| Net investment in capital assets | 1,894,018 | 1,667,450 |
| Restricted for other purposes | 93,757 | 138,880 |
| Unrestricted | (13,634,129) | (12,872,896) |
| Total net position | <u>(11,646,354)</u> | <u>(11,066,566)</u> |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 46,459,971</u> | <u>\$ 50,318,187</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Activities
 Year Ended June 30, 2020
 (With Partial Comparative Information for the Year Ended June 30, 2019)

| 2020 | | | | |
|--------------------------------------|----------------------|--|-------------------------|--|
| Functions/Programs | Expenses | Indirect Expense Allocation | Charges for Services | Program Revenues Operating Grants and Contributions |
| Governmental activities | | | | |
| Administrative and support services | \$ 1,980,504 | \$ (1,922,050) | \$ — | \$ — |
| Secondary vocational/DCALS | 4,104,278 | 183,085 | 3,696,966 | 623,614 |
| Special education programs | 36,440,788 | 1,738,965 | 6,553,089 | 30,026,515 |
| Food service | 114,859 | — | 26,256 | 74,399 |
| Interest and fiscal charges on debt | 235,435 | — | — | — |
| Total governmental activities | \$ 42,875,864 | \$ — | \$ 10,276,311 | \$ 30,724,528 |
| | | General revenues | | |
| | | Other general revenues | | |
| | | Investment earnings | | |
| | | Total general revenues | | |
| | | Change in net position | | |
| | | Net position – beginning, as previously reported | | |
| | | Change in accounting principle | | |
| | | Net position – beginning, as restated | | |
| | | Net position – ending | | |

| | | 2019 |
|--|--|--|
| | Net (Expense) Revenue and Changes in Net Position | Net (Expense) Revenue and Changes in Net Position |
| Capital Grants and Contributions | Governmental Activities | Governmental Activities |
| \$ 25,500 | \$ (32,954) | \$ 291,199 |
| 522,700 | 555,917 | 2,227,174 |
| 43,700 | (1,556,449) | 5,049,782 |
| — | (14,204) | (43,451) |
| — | (235,435) | (241,276) |
| <u>\$ 591,900</u> | <u>(1,283,125)</u> | <u>7,283,428</u> |
| | 594,648 | 917,328 |
| | 104,869 | 153,615 |
| | <u>699,517</u> | <u>1,070,943</u> |
| | (583,608) | 8,354,371 |
| | (11,066,566) | (19,420,937) |
| | 3,820 | — |
| | <u>(11,062,746)</u> | <u>(19,420,937)</u> |
| | <u>\$ (11,646,354)</u> | <u>\$ (11,066,566)</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Balance Sheet
 Governmental Funds
 as of June 30, 2020
 (With Partial Comparative Information as of June 30, 2019)

| | General Fund | Nonmajor Fund – Food Service Special Revenue Fund | Total Governmental Funds | |
|--|----------------------|---|--------------------------|----------------------|
| | | | 2020 | 2019 |
| Assets | | | | |
| Cash and temporary investments | \$ 3,737,056 | \$ – | \$ 3,737,056 | \$ 2,146,835 |
| Cash and investments held by trustee | 44,377 | – | 44,377 | 43,475 |
| Receivables | | | | |
| Accounts and interest | 9,547 | 6,075 | 15,622 | 23,455 |
| Due from other governmental units | 10,233,224 | – | 10,233,224 | 11,003,361 |
| Due from other funds | 5,999 | – | 5,999 | 50 |
| Inventory | 1,168 | – | 1,168 | 153 |
| Prepaid items | 129,983 | – | 129,983 | 129,109 |
| Total assets | \$ 14,161,354 | \$ 6,075 | \$ 14,167,429 | \$ 13,346,438 |
| Liabilities | | | | |
| Salaries and compensated absences payable | \$ 3,342,825 | \$ – | \$ 3,342,825 | \$ 3,028,460 |
| Accounts and contracts payable | 115,433 | 76 | 115,509 | 19,231 |
| Due to other governmental units | 564,269 | – | 564,269 | 410,888 |
| Due to other funds | – | 5,999 | 5,999 | 50 |
| Unearned revenue | 6,707 | – | 6,707 | 90,607 |
| Total liabilities | 4,029,234 | 6,075 | 4,035,309 | 3,549,236 |
| Fund balances | | | | |
| Nonspendable | 131,151 | – | 131,151 | 129,262 |
| Restricted | 138,134 | – | 138,134 | 182,355 |
| Assigned | 391,088 | – | 391,088 | 145,942 |
| Unassigned | 9,471,747 | – | 9,471,747 | 9,339,643 |
| Total fund balances | 10,132,120 | – | 10,132,120 | 9,797,202 |
| Total liabilities and fund balances | \$ 14,161,354 | \$ 6,075 | \$ 14,167,429 | \$ 13,346,438 |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2020
(With Partial Comparative Information as of June 30, 2019)

| | <u>2020</u> | <u>2019</u> |
|---|------------------------|------------------------|
| Total fund balances – governmental funds | \$ 10,132,120 | \$ 9,797,202 |
| 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 | 14,640,247 | 14,312,681 |
| Accumulated depreciation | (5,589,924) | (5,204,119) |
| Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. | | |
| Certificates of participation payable | (7,245,000) | (7,540,000) |
| Compensated absences payable | (375,856) | (337,148) |
| Net pension liability | (22,127,351) | (20,169,161) |
| Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable. | (92,417) | (94,875) |
| 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 – pension plan deferments | 17,692,896 | 23,444,119 |
| Deferred inflows of resources – pension plan deferments | (21,635,829) | (27,005,050) |
| Deferred outflows of resources – deferred charge on refunding | 313,957 | 336,382 |
| 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. | (225,262) | (237,494) |
| The 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>2,866,065</u> | <u>1,630,897</u> |
| Total net position – governmental activities | <u>\$ (11,646,354)</u> | <u>\$ (11,066,566)</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2020
 (With Partial Comparative Information for the Year Ended June 30, 2019)

| | General Fund | Nonmajor Fund – Food Service Special Revenue Fund | Total Governmental Funds | |
|---|----------------------|---|--------------------------|---------------------|
| | | | 2020 | 2019 |
| Revenue | | | | |
| Local sources | | | | |
| Tuition | \$ 10,282,316 | \$ – | \$ 10,282,316 | \$ 11,324,143 |
| Investment earnings | 54,944 | – | 54,944 | 85,149 |
| Other | 542,624 | 32,322 | 574,946 | 990,617 |
| State sources | 31,092,613 | 5,976 | 31,098,589 | 27,886,724 |
| Federal sources | 156,934 | 68,423 | 225,357 | 236,546 |
| Total revenue | <u>42,129,431</u> | <u>106,721</u> | <u>42,236,152</u> | <u>40,523,179</u> |
| Expenditures | | | | |
| Current | | | | |
| Administrative and support services | 25,575 | – | 25,575 | 500,039 |
| Secondary vocational/DCALS | 4,124,404 | – | 4,124,404 | 3,737,910 |
| Special education programs | 37,117,778 | – | 37,117,778 | 33,840,827 |
| Food service | – | 114,597 | 114,597 | 159,488 |
| Debt service | | | | |
| Principal | 295,000 | – | 295,000 | 290,000 |
| Interest and fiscal charges | 227,700 | – | 227,700 | 233,500 |
| Total expenditures | <u>41,790,457</u> | <u>114,597</u> | <u>41,905,054</u> | <u>38,761,764</u> |
| Excess (deficiency) of revenue over expenditures | 338,974 | (7,876) | 331,098 | 1,761,415 |
| Other financing sources (uses) | | | | |
| Proceeds from sale of assets | – | – | – | 11,855 |
| Transfers in | – | 7,876 | 7,876 | 29,372 |
| Transfers out | <u>(7,876)</u> | <u>–</u> | <u>(7,876)</u> | <u>(29,372)</u> |
| Total other financing sources (uses) | <u>(7,876)</u> | <u>7,876</u> | <u>–</u> | <u>11,855</u> |
| Net change in fund balances | 331,098 | – | 331,098 | 1,773,270 |
| Fund balances | | | | |
| Beginning of year, as previously reported | 9,797,202 | – | 9,797,202 | 8,023,932 |
| Change in accounting principle | <u>3,820</u> | <u>–</u> | <u>3,820</u> | <u>–</u> |
| Beginning of year, as restated | <u>9,801,022</u> | <u>–</u> | <u>9,801,022</u> | <u>8,023,932</u> |
| End of year | <u>\$ 10,132,120</u> | <u>\$ –</u> | <u>\$ 10,132,120</u> | <u>\$ 9,797,202</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2020

(With Partial Comparative Information for the Year Ended June 30, 2019)

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Total net change in fund balances – governmental funds | \$ 331,098 | \$ 1,773,270 |
| 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 | 364,703 | 271,466 |
| Depreciation expense | (422,942) | (406,143) |
| Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances. | | |
| | 295,000 | 290,000 |
| 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. | | |
| | 2,458 | 2,417 |
| 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. | | |
| | 12,232 | 12,232 |
| 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. | | |
| Net pension liability | (1,958,190) | 28,921,193 |
| A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances. | | |
| | – | 29,311 |
| 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. | | |
| | 1,235,168 | 509,972 |
| 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. | | |
| Compensated absences payable | (38,708) | (36,483) |
| 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 – pension plan deferments | (5,751,223) | (4,095,862) |
| Deferred inflows of resources – pension plan deferments | 5,369,221 | (18,894,577) |
| Deferred outflows of resources – deferred charge on refunding | <u>(22,425)</u> | <u>(22,425)</u> |
| Change in net position – governmental activities | <u>\$ (583,608)</u> | <u>\$ 8,354,371</u> |

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INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 General Fund
 Year Ended June 30, 2020

| | Budgeted Amounts | | Actual | Over (Under) Final Budget |
|---|--------------------|-------------------|----------------------|------------------------------|
| | Original | Final | | |
| Revenue | | | | |
| Local sources | | | | |
| Tuition | \$ 10,708,256 | \$ 10,879,177 | \$ 10,282,316 | \$ (596,861) |
| Investment earnings | 45,000 | 83,600 | 54,944 | (28,656) |
| Other | 599,006 | 552,717 | 542,624 | (10,093) |
| State sources | 32,732,967 | 32,224,347 | 31,092,613 | (1,131,734) |
| Federal sources | 165,897 | 172,078 | 156,934 | (15,144) |
| Total revenue | <u>44,251,126</u> | <u>43,911,919</u> | <u>42,129,431</u> | <u>(1,782,488)</u> |
| Expenditures | | | | |
| Current | | | | |
| Administrative and support services | 36,200 | 39,716 | 25,575 | (14,141) |
| Secondary vocational/DCALS | 4,181,334 | 4,441,353 | 4,124,404 | (316,949) |
| Special education programs | 39,546,555 | 38,817,151 | 37,117,778 | (1,699,373) |
| Debt service | | | | |
| Principal | 295,000 | 295,000 | 295,000 | – |
| Interest and fiscal charges | 227,700 | 227,700 | 227,700 | – |
| Total expenditures | <u>44,286,789</u> | <u>43,820,920</u> | <u>41,790,457</u> | <u>(2,030,463)</u> |
| Excess (deficiency) of revenue over expenditures | (35,663) | 90,999 | 338,974 | 247,975 |
| Other financing (uses) | | | | |
| Transfers out | <u>(10,560)</u> | <u>(10,560)</u> | <u>(7,876)</u> | <u>2,684</u> |
| Net change in fund balances | <u>\$ (46,223)</u> | <u>\$ 80,439</u> | <u>331,098</u> | <u>\$ 250,659</u> |
| Fund balances | | | | |
| Beginning of year, as previously reported | | | 9,797,202 | |
| Change in accounting principle | | | <u>3,820</u> | |
| Beginning of year, as restated | | | <u>9,801,022</u> | |
| End of year | | | <u>\$ 10,132,120</u> | |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Net Position
 Proprietary Funds
 Internal Service Funds
 as of June 30, 2020

(With Partial Comparative Actual Amounts as of June 30, 2019)

| | <u>2020</u> | <u>2019</u> |
|---------------------------------|---------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and temporary investments | \$ 5,156,921 | \$ 4,020,105 |
| Accounts receivable | 3,586 | 1,664 |
| Prepaid items | 856 | 38 |
| Total assets | <u>5,161,363</u> | <u>4,021,807</u> |
| Deferred outflows of resources | | |
| OPEB plan deferments | 80,002 | 60,929 |
| Liabilities | | |
| Current liabilities | | |
| Accounts and contracts payable | 215,394 | 423,844 |
| Due to other governmental units | 1,374 | 1,183 |
| Severance benefits payable | 18,424 | 31,448 |
| Total current liabilities | <u>235,192</u> | <u>456,475</u> |
| Long-term liabilities | | |
| Total OPEB liability | 1,380,775 | 1,186,519 |
| Severance benefits payable | 372,982 | 367,301 |
| Total long-term liabilities | <u>1,753,757</u> | <u>1,553,820</u> |
| Total liabilities | <u>1,988,949</u> | <u>2,010,295</u> |
| Deferred inflows of resources | | |
| OPEB plan deferments | <u>386,351</u> | <u>441,544</u> |
| Net position | | |
| Unrestricted | <u>\$ 2,866,065</u> | <u>\$ 1,630,897</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Internal Service Funds
 Year Ended June 30, 2020
 (With Partial Comparative Information for the Year Ended June 30, 2019)

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Operating revenue | | |
| Charges for services | | |
| Contributions from governmental funds | \$ 5,016,767 | \$ 4,564,468 |
| Operating expenses | | |
| Post-employment severance and health benefits | 139,516 | 131,096 |
| Medical benefit claims | 3,291,125 | 3,554,211 |
| Dental benefit claims | 400,882 | 437,654 |
| Total operating expenses | <u>3,831,523</u> | <u>4,122,961</u> |
| Operating income | 1,185,244 | 441,507 |
| Nonoperating revenue | | |
| Investment earnings | <u>49,924</u> | <u>68,465</u> |
| Change in net position | 1,235,168 | 509,972 |
| Net position | | |
| Beginning of year | <u>1,630,897</u> | <u>1,120,925</u> |
| End of year | <u>\$ 2,866,065</u> | <u>\$ 1,630,897</u> |

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INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Cash Flows
 Proprietary Funds
 Internal Service Funds
 Year Ended June 30, 2020

(With Partial Comparative Actual Amounts for the Year Ended June 30, 2019)

| | <u>2020</u> | <u>2019</u> |
|--|----------------------------|----------------------------|
| Cash flows from operating activities | | |
| Contributions from governmental funds | \$ 5,014,845 | \$ 4,564,192 |
| Post-employment severance and health benefit payments | (27,687) | (67,540) |
| Payments for medical claims | (3,493,526) | (3,345,985) |
| Payments for dental claims | <u>(406,740)</u> | <u>(401,985)</u> |
| Net cash flows from operating activities | 1,086,892 | 748,682 |
| Cash flows from investing activities | | |
| Investment income received | <u>49,924</u> | <u>68,465</u> |
| Net increase in cash and cash equivalents | 1,136,816 | 817,147 |
| Cash and temporary investments | | |
| Beginning of year | <u>4,020,105</u> | <u>3,202,958</u> |
| End of year | <u><u>\$ 5,156,921</u></u> | <u><u>\$ 4,020,105</u></u> |
| Reconciliation of operating income to net cash flows from operating activities | | |
| Operating income | \$ 1,185,244 | \$ 441,507 |
| Adjustments to reconcile operating income to net cash flows from operating activities | | |
| Changes in assets and liabilities | | |
| Receivables | (1,922) | (276) |
| Prepaid items | (818) | (1) |
| OPEB plan deferments | (74,266) | 429,913 |
| Accounts and contracts payable | (208,450) | 243,712 |
| Due to other governmental units | 191 | 183 |
| Severance benefits payable | (7,343) | (42,697) |
| Total OPEB liability | <u>194,256</u> | <u>(323,659)</u> |
| Net cash flows from operating activities | <u><u>\$ 1,086,892</u></u> | <u><u>\$ 748,682</u></u> |

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INTERMEDIATE SCHOOL DISTRICT NO. 917

Notes to Basic Financial Statements
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Intermediate School District No. 917 (the District) is an instrumentality of the state of Minnesota established to provide participating school districts with vocational, technical, and special education services. The District is governed by a joint School Board composed of appointed members from each participating school district. The District's financial statements 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.

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. Minnesota State Colleges and Universities

On July 1, 1995, Minnesota technical colleges, community colleges, and state universities were merged under the control of Minnesota State Colleges and Universities (MnSCU). Therefore, the funds and assets of the District associated with Dakota County Technical College's (DCTC) operations were remanded to the state system. The District continues to serve secondary, vocational, and kindergarten through Grade 12 special education students. Under terms of an agreement with DCTC, the District has access to certain facilities and equipment of DCTC. The District pays DCTC its share of building maintenance and costs of other services based on space, usage, personnel, and budget percentages. The District provides business office services to DCTC, and is reimbursed for related actual costs based on personnel, usage, and budget percentages.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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. 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 and an allocation of indirect administrative and support service expenses. Direct expenses are those that are clearly identifiable with a specific function or segment. 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.

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 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.

E. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregate information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

The internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal service funds are the District's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Propriety 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 charges to customers for service. Operating expenses for the internal service funds include the cost of providing benefits. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The District's only propriety funds are the internal service funds, which provide services to the governmental funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within 60 days. Proceeds of long-term debt are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds. In the General Fund, capital expenditures are included within the applicable functional areas.

Proprietary fund financial statements are reported using the economic resources measurement focus and 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 maintains separate accounts within the General Fund for secondary education, secondary resale activities, special education, special education resale activities, district support services, capital expenditures, and costs to be reimbursed by others.

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to account for the District’s child nutrition program.

Proprietary Funds

Internal Service Funds – The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District has three internal service funds. The District’s internal service funds include financing for post-employment severance benefits and other post-employment benefits (OPEB), and self-insurance for the employee health and dental insurance programs.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information

Each June, the School Board adopts an annual budget for the following fiscal year for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the financial statements. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

G. Cash and Temporary 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 General Fund, the capital lease escrow account is used to hold assets held for future debt payments. Interest earned on these investments was allocated directly to those accounts.

Investments are generally stated at fair value, except for investments in 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.

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.

H. Receivables

When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. No allowances have been recorded.

I. Inventories

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded as expenses/expenditures at the time of consumption.

K. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District maintains a threshold level of \$1,250 or more for capitalizing capital assets. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend asset lives is not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over 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 purposes. Useful lives vary from 20 to 50 years for buildings, and 5 to 20 years for furniture and equipment. Land is not depreciated.

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.

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, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Compensated Absences

Under the terms of union contracts, certain employees accrue vacation at varying rates, 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 incurred in the government-wide financial statements. Unused vacation pay is accrued in governmental fund financial statements only when it has matured, due to employee termination or similar circumstances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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 payments for some employees upon termination.

O. Severance Benefits

The District provides lump sum severance pay to eligible employees in accordance with provisions in certain collectively bargained contracts. Members of certain employee groups may become eligible to receive lump sum severance pay benefits. Eligibility for these benefits is based on years of service and/or minimum age requirements. The amount of the severance or retirement benefit is calculated by converting a portion of unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary.

Severance payable and the District's share of related benefits are 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 pay is accrued in the applicable internal service fund as it is earned and it becomes probable it will vest at some point in the future.

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 Special School District No. 1, Minneapolis Public Schools. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association into the 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.

The PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. 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 the current year.
2. **Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plan.

The District makes premium payments to the internal service funds on behalf of program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

District claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported. Because actual claim liabilities depend on complex factors, such as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not necessarily result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balance of dental claim liabilities for the last two years were as follows:

| Fiscal Year Ended June 30, | Beginning of Fiscal Year Liability | Charges and Changes in Estimates | Claims Payments | Balance at Fiscal Year-End |
|----------------------------------|--|--|-----------------|-------------------------------|
| 2019 | \$ 13,175 | \$ 437,654 | \$ 401,985 | \$ 48,844 |
| 2020 | \$ 48,844 | \$ 400,882 | \$ 406,740 | \$ 42,986 |

Changes in the balance of health claim liabilities for the last two years were as follows:

| Fiscal Year Ended June 30, | Beginning of Fiscal Year Liability | Charges and Changes in Estimates | Claims Payments | Balance at Fiscal Year-End |
|----------------------------------|--|--|-----------------|-------------------------------|
| 2019 | \$ 166,957 | \$ 3,553,028 | \$ 3,344,985 | \$ 375,000 |
| 2020 | \$ 375,000 | \$ 3,290,934 | \$ 3,493,526 | \$ 172,408 |

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, statements of financial position or balance sheets will sometimes report a separate section for deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to future periods 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 and inflows of resources related to pensions and OPEB in the government-wide and internal service fund Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes of assumptions, change in proportion, the difference between projected and actual earnings on pension plan investments, and 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 also reports a deferred outflow of resources related to the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding 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.

S. 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 equivalent. The proprietary fund's equity in the government-wide cash and investment management pool is considered to be cash equivalent.

T. 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 the reported amounts and disclosures during the reporting period. Actual results could differ from those estimates.

U. Restricted Assets

Restricted assets are cash and cash equivalents 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 governmental funds, cash and investments that are restricted are reported as cash and investments held by trustee.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Net Position

In the government-wide and internal service 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, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their 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.”

W. 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 School Board. Those committed amounts cannot be used for any other purpose unless the School Board 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 School Board resolution, the District’s superintendent and business manager are 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)

X. 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, 2019, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Y. Change in Accounting Principle

During the year ended June 30, 2020, the District adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes new criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by accounting for the extracurricular student activity funds in the General Fund and its governmental activities, rather than in a separate audit report as it has in the past. The standard required retroactive implementation, which resulted in the restatement of fund balance in the General Fund and Net Position of Governmental Activities as of June 30, 2019. The restatement resulted in an increase in fund balance and net position of \$3,820 as of July 1, 2019.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the School Board, including checking accounts, savings accounts, and nonnegotiable certificates of deposit.

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 \$652,369, while the balance on the bank records was \$653,214. At June 30, 2020, 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.

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.

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, the District considers such things as interest rates and cash flow needs when purchasing investments.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Summary

The following table presents the District’s deposit and investment balances at June 30, 2020, and information relating to potential investment risks:

| Investment Type | Credit Risk | | Fair Value Measurements | Interest Risk – Maturity Duration in Years | | | | Total |
|--|-------------|--------|----------------------------|--|--------|---------|-----------------|---------------------|
| | Rating | Agency | | Less Than 1 | 1 to 5 | 5 to 10 | More Than 10 | |
| Investment pools/mutual funds | | | | | | | | |
| Minnesota School District Liquid Asset Fund | | | | | | | | |
| Liquid Class | AAA | S&P | Amortized cost | N/A | N/A | N/A | N/A | \$ 832 |
| MAX Class | AAA | S&P | Amortized cost | N/A | N/A | N/A | N/A | 8,240,776 |
| First American Treasury Obligations Fund Class D | | | | | | | | |
| | AAA | S&P | Level 1 | N/A | N/A | N/A | N/A | 44,377 |
| | | | | | | | | 8,285,985 |
| Deposits | | | | | | | | 652,369 |
| Total cash and investments | | | | | | | | <u>\$ 8,938,354</u> |

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

| | |
|--|---------------------|
| Cash and temporary investments – Statement of Net Position | \$ 8,893,977 |
| Cash and investments held by trustee – Statement of Net Position | <u>44,377</u> |
| Total cash and investments | <u>\$ 8,938,354</u> |

The Minnesota School District Liquid Asset Fund (MSDLAF) is regulated by Minnesota Statutes and is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC. The District’s investment in the MSDLAF is measured at the value per share provided by the pool, which is based on an amortized cost method that approximates fair value.

For MSDLAF investments, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the Liquid Class; the redemption notice period is 14 days for the MAX Class.

NOTE 3 – CAPITAL ASSETS

Capital assets and accumulated depreciation activity for the year ended June 30, 2020 is as follows:

| | Balance – Beginning of Year | Additions | Deletions | Completed Construction | Balance – End of Year |
|--------------------------------------|-----------------------------------|------------------|-----------------|---------------------------|--------------------------|
| Capital assets, not depreciated | | | | | |
| Land | \$ 655,000 | \$ – | \$ – | \$ – | \$ 655,000 |
| Construction in progress | – | 106,141 | – | (106,141) | – |
| Total capital asset, not depreciated | <u>655,000</u> | <u>106,141</u> | <u>–</u> | <u>(106,141)</u> | <u>655,000</u> |
| Capital assets, depreciated | | | | | |
| Buildings | 11,168,352 | – | – | 106,141 | 11,274,493 |
| Furniture and equipment | 2,489,329 | 258,562 | (37,137) | – | 2,710,754 |
| Total capital assets, depreciated | <u>13,657,681</u> | <u>258,562</u> | <u>(37,137)</u> | <u>106,141</u> | <u>13,985,247</u> |
| Less accumulated depreciation for | | | | | |
| Buildings | (3,494,345) | (270,339) | – | – | (3,764,684) |
| Furniture and equipment | <u>(1,709,774)</u> | <u>(152,603)</u> | <u>37,137</u> | <u>–</u> | <u>(1,825,240)</u> |
| Total accumulated depreciation | <u>(5,204,119)</u> | <u>(422,942)</u> | <u>37,137</u> | <u>–</u> | <u>(5,589,924)</u> |
| Net capital assets, depreciated | <u>8,453,562</u> | <u>(164,380)</u> | <u>–</u> | <u>106,141</u> | <u>8,395,323</u> |
| Total capital assets, net | <u>\$ 9,108,562</u> | <u>\$ 94,182</u> | <u>\$ –</u> | <u>\$ –</u> | <u>\$ 9,050,323</u> |

Depreciation expense for the year ended June 30, 2020 was charged to the following governmental functions:

| | |
|-------------------------------------|-------------------|
| Administrative and support services | \$ 15,783 |
| Secondary vocational/DCALS | 19,311 |
| Special education programs | 387,586 |
| Food service | <u>262</u> |
| Total depreciation expense | <u>\$ 422,942</u> |

NOTE 4 – LONG-TERM LIABILITIES

A. Components and Changes in Long-Term Liabilities

The following table describes the changes in long-term liabilities, including amounts due within one year:

| | Balance – Beginning of Year | Additions | Retirements | Balance – End of Year | Due Within One Year |
|-------------------------------|-----------------------------------|---------------------|---------------------|--------------------------|------------------------|
| Certificates of participation | \$ 7,540,000 | \$ – | \$ 295,000 | \$ 7,245,000 | \$ 305,000 |
| Unamortized premium/discount | 237,494 | – | 12,232 | 225,262 | – |
| Severance benefits payable | 398,749 | 18,424 | 25,767 | 391,406 | 18,424 |
| Compensated absences payable | 337,148 | 188,980 | 150,272 | 375,856 | 150,272 |
| Total OPEB liability | 1,186,519 | 213,782 | 19,526 | 1,380,775 | – |
| Net pension liability | <u>20,169,161</u> | <u>3,786,169</u> | <u>1,827,979</u> | <u>22,127,351</u> | <u>–</u> |
| | <u>\$ 29,869,071</u> | <u>\$ 4,207,355</u> | <u>\$ 2,330,776</u> | <u>\$ 31,745,650</u> | <u>\$ 473,696</u> |

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

B. Description of Long-Term Liabilities

- **Certificates of Participation Payable** – In November 2016, the District sold \$8,085,000 of certificates of participation to finance the construction of additions to the Alliance Center special education facility. These certificates have interest rates that range from 2.0 percent to 3.0 percent, with a final maturity of February 2039. Annual principal and interest payments on these certificates will be paid by the General Fund. Tuition revenue in the General Fund capital expenditure account from member districts specifically for this debt obligation for the duration of the debt obligation are pledged for the payment of principal and interest on these certificates of participation payable.

Failure by the District to pay any payments under this agreement, or upon the occurrence of and continuation of an event of default, the lender without any further demand or notice, may take one or any combination of the following steps. The lender, with or without terminating the agreement, may declare all payments due or become due during the fiscal year in effect when the default occurs. They may repossess the facility by giving the District written notice to surrender the facility to the lender. The lender will thereafter use its best efforts to sell or lease its interest in the facility or any portion thereof in a commercially reasonable manner in accordance with applicable state laws. The lender may also pursue any other remedy available to require the District to perform any of its obligations in the agreement.

- **Severance Benefits Payable** – Severance benefits are paid by the applicable internal service fund. Annual payments to retire 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. These benefits are not funded until the year of payment. Annual payments to retire compensated absences payable 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 and the Internal Service 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, 2020:

| Pension Plans | Net Pension Liabilities | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense |
|---------------|----------------------------|-----------------------------------|----------------------------------|---------------------|
| PERA | \$ 6,275,161 | \$ 1,440,014 | \$ 1,013,347 | \$ 1,001,673 |
| TRA | 15,852,190 | 16,252,882 | 20,622,482 | 3,348,199 |
| Total | <u>\$ 22,127,351</u> | <u>\$ 17,692,896</u> | <u>\$ 21,635,829</u> | <u>\$ 4,349,872</u> |

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

C. Minimum Debt Payments

Minimum annual principal and interest payments required to retire certificates of participation payable are as follows:

| Year Ending June 30, | Principal | Interest |
|-------------------------|---------------------|---------------------|
| 2021 | \$ 305,000 | \$ 221,800 |
| 2022 | 310,000 | 215,700 |
| 2023 | 315,000 | 209,500 |
| 2024 | 325,000 | 201,625 |
| 2025 | 330,000 | 193,500 |
| 2026–2030 | 1,805,000 | 815,900 |
| 2031–2035 | 2,085,000 | 493,800 |
| 2036–2039 | 1,770,000 | 134,550 |
| | <u>\$ 7,245,000</u> | <u>\$ 2,486,375</u> |

NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report.

A. Classifications

At June 30, 2020, a summary of the District’s governmental fund balance classifications are as follows:

| | General Fund | Food Service Special Revenue Fund | Total |
|------------------------------------|----------------------|---|----------------------|
| Nonspendable | | | |
| Inventory | \$ 1,168 | \$ – | \$ 1,168 |
| Prepaid items | 129,983 | – | 129,983 |
| Total nonspendable | <u>131,151</u> | <u>–</u> | <u>131,151</u> |
| Restricted for | | | |
| Student activities | 4,863 | – | 4,863 |
| Debt service | 44,377 | – | 44,377 |
| Basic skills | 88,894 | – | 88,894 |
| Total restricted | <u>138,134</u> | <u>–</u> | <u>138,134</u> |
| Assigned | | | |
| Subsequent year’s budgeted deficit | 391,088 | – | 391,088 |
| Unassigned | <u>9,471,747</u> | <u>–</u> | <u>9,471,747</u> |
| Total | <u>\$ 10,132,120</u> | <u>\$ –</u> | <u>\$ 10,132,120</u> |

NOTE 5 – FUND BALANCES (CONTINUED)

B. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding maintaining a minimum unassigned fund balance for the General Fund. The policy states the District will strive to maintain a minimum unassigned General Fund balance of 15.0 percent of the annual budget. At June 30, 2020, the unassigned fund balance of the General Fund was 22.7 percent of fiscal 2020 expenditures.

NOTE 6 – 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.

All full-time and certain 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 Plan administered by the state of Minnesota.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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.

1. GERS 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 of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7 percent of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the post-retirement increase will be equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with the 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 at least one month but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under the Rule of 90 are exempt from the delay to normal retirement.

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 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Tier I Benefits

| Step-Rate Formula | Percentage per Year |
|---|------------------------|
| Basic Plan | |
| First 10 years of service | 2.2 % |
| All years after | 2.7 % |
| Coordinated Plan | |
| 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 up to 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 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 6 – 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. GERP Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2020 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District’s contributions to the GERP for the year ended June 30, 2020, were \$670,963. 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, | | | | | |
|-------------------------|---------------------|----------|----------|----------|----------|----------|
| | 2018 | | 2019 | | 2020 | |
| | Employee | Employer | Employee | Employer | Employee | Employer |
| Basic Plan | 11.00 % | 11.50 % | 11.00 % | 11.71 % | 11.00 % | 11.92 % |
| Coordinated Plan | 7.50 % | 7.50 % | 7.50 % | 7.71 % | 7.50 % | 7.92 % |

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2020, were \$1,215,570. 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 Comprehensive Annual Financial Report (CAFR) 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 CAFR Statement of Changes in Fiduciary Net Position | \$ 403,300 |
| Add employer contributions not related to future contribution efforts | (688) |
| Deduct the TRA’s contributions not included in allocation | <u>(486)</u> |
| Total employer contributions | 402,126 |
| Total nonemployer contributions | <u>35,588</u> |
| Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations | <u><u>\$ 437,714</u></u> |

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 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs

1. GERF Pension Costs

At June 30, 2020, the District reported a liability of \$6,275,161 for its proportionate share of the GERF’s net pension liability. The net pension liability was measured as of June 30, 2019, 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 received by the PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.1135 percent at the end of the measurement period and 0.1052 percent for the beginning of the period.

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 amounts 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 | \$ 6,275,161 |
| State’s proportionate share of the net pension liability associated with the District | \$ 194,992 |

For the year ended June 30, 2020, the District recognized pension expense of \$987,070 for its proportionate share of the GERF’s pension expense. In addition, the District recognized an additional \$14,603 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$16 million to the GERF.

At June 30, 2020, 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 | \$ 161,972 | \$ – |
| Changes in actuarial assumptions | – | 447,149 |
| Differences between expected and actual investment earnings | – | 566,198 |
| Changes in proportion | 607,079 | – |
| District’s contributions to the GERF subsequent to the measurement date | <u>670,963</u> | <u>–</u> |
| Total | <u>\$ 1,440,014</u> | <u>\$ 1,013,347</u> |

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

A total of \$670,963 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to the GERP pensions will be recognized in pension expense as follows:

| Year Ending June 30, | Pension Expense Amount |
|-------------------------|------------------------------|
| 2021 | \$ (53,959) |
| 2022 | \$ (199,548) |
| 2023 | \$ (902) |
| 2024 | \$ 10,113 |

2. TRA Pension Costs

At June 30, 2020, the District reported a liability of \$15,852,190 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2019, 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 Special School District No. 1, Minneapolis Public Schools. The District’s proportionate share was 0.2487 percent at the end of the measurement period and 0.2282 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 | \$ 15,852,190 |
| State’s proportionate share of the net pension liability associated with the District | \$ 1,402,823 |

For the year ended June 30, 2020, the District recognized pension expense of \$3,241,568. It also recognized \$106,631 as an increase to pension expense (and grant revenue) for the support provided by direct aid.

At June 30, 2020, the District reported its proportionate share of the TRA’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ – | \$ 354,106 |
| Changes in actuarial assumptions | 10,953,825 | 19,073,368 |
| Difference between projected and actual investment earnings | – | 1,195,008 |
| Changes in proportion | 4,083,487 | – |
| District’s contributions to the TRA subsequent to the measurement date | 1,215,570 | – |
| Total | <u>\$ 16,252,882</u> | <u>\$ 20,622,482</u> |

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

A total of \$1,215,570 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to the TRA pensions will be recognized in pension expense as follows:

| Year Ending June 30, | Pension Expense Amount |
|-------------------------|------------------------------|
| 2021 | \$ 1,248,810 |
| 2022 | \$ 579,988 |
| 2023 | \$ (4,416,554) |
| 2024 | \$ (3,216,621) |
| 2025 | \$ 219,207 |

E. Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

| Assumptions | GERF | TRA |
|---------------------------|-------|--|
| Inflation | 2.50% | 2.50% |
| Wage growth rate | | 2.85% for 10 years, and 3.25% thereafter |
| Active member payroll | 3.25% | 2.85% to 8.85% for 10 years, and 3.25% to 9.25% thereafter |
| Investment rate of return | 7.50% | 7.50% |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the GERP and 1.00 percent for January 2019 through January 2023, then increasing by 0.10 percent each year, up to 1.50 percent annually for the TRA.

Actuarial assumptions used in the June 30, 2019 valuations were based on the results of actuarial experience studies. The most recent four-year experience study in the GERP plan was completed in 2019. Economic assumptions were updated in 2018, based on a review of inflation and investment return assumptions. The most recent experience study in the TRA plan was completed in 2015, with economic assumptions updated in 2017.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The following changes in actuarial assumptions and plan provisions occurred in 2019:

1. GERF

CHANGES IN ACTUARIAL ASSUMPTIONS

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

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.

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

- None.

The Minnesota 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:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|--------------------------|---|
| Domestic equity | 35.5 % | 5.10 % |
| Private markets | 25.0 | 5.90 % |
| Fixed income | 20.0 | 0.75 % |
| International equity | 17.5 | 5.30/5.90 % |
| Cash equivalents | 2.0 | – % |
| Total | <u>100.0 %</u> | |

NOTE 6– DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

F. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2019 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the 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 7.50 percent. There was no change since the prior measurement. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2019 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.

G. 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 in the preceding paragraph, 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>Discount Rate</u> | <u>1% Increase in Discount Rate</u> |
|---|---|----------------------|---|
| GERF discount rate | 6.50% | 7.50% | 8.50% |
| District’s proportionate share of the GERF net pension liability | \$ 10,316,026 | \$ 6,275,161 | \$ 2,938,623 |
| TRA discount rate | 6.50% | 7.50% | 8.50% |
| District’s proportionate share of the TRA net pension liability | \$ 25,272,267 | \$ 15,852,190 | \$ 8,085,476 |

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

H. Pension Plan Fiduciary Net Position

Detailed information about the GERP's fiduciary net position is available in a separately issued PERA financial report. That report may be obtained on the PERA website at www.mnpera.org; by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103; or by calling (651) 296-7460 or (800) 652-9026.

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

I. Subsequent Events and the COVID-19 Pandemic Subsequent to Year-End

The United States and global markets experienced declines in values, resulting from uncertainty caused by COVID-19. The resulting declines are expected to have a negative impact on the PERA's and the TRA's discount rate, as well as the value of each plan's investments. Any impact caused by the resulting declines have not been included in the schedules as of June 30, 2019.

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

A. Plan Descriptions

The District provides post-employment healthcare 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.

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 from the time of retirement until the employee reaches the age of eligibility for Medicare. 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.

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

B. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District's contributions in the current year totaled \$54,365 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 | 2 |
| Active plan members | <u>515</u> |
| Total members | <u><u>517</u></u> |

D. Total OPEB Liability of the District

The District's total OPEB liability of \$1,380,775 at year-end was measured as of July 1, 2019, and was determined by an actuarial valuation with a valuation date of July 1, 2018.

E. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study with a valuation date as of July 1, 2018 and measurement date as of July 1, 2019, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------------------|--|
| Discount rate | 3.10% |
| 20-year municipal bond yield | 3.10% |
| Inflation rate | 2.50% |
| Salary increases | 3.00% |
| Healthcare trend rate | 6.25% in 2019, grading to 5.00% over 5 years |
| Dental trend rate | 4.00% |

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

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale. 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.

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

F. Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|----------------------|---------------------------------|
| Beginning balance | \$ 1,186,519 |
| Changes for the year | |
| Service cost | 179,538 |
| Interest | 46,781 |
| Assumption changes | 27,367 |
| Benefit payments | (59,430) |
| Total net changes | <u>194,256</u> |
| Ending balance | <u>\$ 1,380,775</u> |

G. Changes in Actuarial Assumptions

- The discount rate was changed from 3.50 percent to 3.10 percent.

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>Discount Rate</u> | <u>1% Increase in Discount Rate</u> |
|----------------------|---|----------------------|---|
| OPEB discount rate | 2.10% | 3.10% | 4.10% |
| Total OPEB liability | \$ 1,478,301 | \$ 1,380,775 | \$ 1,287,917 |

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 trend rate | 5.25% decreasing to 4.00% over 5 years | 6.25% decreasing to 5.00% over 5 years | 7.25% decreasing to 6.00% over 5 years |
| Dental trend rate | 3.00% | 4.00% | 5.00% |
| Total OPEB liability | \$ 1,236,601 | \$ 1,380,775 | \$ 1,553,603 |

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

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

The District recognized OPEB expense of \$139,516 in the current year, and at year-end reported the following deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Changes in actuarial assumptions | \$ 25,637 | \$ – |
| Differences between expected and actual economic experience | – | 386,351 |
| District’s contributions subsequent to the measurement date | 54,365 | – |
| Total | \$ 80,002 | \$ 386,351 |

A total of \$54,365 reported as deferred outflows of resources related to OPEB resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2021.

Other amounts reported as deferred outflows and inflows of resources to the OPEB Plan will be recognized in OPEB expense as follows:

| Year Ending June 30, | OPEB Expense |
|-------------------------|-----------------|
| 2021 | \$ (51,964) |
| 2022 | \$ (51,964) |
| 2023 | \$ (51,964) |
| 2024 | \$ (51,964) |
| 2025 | \$ (51,964) |
| Thereafter | \$ (100,894) |

NOTE 8 – FLEXIBLE BENEFIT PLAN

The District offers its employees a flexible benefit plan, a 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, which is from January 1 to December 31, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants’ annual contributions to the medical reimbursement portion of the Plan, whether or not such contributions have been made.

Payments of insurance premiums (health and dental) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund.

NOTE 8 – FLEXIBLE BENEFIT PLAN (CONTINUED)

Amounts withheld for medical reimbursement and dependent care are held in the District’s cash account. Payments are made by a third party 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 accounted for 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 the claims of general creditors in the future.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Operating Leases

The District is leasing buildings and space in several locations. The District incurred expenditures of \$1,511,267 for operating leases during the year ended June 30, 2020. These leases are mostly financed by lease levies by member districts, which totaled \$1,353,232 in fiscal 2020. These leases are scheduled to expire on various dates through 2034. The following is a summary of minimum lease payments for all operating leases:

| Year Ending June 30, | Amount |
|-------------------------|----------------------|
| 2021 | \$ 1,156,009 |
| 2022 | 1,173,381 |
| 2023 | 970,350 |
| 2024 | 984,905 |
| 2025 | 999,679 |
| 2026–2030 | 5,227,872 |
| 2031–2034 | 2,459,440 |
| | <u>\$ 12,971,636</u> |

B. Federal and State Revenues

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.

C. 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 effect on its financial position.

NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

D. COVID-19 Pandemic

The COVID-19 pandemic has caused economic and financial market volatility in the United States and around the world, along with significant business and operational disruptions for many organizations. Due to the unknown breadth and duration of this pandemic, any potential impact it may have on the District's future operations and financial condition cannot be determined at this time and has not been reflected in these financial statements.

NOTE 10 – INTERFUND TRANSFERS AND BALANCES

The General Fund made an interfund transfer of \$7,876 to the Food Service Special Revenue Fund to eliminate a fund balance deficit at year-end.

The General Fund had a \$5,999 due from the Food Service Special Revenue Fund. This due from other funds will be paid with future revenues of the Food Service Special Revenue Fund.

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

NOTE 11 – DEFICIT FUND BALANCE

The Post-Employment Employee Benefits Internal Service Fund had a deficit net position at June 30, 2020 of \$699,101. This deficit will be funded by future district contributions to this fund.

REQUIRED SUPPLEMENTARY INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

Public Employees Retirement Association Pension Benefits Plan
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended June 30, 2020

| 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 | 0.0973% | \$ 4,570,667 | \$ - | \$ 4,570,667 | \$ 5,105,448 | 89.53% | 78.70% |
| 06/30/2016 | 06/30/2015 | 0.0956% | \$ 4,954,489 | \$ - | \$ 4,954,489 | \$ 5,613,356 | 88.26% | 78.20% |
| 06/30/2017 | 06/30/2016 | 0.0970% | \$ 7,875,919 | \$ 102,897 | \$ 7,978,816 | \$ 6,015,751 | 130.92% | 68.90% |
| 06/30/2018 | 06/30/2017 | 0.0970% | \$ 6,192,416 | \$ 77,892 | \$ 6,270,308 | \$ 6,251,084 | 99.06% | 75.90% |
| 06/30/2019 | 06/30/2018 | 0.1052% | \$ 5,836,065 | \$ 191,344 | \$ 6,027,409 | \$ 7,070,948 | 82.54% | 79.50% |
| 06/30/2020 | 06/30/2019 | 0.1135% | \$ 6,275,161 | \$ 194,992 | \$ 6,470,153 | \$ 8,036,142 | 78.09% | 80.20% |

Public Employees Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2020

| 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 | \$ 414,341 | \$ 414,341 | \$ - | \$ 5,613,356 | 7.38% |
| 06/30/2016 | \$ 451,532 | \$ 451,532 | \$ - | \$ 6,015,751 | 7.51% |
| 06/30/2017 | \$ 469,399 | \$ 469,399 | \$ - | \$ 6,251,084 | 7.51% |
| 06/30/2018 | \$ 530,998 | \$ 530,998 | \$ - | \$ 7,070,948 | 7.51% |
| 06/30/2019 | \$ 603,172 | \$ 603,172 | \$ - | \$ 8,036,142 | 7.51% |
| 06/30/2020 | \$ 670,963 | \$ 670,963 | \$ - | \$ 8,933,431 | 7.51% |

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INTERMEDIATE SCHOOL DISTRICT NO. 917

Teachers Retirement Association Pension Benefits Plan
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended June 30, 2020

| 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 | 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 | 0.2029% | \$ 9,349,486 | \$ 657,803 | \$ 10,007,289 | \$ 9,262,291 | 100.94% | 81.50% |
| 06/30/2016 | 06/30/2015 | 0.1954% | \$ 12,087,423 | \$ 1,482,856 | \$ 13,570,279 | \$ 9,915,820 | 121.90% | 76.80% |
| 06/30/2017 | 06/30/2016 | 0.2064% | \$ 49,231,325 | \$ 4,941,167 | \$ 54,172,492 | \$ 10,745,627 | 458.15% | 44.88% |
| 06/30/2018 | 06/30/2017 | 0.2149% | \$ 42,897,938 | \$ 4,147,269 | \$ 47,045,207 | \$ 11,700,275 | 366.64% | 51.57% |
| 06/30/2019 | 06/30/2018 | 0.2282% | \$ 14,333,096 | \$ 1,346,422 | \$ 15,679,518 | \$ 12,766,959 | 112.27% | 78.07% |
| 06/30/2020 | 06/30/2019 | 0.2487% | \$ 15,852,190 | \$ 1,402,823 | \$ 17,255,013 | \$ 14,116,834 | 112.29% | 78.21% |

Teachers Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2020

| 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 | \$ 743,688 | \$ 743,688 | \$ - | \$ 9,915,820 | 7.50% |
| 06/30/2016 | \$ 805,427 | \$ 805,427 | \$ - | \$ 10,745,627 | 7.50% |
| 06/30/2017 | \$ 867,629 | \$ 867,629 | \$ - | \$ 11,700,275 | 7.42% |
| 06/30/2018 | \$ 955,252 | \$ 955,252 | \$ - | \$ 12,766,959 | 7.48% |
| 06/30/2019 | \$ 1,088,409 | \$ 1,088,409 | \$ - | \$ 14,116,834 | 7.71% |
| 06/30/2020 | \$ 1,215,570 | \$ 1,215,570 | \$ - | \$ 15,346,868 | 7.92% |

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 917

Other Post-Employment Benefits Plan
 Schedule of Changes in the District's Total
 OPEB Liability and Related Ratios
 Year Ended June 30, 2020

| | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|----------------------|----------------------|----------------------|
| Total OPEB liability | | | |
| Service cost | \$ 172,192 | \$ 164,578 | \$ 179,538 |
| Interest | 50,548 | 56,111 | 46,781 |
| Assumption changes | – | 1,687 | 27,367 |
| Difference between expected and actual experience | – | (496,737) | – |
| Benefit payments | <u>(53,728)</u> | <u>(49,298)</u> | <u>(59,430)</u> |
| Net change in total OPEB liability | 169,012 | (323,659) | 194,256 |
| Total OPEB liability – beginning of year | <u>1,341,166</u> | <u>1,510,178</u> | <u>1,186,519</u> |
| Total OPEB liability – end of year | <u>\$ 1,510,178</u> | <u>\$ 1,186,519</u> | <u>\$ 1,380,775</u> |
| Covered-employee payroll | <u>\$ 17,301,959</u> | <u>\$ 21,687,037</u> | <u>\$ 22,337,648</u> |
| Total OPEB liability as a percentage of covered-employee payroll | <u>8.73%</u> | <u>5.47%</u> | <u>6.18%</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.

INDEPENDENT SCHOOL DISTRICT NO. 917

Notes to Required Supplementary Information
June 30, 2020

PERA – GENERAL EMPLOYEES RETIREMENT FUND

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.

INDEPENDENT SCHOOL DISTRICT NO. 917

Notes to Required Supplementary Information (continued)
June 30, 2020

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.

INDEPENDENT SCHOOL DISTRICT NO. 917

Notes to Required Supplementary Information (continued)
June 30, 2020

TEACHERS RETIREMENT ASSOCIATION (TRA)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- 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.
- 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.
- 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.

INDEPENDENT SCHOOL DISTRICT NO. 917

Notes to Required Supplementary Information (continued)
June 30, 2020

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- 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.

INDEPENDENT SCHOOL DISTRICT NO. 917

Notes to Required Supplementary Information (continued)
June 30, 2020

OTHER POST-EMPLOYMENT BENEFITS PLAN

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.50 percent to 3.10 percent.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale, to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40 percent to 3.50 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.00 percent to 3.40 percent.

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SUPPLEMENTAL INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund
Comparative Balance Sheet
as of June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|----------------------|----------------------|
| Assets | | |
| Cash and temporary investments | \$ 3,737,056 | \$ 2,146,835 |
| Cash and investments held by trustee | 44,377 | 43,475 |
| Receivables | | |
| Accounts and interest | 9,547 | 23,405 |
| Due from other school districts | 3,055,925 | 3,517,804 |
| Due from Minnesota Department of Education | 7,149,669 | 7,485,557 |
| Due from other governmental units | 27,630 | - |
| Due from other funds | 5,999 | 50 |
| Inventory | 1,168 | 153 |
| Prepaid items | 129,983 | 129,109 |
| | <u>129,983</u> | <u>129,109</u> |
| Total assets | <u>\$ 14,161,354</u> | <u>\$ 13,346,388</u> |
| Liabilities | | |
| Salaries and compensated absences payable | \$ 3,342,825 | \$ 3,028,460 |
| Accounts and contracts payable | 115,433 | 19,231 |
| Due to other school districts | 329,921 | 187,913 |
| Due to other governmental units | 234,348 | 222,975 |
| Unearned revenue | 6,707 | 90,607 |
| Total liabilities | <u>4,029,234</u> | <u>3,549,186</u> |
| Fund balances | | |
| Nonspendable for inventory | 1,168 | 153 |
| Nonspendable for prepaid items | 129,983 | 129,109 |
| Restricted for student activities | 4,863 | - |
| Restricted for debt service | 44,377 | 43,475 |
| Restricted for basic skills | 88,894 | 138,880 |
| Assigned for subsequent year's budgeted deficit | 391,088 | 145,942 |
| Unassigned | 9,471,747 | 9,339,643 |
| Total fund balances | <u>10,132,120</u> | <u>9,797,202</u> |
| | <u>10,132,120</u> | <u>9,797,202</u> |
| Total liabilities and fund balances | <u>\$ 14,161,354</u> | <u>\$ 13,346,388</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | | 2019 |
|---|-------------------|----------------------|------------------------|---------------------|
| | Budget | Actual | Over (Under) Budget | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Tuition | \$ 10,879,177 | \$ 10,282,316 | \$ (596,861) | \$ 11,324,143 |
| Investment earnings | 83,600 | 54,944 | (28,656) | 85,149 |
| Other | 552,717 | 542,624 | (10,093) | 961,796 |
| State sources | 32,224,347 | 31,092,613 | (1,131,734) | 27,879,426 |
| Federal sources | 172,078 | 156,934 | (15,144) | 142,549 |
| Total revenue | <u>43,911,919</u> | <u>42,129,431</u> | <u>(1,782,488)</u> | <u>40,393,063</u> |
| Expenditures | | | | |
| Current | | | | |
| Administrative and support services | 36,916 | 25,575 | (11,341) | 500,039 |
| Secondary vocational/DCALS | 4,444,153 | 4,124,404 | (319,749) | 3,737,042 |
| Special education programs | 38,817,151 | 37,117,778 | (1,699,373) | 33,840,827 |
| Capital outlay | – | – | – | 868 |
| Debt service | | | | |
| Principal | 295,000 | 295,000 | – | 290,000 |
| Interest and fiscal charges | 227,700 | 227,700 | – | 233,500 |
| Total expenditures | <u>43,820,920</u> | <u>41,790,457</u> | <u>(2,030,463)</u> | <u>38,602,276</u> |
| Excess of revenue over expenditures | 90,999 | 338,974 | 247,975 | 1,790,787 |
| Other financing sources (uses) | | | | |
| Proceeds from sale of assets | – | – | – | 11,855 |
| Transfers out | (10,560) | (7,876) | 2,684 | (29,372) |
| Total other financing sources (uses) | <u>(10,560)</u> | <u>(7,876)</u> | <u>2,684</u> | <u>(17,517)</u> |
| Net change in fund balances | <u>\$ 80,439</u> | 331,098 | <u>\$ 250,659</u> | 1,773,270 |
| Fund balances | | | | |
| Beginning of year, as previously reported | | 9,797,202 | | 8,023,932 |
| Change in accounting principle | | 3,820 | | – |
| Beginning of year, as restated | | <u>9,801,022</u> | | <u>8,023,932</u> |
| End of year | | <u>\$ 10,132,120</u> | | <u>\$ 9,797,202</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund
Combining Balance Sheet by Account
as of June 30, 2020

| | Secondary Education | Special Education | Services Allocation |
|---|------------------------|----------------------|------------------------|
| Assets | | | |
| Cash and temporary investments (deficit) | \$ 5,412,638 | \$ (1,627,871) | \$ (47,875) |
| Cash and investments held by trustee | - | - | - |
| Receivables | | | |
| Accounts and interest | - | 2,526 | 6,856 |
| Due from other school districts | 1,566,159 | 1,420,566 | 69,200 |
| Due from Minnesota Department of Education | 141,260 | 7,008,409 | - |
| Due from other governmental units | - | 27,630 | - |
| Due from other funds | 5,999 | - | - |
| Inventory | - | - | - |
| Prepaid items | 15,176 | 113,772 | 1,035 |
| | <u>\$ 7,141,232</u> | <u>\$ 6,945,032</u> | <u>\$ 29,216</u> |
| Liabilities | | | |
| Salaries and compensated absences payable | \$ 3,342,825 | \$ - | \$ - |
| Accounts and contracts payable | 2,120 | 93,570 | 19,616 |
| Due to other school districts | 75,041 | 251,814 | 3,066 |
| Due to other governmental units | 110,973 | 122,550 | 692 |
| Unearned revenue | - | 365 | 5,842 |
| Total liabilities | <u>3,530,959</u> | <u>468,299</u> | <u>29,216</u> |
| Fund balances (deficit) | | | |
| Nonspendable for inventory | - | - | - |
| Nonspendable for prepaid items | 15,176 | 113,772 | 1,035 |
| Restricted for student activities | 4,863 | - | - |
| Restricted for debt service | - | - | - |
| Restricted for basic skills | - | 88,894 | - |
| Assigned for subsequent year's budgeted deficit | 79,101 | 302,523 | - |
| Unassigned | 3,511,133 | 5,971,544 | (1,035) |
| Total fund balances | <u>3,610,273</u> | <u>6,476,733</u> | <u>-</u> |
| | <u>\$ 7,141,232</u> | <u>\$ 6,945,032</u> | <u>\$ 29,216</u> |
| Total liabilities and fund balances | <u>\$ 7,141,232</u> | <u>\$ 6,945,032</u> | <u>\$ 29,216</u> |

| <u>District Support Services</u> | <u>Capital Expenditure</u> | <u>Secondary Resale</u> | <u>Special Education Resale</u> | <u>Total</u> |
|--------------------------------------|--------------------------------|-----------------------------|---|----------------------|
| \$ 671 | \$ (29,962) | \$ 18,639 | \$ 10,816 | \$ 3,737,056 |
| - | 44,377 | - | - | 44,377 |
| - | - | - | 165 | 9,547 |
| - | - | - | - | 3,055,925 |
| - | - | - | - | 7,149,669 |
| - | - | - | - | 27,630 |
| - | - | - | - | 5,999 |
| - | - | 670 | 498 | 1,168 |
| - | - | - | - | 129,983 |
| <u>\$ 671</u> | <u>\$ 14,415</u> | <u>\$ 19,309</u> | <u>\$ 11,479</u> | <u>\$ 14,161,354</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 3,342,825 |
| - | - | - | 127 | 115,433 |
| - | - | - | - | 329,921 |
| - | - | 129 | 4 | 234,348 |
| - | - | - | 500 | 6,707 |
| - | - | 129 | 631 | 4,029,234 |
| - | - | 670 | 498 | 1,168 |
| - | - | - | - | 129,983 |
| - | - | - | - | 4,863 |
| - | 44,377 | - | - | 44,377 |
| - | - | - | - | 88,894 |
| - | 3,000 | 2,864 | 3,600 | 391,088 |
| <u>671</u> | <u>(32,962)</u> | <u>15,646</u> | <u>6,750</u> | <u>9,471,747</u> |
| <u>671</u> | <u>14,415</u> | <u>19,180</u> | <u>10,848</u> | <u>10,132,120</u> |
| <u>\$ 671</u> | <u>\$ 14,415</u> | <u>\$ 19,309</u> | <u>\$ 11,479</u> | <u>\$ 14,161,354</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund

Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account
Year Ended June 30, 2020

| | Secondary Education | Special Education | Services Allocation |
|---|------------------------|----------------------|------------------------|
| Revenue | | | |
| Local sources | | | |
| Tuition | \$ 3,671,622 | \$ 6,087,994 | \$ - |
| Investment earnings | 32,575 | 19,033 | - |
| Other | 4,735 | 504,261 | 75 |
| State sources | 547,390 | 30,519,723 | 25,500 |
| Federal sources | 156,934 | - | - |
| Total revenue | <u>4,413,256</u> | <u>37,131,011</u> | <u>25,575</u> |
| Expenditures | | | |
| Current | | | |
| Administrative and support services | - | - | 25,575 |
| Secondary vocational/DCALS | 4,103,597 | - | - |
| Special education programs | - | 37,111,478 | - |
| Debt service | | | |
| Principal | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total expenditures | <u>4,103,597</u> | <u>37,111,478</u> | <u>25,575</u> |
| Excess (deficiency) of revenue over expenditures | 309,659 | 19,533 | - |
| Other financing (uses) | | | |
| Transfers out | <u>-</u> | <u>(7,876)</u> | <u>-</u> |
| Net change in fund balances | 309,659 | 11,657 | - |
| Fund balances | | | |
| Beginning of year, as previously reported | 3,296,794 | 6,465,076 | - |
| Change in accounting principle | <u>3,820</u> | <u>-</u> | <u>-</u> |
| Beginning of year, as restated | <u>3,300,614</u> | <u>6,465,076</u> | <u>-</u> |
| End of year | <u>\$ 3,610,273</u> | <u>\$ 6,476,733</u> | <u>\$ -</u> |

| <u>District Support Services</u> | <u>Capital Expenditure</u> | <u>Secondary Resale</u> | <u>Special Education Resale</u> | <u>Total</u> |
|----------------------------------|----------------------------|-------------------------|---------------------------------|----------------------|
| \$ - | \$ 522,700 | \$ - | \$ - | \$ 10,282,316 |
| - | 3,336 | - | - | 54,944 |
| - | 5,500 | 17,999 | 10,054 | 542,624 |
| - | - | - | - | 31,092,613 |
| - | - | - | - | 156,934 |
| - | <u>531,536</u> | <u>17,999</u> | <u>10,054</u> | <u>42,129,431</u> |
| - | - | - | - | 25,575 |
| - | 2,199 | 18,608 | - | 4,124,404 |
| - | - | - | 6,300 | 37,117,778 |
| - | 295,000 | - | - | 295,000 |
| - | <u>227,700</u> | <u>-</u> | <u>-</u> | <u>227,700</u> |
| - | <u>524,899</u> | <u>18,608</u> | <u>6,300</u> | <u>41,790,457</u> |
| - | 6,637 | (609) | 3,754 | 338,974 |
| - | - | - | - | (7,876) |
| - | 6,637 | (609) | 3,754 | 331,098 |
| 671 | 7,778 | 19,789 | 7,094 | 9,797,202 |
| - | - | - | - | 3,820 |
| <u>671</u> | <u>7,778</u> | <u>19,789</u> | <u>7,094</u> | <u>9,801,022</u> |
| <u>\$ 671</u> | <u>\$ 14,415</u> | <u>\$ 19,180</u> | <u>\$ 10,848</u> | <u>\$ 10,132,120</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

Year Ended June 30, 2020

(With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | Over (Under) Budget | 2019 |
|---|--------------------|---------------------|------------------------|---------------------|
| | Budget | Actual | | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Tuition | \$ 3,953,902 | \$ 3,671,622 | \$ (282,280) | \$ 4,188,911 |
| Investment earnings | 35,000 | 32,575 | (2,425) | 37,628 |
| Other | 2,400 | 4,735 | 2,335 | 5,934 |
| State sources | 164,475 | 547,390 | 382,915 | 223,735 |
| Federal sources | 172,078 | 156,934 | (15,144) | 142,549 |
| Total revenue | <u>4,327,855</u> | <u>4,413,256</u> | <u>85,401</u> | <u>4,598,757</u> |
| Expenditures | | | | |
| Current | | | | |
| Secondary vocational/DCALS | | | | |
| Salaries | 2,504,840 | 2,360,808 | (144,032) | 2,068,260 |
| Employee benefits | 876,258 | 869,042 | (7,216) | 757,912 |
| Purchased services | 613,164 | 475,240 | (137,924) | 461,012 |
| Supplies and materials | 113,791 | 87,823 | (25,968) | 128,964 |
| Other expenditures | 15,228 | 18,682 | 3,454 | 16,964 |
| Capital expenditures | 92,983 | 108,917 | 15,934 | 64,031 |
| Allocated overhead | 186,276 | 183,085 | (3,191) | 216,229 |
| Total expenditures | <u>4,402,540</u> | <u>4,103,597</u> | <u>(298,943)</u> | <u>3,713,372</u> |
| Net change in fund balances | <u>\$ (74,685)</u> | <u>309,659</u> | <u>\$ 384,344</u> | <u>885,385</u> |
| Fund balances | | | | |
| Beginning of year, as previously reported | | 3,296,794 | | 2,411,409 |
| Change in accounting principle | | 3,820 | | – |
| Beginning of year, as restated | | <u>3,300,614</u> | | <u>2,411,409</u> |
| End of year | | <u>\$ 3,610,273</u> | | <u>\$ 3,296,794</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Special Education Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | Over (Under) Budget | 2019 |
|---|-------------------|---------------------|------------------------|---------------------|
| | Budget | Actual | | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Tuition | \$ 6,402,575 | \$ 6,087,994 | \$ (314,581) | \$ 6,145,683 |
| Investment earnings | 45,000 | 19,033 | (25,967) | 43,324 |
| Other | 488,901 | 504,261 | 15,360 | 909,380 |
| State sources | 32,028,872 | 30,519,723 | (1,509,149) | 27,625,713 |
| Total revenue | <u>38,965,348</u> | <u>37,131,011</u> | <u>(1,834,337)</u> | <u>34,724,100</u> |
| Expenditures | | | | |
| Current | | | | |
| Special education programs | | | | |
| Salaries | 22,197,217 | 21,472,374 | (724,843) | 19,587,249 |
| Employee benefits | 7,828,936 | 7,792,000 | (36,936) | 6,954,251 |
| Purchased services | 4,900,471 | 4,348,076 | (552,395) | 3,814,927 |
| Supplies and materials | 1,184,391 | 973,863 | (210,528) | 840,307 |
| Other expenditures | 100,141 | 107,636 | 7,495 | 95,781 |
| Capital expenditures | 819,916 | 678,564 | (141,352) | 1,012,620 |
| Allocated overhead | 1,775,079 | 1,738,965 | (36,114) | 1,522,784 |
| Total expenditures | <u>38,806,151</u> | <u>37,111,478</u> | <u>(1,694,673)</u> | <u>33,827,919</u> |
| Excess (deficiency) of revenue over expenditures | 159,197 | 19,533 | (139,664) | 896,181 |
| Other financing sources (uses) | | | | |
| Proceeds from sale of assets | – | – | – | 11,855 |
| Transfers out | (10,560) | (7,876) | 2,684 | (29,372) |
| Total other financing sources (uses) | <u>(10,560)</u> | <u>(7,876)</u> | <u>2,684</u> | <u>(17,517)</u> |
| Net change in fund balances | <u>\$ 148,637</u> | 11,657 | <u>\$ (136,980)</u> | 878,664 |
| Fund balances | | | | |
| Beginning of year | | <u>6,465,076</u> | | <u>5,586,412</u> |
| End of year | | <u>\$ 6,476,733</u> | | <u>\$ 6,465,076</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Services Allocation Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | Over (Under) Budget | 2019 |
|-------------------------------------|---------------|---------------|------------------------|----------------|
| | Budget | Actual | | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Tuition | \$ – | \$ – | \$ – | \$ 466,049 |
| Other | 5,916 | 75 | (5,841) | 4,012 |
| State sources | 31,000 | 25,500 | (5,500) | 29,978 |
| Total revenue | <u>36,916</u> | <u>25,575</u> | <u>(11,341)</u> | <u>500,039</u> |
| Expenditures | | | | |
| Current | | | | |
| Administrative and support services | | | | |
| Salaries | 1,188,234 | 1,166,024 | (22,210) | 1,090,570 |
| Employee benefits | 359,418 | 361,888 | 2,470 | 329,963 |
| Purchased services | 327,574 | 301,730 | (25,844) | 738,997 |
| Supplies and materials | 85,742 | 71,066 | (14,676) | 57,813 |
| Other expenditures | 18,734 | 18,586 | (148) | 17,493 |
| Capital expenditures | 18,913 | 28,331 | 9,418 | 4,216 |
| Allocated overhead | (1,961,699) | (1,922,050) | 39,649 | (1,739,013) |
| Total expenditures | <u>36,916</u> | <u>25,575</u> | <u>(11,341)</u> | <u>500,039</u> |
| Net change in fund balances | <u>\$ –</u> | <u>–</u> | <u>\$ –</u> | <u>–</u> |
| Fund balances | | | | |
| Beginning of year | | <u>–</u> | | <u>–</u> |
| End of year | | <u>\$ –</u> | | <u>\$ –</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – District Support Services Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | Over (Under) Budget | 2019 |
|-------------------|-------------|---------------|------------------------|---------------|
| | Budget | Actual | | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Other | <u>\$ -</u> | \$ - | <u>\$ -</u> | \$ - |
| Fund balances | | | | |
| Beginning of year | | <u>671</u> | | <u>671</u> |
| End of year | | <u>\$ 671</u> | | <u>\$ 671</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Capital Expenditure Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | Over (Under) Budget | 2019 |
|-----------------------------|-----------------|------------------|------------------------|-----------------|
| | Budget | Actual | | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Tuition | \$ 522,700 | \$ 522,700 | \$ - | \$ 523,500 |
| Investment earnings | 3,600 | 3,336 | (264) | 4,197 |
| Other | 5,500 | 5,500 | - | - |
| Total revenue | <u>531,800</u> | <u>531,536</u> | <u>(264)</u> | <u>527,697</u> |
| Expenditures | | | | |
| Current | | | | |
| Secondary vocational/DCALS | | | | |
| Purchased services | 3,000 | 2,199 | (801) | 3,000 |
| Debt service | | | | |
| Principal | 295,000 | 295,000 | - | 290,000 |
| Interest and fiscal charges | <u>227,700</u> | <u>227,700</u> | <u>-</u> | <u>233,500</u> |
| Total expenditures | <u>525,700</u> | <u>524,899</u> | <u>(801)</u> | <u>526,500</u> |
| Net change in fund balances | <u>\$ 6,100</u> | 6,637 | <u>\$ 537</u> | 1,197 |
| Fund balances | | | | |
| Beginning of year | | <u>7,778</u> | | <u>6,581</u> |
| End of year | | <u>\$ 14,415</u> | | <u>\$ 7,778</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Secondary Resale Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | | 2019 |
|-----------------------------|---------------|------------------|------------------------|------------------|
| | Budget | Actual | Over (Under) Budget | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Other | \$ 39,500 | \$ 17,999 | \$ (21,501) | \$ 29,593 |
| Expenditures | | | | |
| Current | | | | |
| Secondary vocational/DCALS | | | | |
| Purchased services | 647.00 | 2,417 | 1,770 | 1,698 |
| Supplies and materials | 37,966 | 16,144 | (21,822) | 18,972 |
| Other expenditures | – | 47 | 47 | – |
| Capital outlay | – | – | – | 868 |
| Total expenditures | <u>38,613</u> | <u>18,608</u> | <u>(20,005)</u> | <u>21,538</u> |
| Net change in fund balances | <u>\$ 887</u> | <u>(609)</u> | <u>\$ (1,496)</u> | 8,055 |
| Fund balances | | | | |
| Beginning of year | | <u>19,789</u> | | <u>11,734</u> |
| End of year | | <u>\$ 19,180</u> | | <u>\$ 19,789</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Special Education Resale Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | Over (Under) Budget | 2019 |
|-----------------------------|-----------------|------------------|------------------------|-----------------|
| | Budget | Actual | | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Other | \$ 10,500 | \$ 10,054 | \$ (446) | \$ 12,877 |
| Expenditures | | | | |
| Current | | | | |
| Special education programs | | | | |
| Purchased services | – | – | – | 20 |
| Supplies and materials | 11,000 | 6,300 | (4,700) | 12,888 |
| Total expenditures | <u>11,000</u> | <u>6,300</u> | <u>(4,700)</u> | <u>12,908</u> |
| Net change in fund balances | <u>\$ (500)</u> | 3,754 | <u>\$ 4,254</u> | (31) |
| Fund balances | | | | |
| Beginning of year | | <u>7,094</u> | | <u>7,125</u> |
| End of year | | <u>\$ 10,848</u> | | <u>\$ 7,094</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---------------------|------------------------|-----------------------|
| Assets | | |
| Accounts receivable | <u>\$ 6,075</u> | <u>\$ 50</u> |
| Liabilities | | |
| Accounts payable | \$ 76 | \$ - |
| Due to other funds | <u>5,999</u> | <u>50</u> |
| Total liabilities | <u>\$ 6,075</u> | <u>\$ 50</u> |

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INTERMEDIATE SCHOOL DISTRICT NO. 917

Food Service Special Revenue Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | | 2019 |
|---|----------------|----------------|------------------------|----------------|
| | Budget | Actual | Over (Under) Budget | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Other – primarily meal sales | \$ 40,000 | \$ 32,322 | \$ (7,678) | \$ 28,821 |
| State sources | 9,700 | 5,976 | (3,724) | 7,298 |
| Federal sources | 104,208 | 68,423 | (35,785) | 93,997 |
| Total revenue | <u>153,908</u> | <u>106,721</u> | <u>(47,187)</u> | <u>130,116</u> |
| Expenditures | | | | |
| Purchased services | 6,445 | 5,055 | (1,390) | 11,453 |
| Supplies and materials | 165,150 | 109,542 | (55,608) | 148,035 |
| Total expenditures | <u>171,595</u> | <u>114,597</u> | <u>(56,998)</u> | <u>159,488</u> |
| Excess (deficiency) of revenue over expenditures | (17,687) | (7,876) | 9,811 | (29,372) |
| Other financing sources | | | | |
| Transfers in | <u>17,687</u> | <u>7,876</u> | <u>(9,811)</u> | <u>29,372</u> |
| Net change in fund balances | <u>\$ –</u> | <u>–</u> | <u>\$ –</u> | <u>–</u> |
| Fund balances | | | | |
| Beginning of year | | <u>–</u> | | <u>–</u> |
| End of year | | <u>\$ –</u> | | <u>\$ –</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds
 Combining Statement of Net Position
 as of June 30, 2020
 (With Comparative Totals as of June 30, 2019)

| | Dental Self-Insurance | Medical Self-Insurance | Post-Employment Employee Benefits |
|---------------------------------|--------------------------|---------------------------|---|
| Assets | | | |
| Current assets | | | |
| Cash and temporary investments | \$ 535,686 | \$ 3,242,662 | \$ 1,378,573 |
| Accounts receivable | - | 3,586 | - |
| Prepaid items | - | - | 856 |
| Total assets | <u>535,686</u> | <u>3,246,248</u> | <u>1,379,429</u> |
| Deferred outflows of resources | | | |
| OPEB plan deferments | - | - | <u>80,002</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts and contracts payable | 42,986 | 172,408 | - |
| Due to other governmental units | - | 1,374 | - |
| Severance benefits payable | - | - | 18,424 |
| Total current liabilities | <u>42,986</u> | <u>173,782</u> | <u>18,424</u> |
| Long-term liabilities | | | |
| Total OPEB liability | - | - | 1,380,775 |
| Severance benefits payable | - | - | 372,982 |
| Total long-term liabilities | <u>-</u> | <u>-</u> | <u>1,753,757</u> |
| Total liabilities | <u>42,986</u> | <u>173,782</u> | <u>1,772,181</u> |
| Deferred inflows of resources | | | |
| OPEB plan deferments | - | - | <u>386,351</u> |
| Net position | | | |
| Unrestricted | <u>\$ 492,700</u> | <u>\$ 3,072,466</u> | <u>\$ (699,101)</u> |

| Totals | |
|--------------|--------------|
| 2020 | 2019 |
| \$ 5,156,921 | \$ 4,020,105 |
| 3,586 | 1,664 |
| 856 | 38 |
| 5,161,363 | 4,021,807 |
| 80,002 | 60,929 |
| 215,394 | 423,844 |
| 1,374 | 1,183 |
| 18,424 | 31,448 |
| 235,192 | 456,475 |
| 1,380,775 | 1,186,519 |
| 372,982 | 367,301 |
| 1,753,757 | 1,553,820 |
| 1,988,949 | 2,010,295 |
| 386,351 | 441,544 |
| \$ 2,866,065 | \$ 1,630,897 |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds
 Combining Statement of Revenue, Expenses, and Changes in Net Position
 Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

| | <u>Dental Self-Insurance</u> | <u>Medical Self-Insurance</u> | <u>Post-Employment Employee Benefits</u> |
|---|----------------------------------|-----------------------------------|--|
| Operating revenue | | | |
| Charges for services | | | |
| Contributions from governmental funds | \$ 506,781 | \$ 4,366,207 | \$ 143,779 |
| Operating expenses | | | |
| Post-employment severance and health benefits | - | - | 139,516 |
| Medical benefit claims | - | 3,291,125 | - |
| Dental benefit claims | 400,882 | - | - |
| Total operating expenses | <u>400,882</u> | <u>3,291,125</u> | <u>139,516</u> |
| Operating income | 105,899 | 1,075,082 | 4,263 |
| Nonoperating revenue | | | |
| Investment earnings | <u>5,009</u> | <u>29,322</u> | <u>15,593</u> |
| Change in net position | 110,908 | 1,104,404 | 19,856 |
| Net position | | | |
| Beginning of year | <u>381,792</u> | <u>1,968,062</u> | <u>(718,957)</u> |
| End of year | <u>\$ 492,700</u> | <u>\$ 3,072,466</u> | <u>\$ (699,101)</u> |

| Totals | |
|----------------------------|----------------------------|
| <u>2020</u> | <u>2019</u> |
| \$ 5,016,767 | \$ 4,564,468 |
| 139,516 | 131,096 |
| 3,291,125 | 3,554,211 |
| 400,882 | 437,654 |
| <u>3,831,523</u> | <u>4,122,961</u> |
| 1,185,244 | 441,507 |
| <u>49,924</u> | <u>68,465</u> |
| 1,235,168 | 509,972 |
| <u>1,630,897</u> | <u>1,120,925</u> |
| <u><u>\$ 2,866,065</u></u> | <u><u>\$ 1,630,897</u></u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

| | Dental Self-Insurance | Medical Self-Insurance | Post-Employment Employee Benefits |
|---|--------------------------|---------------------------|---|
| Cash flows from operating activities | | | |
| Contributions from governmental funds | \$ 508,445 | \$ 4,362,621 | \$ 143,779 |
| Post-employment severance and health benefit payments | - | - | (27,687) |
| Payments for medical claims | - | (3,493,526) | - |
| Payments for dental claims | (406,740) | - | - |
| Net cash flows from operating activities | <u>101,705</u> | <u>869,095</u> | <u>116,092</u> |
| Cash flows from investing activities | | | |
| Investment income received | <u>5,009</u> | <u>29,322</u> | <u>15,593</u> |
| Net change in cash and cash equivalents | 106,714 | 898,417 | 131,685 |
| Cash and temporary investments | | | |
| Beginning of year | <u>428,972</u> | <u>2,344,245</u> | <u>1,246,888</u> |
| End of year | <u>\$ 535,686</u> | <u>\$ 3,242,662</u> | <u>\$ 1,378,573</u> |
| Reconciliation of operating income to net cash flows from operating activities | | | |
| Operating income | \$ 105,899 | \$ 1,075,082 | \$ 4,263 |
| Adjustments to reconcile operating income to net cash flows from operating activities | | | |
| Changes in assets and liabilities | | | |
| Accounts receivable | 1,664 | (3,586) | - |
| Prepaid items | - | - | (818) |
| OPEB plan deferments | - | - | (74,266) |
| Accounts and contracts payable | (5,858) | (202,592) | - |
| Due to other governmental units | - | 191 | - |
| Severance benefits payable | - | - | (7,343) |
| Total OPEB liability | <u>-</u> | <u>-</u> | <u>194,256</u> |
| Net cash flows from operating activities | <u>\$ 101,705</u> | <u>\$ 869,095</u> | <u>\$ 116,092</u> |

| Totals | |
|---------------------|---------------------|
| <u>2020</u> | <u>2019</u> |
| \$ 5,014,845 | \$ 4,564,192 |
| (27,687) | (67,540) |
| (3,493,526) | (3,345,985) |
| (406,740) | (401,985) |
| <u>1,086,892</u> | <u>748,682</u> |
| 49,924 | 68,465 |
| <u>1,136,816</u> | <u>817,147</u> |
| 4,020,105 | 3,202,958 |
| <u>\$ 5,156,921</u> | <u>\$ 4,020,105</u> |
| | |
| \$ 1,185,244 | \$ 441,507 |
| (1,922) | (276) |
| (818) | (1) |
| (74,266) | 429,913 |
| (208,450) | 243,712 |
| 191 | 183 |
| (7,343) | (42,697) |
| <u>194,256</u> | <u>(323,659)</u> |
| <u>\$ 1,086,892</u> | <u>\$ 748,682</u> |

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OTHER INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

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 | Capital Grants and Contributions | Investment Earnings and Other | |
| 2011 | \$ 7,484,976 32% | \$ 15,265,005 65% | \$ 567,175 2% | \$ 224,526 1% | \$ 23,541,682 100% |
| 2012 | 7,848,114 34% | 14,720,483 63% | 498,613 2% | 136,147 1% | 23,203,357 100% |
| 2013 | 7,839,060 33% | 15,177,273 64% | 580,348 2% | 126,115 1% | 23,722,796 100% |
| 2014 | 7,619,433 30% | 17,064,879 67% | 581,454 3% | 97,720 - | 25,363,486 100% |
| 2015 | 7,876,725 30% | 18,073,067 67% | 559,401 2% | 125,715 1% | 26,634,908 100% |
| 2016 | 8,765,738 30% | 20,327,694 68% | 554,908 2% | 139,795 - | 29,788,135 100% |
| 2017 | 8,910,685 28% | 21,223,814 67% | 539,240 2% | 845,477 3% | 31,519,216 100% |
| 2018 | 9,660,814 28% | 23,146,660 67% | 557,650 2% | 580,576 3% | 33,945,700 100% |
| 2019 | 11,429,417 29% | 26,541,284 67% | 548,350 1% | 1,070,943 3% | 39,589,994 100% |
| 2020 | 10,276,311 24% | 30,724,528 73% | 591,900 1% | 699,517 2% | 42,292,256 100% |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Government-Wide Expenses by Program
Last Ten Fiscal Years

| Year Ended June 30, | Administrative and Support Services | Secondary Vocational/ DCALS | Special Education Programs | Food Service | Interest and Fiscal Charges on Debt | Total |
|------------------------|---|-----------------------------------|----------------------------------|----------------|---|-----------------------|
| 2011 | \$ 1,614,185 7% | \$ 3,855,919 17% | \$ 16,699,413 74% | \$ 74,423 - | \$ 353,553 2% | \$ 22,597,493 100% |
| 2012 | 1,765,768 8% | 3,875,566 17% | 17,292,500 74% | 101,616 - | 344,925 1% | 23,380,375 100% |
| 2013 | 1,998,969 8% | 3,962,647 16% | 18,097,103 74% | 85,779 - | 335,885 1% | 24,480,383 100% |
| 2014 | 1,892,695 8% | 3,483,868 14% | 19,239,348 77% | 108,123 - | 326,431 1% | 25,050,465 100% |
| 2015 | 1,867,491 8% | 3,182,362 12% | 20,634,460 79% | 116,426 - | 316,820 1% | 26,117,559 100% |
| 2016 | 1,886,824 8% | 2,993,362 11% | 22,764,328 81% | 131,729 - | 307,246 1% | 28,083,489 100% |
| 2017 | 3,088,390 8% | 3,590,904 10% | 30,535,125 81% | 143,390 - | 301,437 1% | 37,659,246 100% |
| 2018 | 2,370,386 6% | 4,185,093 11% | 31,992,143 82% | 136,447 - | 246,834 1% | 38,930,903 100% |
| 2019 | 1,943,841 6% | 2,399,143 8% | 26,491,744 85% | 159,619 - | 241,276 1% | 31,235,623 100% |
| 2020 | 1,980,504 5% | 4,104,278 10% | 36,440,788 85% | 114,859 - | 235,435 - | 42,875,864 100% |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Revenue by Source
Last Ten Fiscal Years

| | Year Ended June 30, | Tuition Revenue | Investment Earnings (Charges) | Other Revenue | State Revenue | Federal Revenue | Total |
|------------------------------|------------------------|--------------------|-------------------------------------|------------------|------------------|--------------------|--------------|
| Secondary education | 2011 | \$ 3,656,422 | \$ 927 | \$ 8,787 | \$ 49,708 | \$ 172,435 | \$ 3,888,279 |
| | 2012 | 3,938,532 | 920 | 21,437 | 61,110 | 197,689 | 4,219,688 |
| | 2013 | 3,587,494 | 855 | 8,645 | 75,408 | 150,577 | 3,822,979 |
| | 2014 | 3,113,264 | 1,301 | 3,335 | 118,957 | 154,147 | 3,391,004 |
| | 2015 | 3,013,776 | 553 | 7,604 | 105,919 | 151,510 | 3,279,362 |
| | 2016 | 3,110,396 | 3,872 | 1,638 | 175,196 | 161,193 | 3,452,295 |
| | 2017 | 3,052,790 | 4,528 | 1,408 | 185,739 | 139,698 | 3,384,163 |
| | 2018 | 3,548,099 | 10,887 | 866 | 181,063 | 150,934 | 3,891,849 |
| | 2019 | 4,188,911 | 37,628 | 5,934 | 223,735 | 142,549 | 4,598,757 |
| | 2020 | 3,671,622 | 32,575 | 4,735 | 547,390 | 156,934 | 4,413,256 |
| Special education | 2011 | 3,087,411 | (392) | 390,143 | 14,210,549 | 735,457 | 18,423,168 |
| | 2012 | 2,962,399 | (341) | 529,239 | 14,199,467 | 172,752 | 17,863,516 |
| | 2013 | 3,202,954 | 44 | 546,076 | 14,861,033 | 5,000 | 18,615,107 |
| | 2014 | 3,396,148 | 1,119 | 568,794 | 16,689,111 | 5,000 | 20,660,172 |
| | 2015 | 3,652,478 | 400 | 629,749 | 17,783,764 | 5,000 | 22,071,391 |
| | 2016 | 4,579,099 | 8,973 | 644,251 | 19,900,805 | — | 25,133,128 |
| | 2017 | 4,857,838 | 8,952 | 548,626 | 20,873,915 | — | 26,289,331 |
| | 2018 | 5,193,103 | 26,198 | 458,843 | 23,243,634 | — | 28,921,778 |
| | 2019 | 6,145,683 | 43,324 | 909,380 | 27,625,713 | — | 34,724,100 |
| | 2020 | 6,087,994 | 19,033 | 504,261 | 30,519,723 | — | 37,131,011 |
| Services allocation | 2011 | 305,475 | — | 1,559 | 56,381 | — | 363,415 |
| | 2012 | 352,800 | — | 8,402 | 43,416 | — | 404,618 |
| | 2013 | 449,954 | — | 8,474 | 34,896 | — | 493,324 |
| | 2014 | 432,465 | — | 5,654 | 36,921 | — | 475,040 |
| | 2015 | 468,174 | — | 7,116 | 32,284 | — | 507,574 |
| | 2016 | 417,720 | — | 7,755 | 15,648 | — | 441,123 |
| | 2017 | 432,832 | — | 5,462 | 30,377 | — | 468,671 |
| | 2018 | 457,002 | — | 7,003 | 29,193 | — | 493,198 |
| | 2019 | 466,049 | — | 4,012 | 29,978 | — | 500,039 |
| | 2020 | — | — | 75 | 25,500 | — | 25,575 |
| District support services | 2011 | 39,670 | — | 31,831 | — | — | 71,501 |
| | 2012 | 24,600 | — | 26,485 | — | — | 51,085 |
| | 2013 | — | — | 44,058 | — | — | 44,058 |
| | 2014 | — | — | 31,060 | — | — | 31,060 |
| | 2015 | — | — | 2,240 | — | — | 2,240 |
| | 2016 | — | — | — | — | — | — |
| | 2017 | — | — | — | — | — | — |
| | 2018 | — | — | — | — | — | — |
| | 2019 | — | — | — | — | — | — |
| | 2020 | — | — | — | — | — | — |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Revenue by Source (continued)
Last Ten Fiscal Years

| | Year Ended June 30, | Tuition Revenue | Investment Earnings (Charges) | Other Revenue | State Revenue | Federal Revenue | Total |
|-----------------------------|------------------------|--------------------|-------------------------------------|------------------|------------------|--------------------|---------|
| Capital expenditure | 2011 | 552,201 | 28,941 | 1,707 | — | — | 582,849 |
| | 2012 | 477,245 | 28,827 | — | — | — | 506,072 |
| | 2013 | 558,376 | 28,560 | — | — | — | 586,936 |
| | 2014 | 559,095 | 28,959 | — | — | — | 588,054 |
| | 2015 | 559,401 | 28,344 | — | — | — | 587,745 |
| | 2016 | 554,908 | 31,711 | — | — | — | 586,619 |
| | 2017 | 555,220 | 45,416 | — | — | — | 600,636 |
| | 2018 | 505,000 | 3,843 | — | — | — | 508,843 |
| | 2019 | 523,500 | 4,197 | — | — | — | 527,697 |
| | 2020 | 522,700 | 3,336 | 5,500 | — | — | 531,536 |
| Secondary resale | 2011 | — | — | 137,627 | — | — | 137,627 |
| | 2012 | — | — | 60,687 | — | — | 60,687 |
| | 2013 | — | — | 70,329 | — | — | 70,329 |
| | 2014 | — | — | 119,308 | — | — | 119,308 |
| | 2015 | — | — | 62,472 | — | — | 62,472 |
| | 2016 | — | — | 72,784 | — | — | 72,784 |
| | 2017 | — | — | 27,382 | — | — | 27,382 |
| | 2018 | — | — | 24,148 | — | — | 24,148 |
| | 2019 | — | — | 29,593 | — | — | 29,593 |
| | 2020 | — | — | 17,999 | — | — | 17,999 |
| Special education resale | 2011 | — | — | 21,279 | — | — | 21,279 |
| | 2012 | — | — | 19,406 | — | — | 19,406 |
| | 2013 | — | — | 17,856 | — | — | 17,856 |
| | 2014 | — | — | 16,693 | — | — | 16,693 |
| | 2015 | — | — | 13,514 | — | — | 13,514 |
| | 2016 | — | — | 10,977 | — | — | 10,977 |
| | 2017 | — | — | 10,636 | — | — | 10,636 |
| | 2018 | — | — | 9,385 | — | — | 9,385 |
| | 2019 | — | — | 12,877 | — | — | 12,877 |
| | 2020 | — | — | 10,054 | — | — | 10,054 |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Expenditures by Object
Last Ten Fiscal Years

| | Year Ended June 30, | Salary Expenditures | Employee Benefits Expenditures | Purchased Services Expenditures | Other Expenditures | Allocated Overhead | Total |
|------------------------------|------------------------|------------------------|--------------------------------------|---------------------------------------|-----------------------|-----------------------|--------------|
| Secondary education | 2011 | \$ 2,253,662 | \$ 680,947 | \$ 563,196 | \$ 164,868 | \$ 209,572 | \$ 3,872,245 |
| | 2012 | 2,365,115 | 732,814 | 515,206 | 133,740 | 220,927 | 3,967,802 |
| | 2013 | 2,449,860 | 795,235 | 535,087 | 120,327 | 234,507 | 4,135,016 |
| | 2014 | 1,894,098 | 702,336 | 521,496 | 92,923 | 260,228 | 3,471,081 |
| | 2015 | 1,818,549 | 684,389 | 506,510 | 91,810 | 280,631 | 3,381,889 |
| | 2016 | 1,766,552 | 613,991 | 466,365 | 102,689 | 296,790 | 3,246,387 |
| | 2017 | 1,849,994 | 629,643 | 413,106 | 238,242 | 270,734 | 3,401,719 |
| | 2018 | 1,939,231 | 657,156 | 445,562 | 100,948 | 256,317 | 3,399,214 |
| | 2019 | 2,068,260 | 757,912 | 461,012 | 209,959 | 216,229 | 3,713,372 |
| | 2020 | 2,360,808 | 869,042 | 475,240 | 215,422 | 183,085 | 4,103,597 |
| Special education | 2011 | 10,405,760 | 3,800,881 | 1,914,616 | 553,662 | 998,333 | 17,673,252 |
| | 2012 | 10,813,236 | 4,049,078 | 1,277,070 | 968,086 | 1,021,841 | 18,129,311 |
| | 2013 | 11,308,037 | 4,313,213 | 1,516,683 | 678,276 | 1,060,534 | 18,876,743 |
| | 2014 | 12,056,948 | 4,645,254 | 1,660,968 | 640,865 | 1,056,905 | 20,060,940 |
| | 2015 | 13,075,819 | 4,966,320 | 1,763,028 | 803,025 | 1,118,880 | 21,727,072 |
| | 2016 | 14,518,245 | 5,231,164 | 2,201,135 | 1,073,110 | 1,183,974 | 24,207,628 |
| | 2017 | 15,576,866 | 5,191,320 | 2,382,990 | 1,056,040 | 1,256,491 | 25,463,707 |
| | 2018 | 17,216,772 | 5,800,717 | 2,412,031 | 1,377,018 | 1,399,608 | 28,206,146 |
| | 2019 | 19,587,249 | 6,954,251 | 3,814,927 | 1,948,708 | 1,522,784 | 33,827,919 |
| | 2020 | 21,472,374 | 7,792,000 | 4,348,076 | 1,760,063 | 1,738,965 | 37,111,478 |
| Services allocation | 2011 | 786,795 | 214,980 | 490,893 | 78,652 | (1,207,905) | 363,415 |
| | 2012 | 786,232 | 237,644 | 569,416 | 54,094 | (1,242,768) | 404,618 |
| | 2013 | 789,620 | 253,125 | 707,647 | 37,971 | (1,295,039) | 363,415 |
| | 2014 | 799,495 | 259,349 | 676,557 | 56,770 | (1,317,131) | 475,040 |
| | 2015 | 863,256 | 250,344 | 732,924 | 60,561 | (1,399,511) | 507,574 |
| | 2016 | 914,218 | 237,668 | 674,770 | 95,229 | (1,480,762) | 441,123 |
| | 2017 | 987,354 | 267,621 | 673,348 | 67,572 | (1,527,224) | 468,671 |
| | 2018 | 1,035,133 | 280,301 | 773,447 | 60,242 | (1,655,925) | 493,198 |
| | 2019 | 1,090,570 | 329,963 | 738,997 | 79,522 | (1,739,013) | 500,039 |
| | 2020 | 1,166,024 | 361,888 | 301,730 | 117,983 | (1,922,050) | 25,575 |
| District support services | 2011 | 18,715 | 2,419 | 34,564 | 20,043 | – | 75,741 |
| | 2012 | 14,916 | 3,696 | 26,936 | 6,594 | – | 52,142 |
| | 2013 | – | – | 44,060 | – | – | 75,741 |
| | 2014 | – | – | 31,087 | 18,351 | – | 49,438 |
| | 2015 | – | – | 2,240 | – | – | 2,240 |
| | 2016 | – | – | – | – | – | – |
| | 2017 | – | – | – | – | – | – |
| | 2018 | – | – | – | – | – | – |
| | 2019 | – | – | – | – | – | – |
| | 2020 | – | – | – | – | – | – |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Expenditures by Object (continued)
Last Ten Fiscal Years

| | Year Ended June 30, | Salary Expenditures | Employee Benefits Expenditures | Purchased Services Expenditures | Other Expenditures | Allocated Overhead | Total |
|-----------------------------|------------------------|------------------------|--------------------------------------|---------------------------------------|-----------------------|-----------------------|-----------|
| Capital expenditure | 2011 | – | – | 70,060 | 557,978 | – | 628,038 |
| | 2012 | – | – | 73,093 | 574,847 | – | 647,940 |
| | 2013 | – | – | 26,673 | 622,286 | – | 628,038 |
| | 2014 | – | – | 137,765 | 559,095 | – | 696,860 |
| | 2015 | – | – | 19,362 | 559,401 | – | 578,763 |
| | 2016 | – | – | 25,950 | 577,708 | – | 603,658 |
| | 2017 | – | – | 40,812 | 3,954,374 | – | 3,995,186 |
| | 2018 | – | – | 7,712 | 615,346 | – | 623,058 |
| | 2019 | – | – | 3,000 | 523,500 | – | 526,500 |
| | 2020 | – | – | 2,199 | 522,700 | – | 524,899 |
| Secondary resale | 2011 | 18,760 | 3,133 | 29,480 | 75,164 | – | 126,537 |
| | 2012 | – | – | 12,293 | 47,733 | – | 60,026 |
| | 2013 | – | – | 13,099 | 52,500 | – | 65,599 |
| | 2014 | – | – | 20,863 | 101,682 | – | 122,545 |
| | 2015 | – | – | 35,614 | 38,986 | – | 74,600 |
| | 2016 | – | – | 5,642 | 83,044 | – | 88,686 |
| | 2017 | – | – | 2,430 | 22,527 | – | 24,957 |
| | 2018 | – | – | 1,654 | 20,734 | – | 22,388 |
| | 2019 | – | – | 1,698 | 19,840 | – | 21,538 |
| | 2020 | – | – | 2,417 | 16,191 | – | 18,608 |
| Special education resale | 2011 | – | – | – | 20,009 | – | 20,009 |
| | 2012 | – | – | 60 | 17,319 | – | 17,379 |
| | 2013 | – | – | – | 19,246 | – | 19,246 |
| | 2014 | – | – | 1,262 | 18,338 | – | 19,600 |
| | 2015 | – | – | – | 11,829 | – | 11,829 |
| | 2016 | – | – | 935 | 10,458 | – | 11,393 |
| | 2017 | – | – | – | 12,728 | – | 12,728 |
| | 2018 | – | – | 245 | 12,199 | – | 12,444 |
| | 2019 | – | – | 20 | 12,888 | – | 12,908 |
| | 2020 | – | – | – | 6,300 | – | 6,300 |

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OTHER REQUIRED REPORTS

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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 School Board and Management of
Intermediate School District No. 917
Rosemount, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 16, 2020.

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 may exist that have not been identified.

(continued)

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
November 16, 2020



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

ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of
Intermediate School District No. 917
Rosemount, 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. 917 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 16, 2020.

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 and bidding, deposits and 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
November 16, 2020

INTERMEDIATE SCHOOL DISTRICT NO. 917

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2020

| | Audit | UFARS | Audit – UFARS |
|--|---------------|---------------|---------------|
| General Fund | | | |
| Total revenue | \$ 42,129,431 | \$ 42,129,432 | \$ (1) |
| Total expenditures | \$ 41,790,457 | \$ 41,790,456 | \$ 1 |
| Nonspendable | | | |
| 460 Nonspendable fund balance | \$ 131,151 | \$ 131,152 | \$ (1) |
| Restricted | | | |
| 401 Student activities | \$ 4,863 | \$ 4,863 | \$ – |
| 402 Scholarships | \$ – | \$ – | \$ – |
| 403 Staff development | \$ – | \$ – | \$ – |
| 407 Capital projects levy | \$ – | \$ – | \$ – |
| 408 Cooperative revenue | \$ – | \$ – | \$ – |
| 413 Projects funded by COP | | | |
| 414 Operating debt | \$ – | \$ – | \$ – |
| 416 Levy reduction | \$ – | \$ – | \$ – |
| 417 Taconite building maintenance | \$ – | \$ – | \$ – |
| 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 | \$ – | \$ – | \$ – |
| 440 Teacher development and evaluation | \$ – | \$ – | \$ – |
| 441 Basic skills programs | \$ 88,894 | \$ 88,894 | \$ – |
| 448 Achievement and integration | \$ – | \$ – | \$ – |
| 449 Safe schools levy | \$ – | \$ – | \$ – |
| 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 | \$ – | \$ – | \$ – |
| 472 Medical Assistance | \$ – | \$ – | \$ – |
| 473 PPP loans | \$ – | \$ – | \$ – |
| 474 EIDL loans | \$ – | \$ – | \$ – |
| 464 Restricted fund balance | \$ 44,377 | \$ 44,377 | \$ – |
| 475 Title VII – Impact Aid | \$ – | \$ – | \$ – |
| 476 PILT | \$ – | \$ – | \$ – |
| Committed | | | |
| 418 Committed for separation | \$ – | \$ – | \$ – |
| 461 Committed fund balance | \$ – | \$ – | \$ – |
| Assigned | | | |
| 462 Assigned fund balance | \$ 391,088 | \$ 391,088 | \$ – |
| Unassigned | | | |
| 422 Unassigned fund balance | \$ 9,471,747 | \$ 9,471,747 | \$ – |
| Food Service | | | |
| Total revenue | \$ 106,721 | \$ 106,722 | \$ (1) |
| Total expenditures | \$ 114,597 | \$ 114,598 | \$ (1) |
| Nonspendable | | | |
| 460 Nonspendable fund balance | \$ – | \$ – | \$ – |
| Restricted | | | |
| 452 OPEB liability not in trust | \$ – | \$ – | \$ – |
| 474 EIDL loans | \$ – | \$ – | \$ – |
| 464 Restricted fund balance | \$ – | \$ – | \$ – |
| Unassigned | | | |
| 463 Unassigned fund balance | \$ – | \$ – | \$ – |
| Community Service | | | |
| 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 | \$ – | \$ – | \$ – |
| 473 PPP loans | \$ – | \$ – | \$ – |
| 474 EIDL loans | \$ – | \$ – | \$ – |
| Unassigned | | | |
| 463 Unassigned fund balance | \$ – | \$ – | \$ – |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2020

| | Audit | UFARS | Audit – UFARS |
|--------------------------------------|--------------|--------------|---------------|
| Building Construction | | | |
| Total revenue | \$ – | \$ – | \$ – |
| Total expenditures | \$ – | \$ – | \$ – |
| Nonspendable | | | |
| 460 Nonspendable fund balance | \$ – | \$ – | \$ – |
| Restricted | | | |
| 407 Capital projects levy | \$ – | \$ – | \$ – |
| 413 Projects funded by COP | \$ – | \$ – | \$ – |
| 467 Long-term facilities maintenance | \$ – | \$ – | \$ – |
| 464 Restricted fund balance | \$ – | \$ – | \$ – |
| Unassigned | | | |
| 463 Unassigned fund balance | \$ – | \$ – | \$ – |
| Debt Service | | | |
| Total revenue | \$ – | \$ – | \$ – |
| Total expenditures | \$ – | \$ – | \$ – |
| Nonspendable | | | |
| 460 Nonspendable fund balance | \$ – | \$ – | \$ – |
| Restricted | | | |
| 425 Bond refundings | \$ – | \$ – | \$ – |
| 433 Maximum effort loan | \$ – | \$ – | \$ – |
| 451 QZAB payments | \$ – | \$ – | \$ – |
| 464 Restricted fund balance | \$ – | \$ – | \$ – |
| 467 Long-term facilities maintenance | \$ – | \$ – | \$ – |
| Unassigned | | | |
| 463 Unassigned fund balance | \$ – | \$ – | \$ – |
| Trust | | | |
| Total revenue | \$ – | \$ – | \$ – |
| Total expenditures | \$ – | \$ – | \$ – |
| 401 Student activities | \$ – | \$ – | \$ – |
| 402 Scholarships | \$ – | \$ – | \$ – |
| 422 Net position | \$ – | \$ – | \$ – |
| Custodial Fund | | | |
| Total revenue | \$ – | \$ – | \$ – |
| Total expenditures | \$ – | \$ – | \$ – |
| 401 Student activities | \$ – | \$ – | \$ – |
| 402 Scholarships | \$ – | \$ – | \$ – |
| 448 Achievement and integration | \$ – | \$ – | \$ – |
| 464 Restricted | \$ – | \$ – | \$ – |
| Internal Service | | | |
| Total revenue | \$ 5,066,691 | \$ 5,066,691 | \$ – |
| Total expenditures | \$ 3,831,523 | \$ 3,831,523 | \$ – |
| 422 Net position | \$ 2,866,065 | \$ 2,866,065 | \$ – |
| OPEB Revocable Trust Fund | | | |
| Total revenue | \$ – | \$ – | \$ – |
| Total expenditures | \$ – | \$ – | \$ – |
| 422 Net position | \$ – | \$ – | \$ – |
| OPEB Irrevocable Trust Fund | | | |
| Total revenue | \$ – | \$ – | \$ – |
| Total expenditures | \$ – | \$ – | \$ – |
| 422 Net position | \$ – | \$ – | \$ – |
| OPEB Debt Service Fund | | | |
| 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 School District No. 917
Rosemount, Minnesota

June 30, 2020

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PRINCIPALS

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Kalen T. Karnowski, CPA

To the School Board and Management of
Intermediate School District No. 917
Rosemount, Minnesota

We have prepared this management report in conjunction with our audit of Intermediate School District No. 917's (the District) financial statements for the year ended June 30, 2020. We have organized this report into the following sections:

- Audit Summary
- Funding Public Education in Minnesota
- Financial Trends of Your District
- Legislative Summary
- 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 who have 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
November 16, 2020

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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, administration, or those charged with governance of the District.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND *GOVERNMENT AUDITING STANDARDS*

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, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, 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 OPINION AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2020:

- 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) Statement No. 84, *Fiduciary Activities* during the year. Our opinion was not modified with respect to this matter.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- 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 a part of our audit of the District's financial statements for the year ended June 30, 2020, we performed procedures to follow-up on any findings and recommendations that resulted from our prior year audit. We reported the following findings that were corrected by the District in the current year:

1. Four of twenty-five disbursements were not paid within the 45-day statutory limit.
2. Filing of the annual report of outstanding obligations as required by Minnesota Statutes.
3. One of twenty-five disbursements were not submitted to the School Board for approval as required by Minnesota Statutes.
4. Sales of district equipment not meeting the requirements in Minnesota Statutes that outline the acceptable method for selling district property.

OTHER OBSERVATIONS AND RECOMMENDATIONS

Impact of Novel Coronavirus (COVID-19)

Starting in March 2020, the onset of the novel coronavirus (COVID-19) pandemic caused substantial volatility in economic conditions and tremendous disruption in the way schools, governments, businesses, and individuals function. Minnesota school districts may experience the impact of this pandemic in a myriad of financial areas, such as: declines in investment rates of return, cash flow issues, significant increases in the number and frequency of employees working remotely, challenges in processing general and payroll disbursements, disruption of prescribed internal control procedures, delays in internal and external financial reporting, and new compliance requirements attached to current and potential federal relief subsidies. As your District continues to adapt to the new normal of operating in a post-COVID-19 world, the assessment of and responses to new risks that may accompany operational changes will be critical to the safeguarding of resources and sound financial stewardship. We encourage management and governance to include a robust financial risk assessment process when planning responses to these challenges, and to reassess and adapt internal controls over financial transactions and reporting to align with significant changes made to daily operations, even those intended to be temporary.

Electronic Funds Transfer Fraud

As the use of electronic funds transfers and payment methods has become more prevalent, we have seen increases in both the incidences of fraud related to these transactions and the dollar amounts involved. Unfortunately, operational changes related to the COVID-19 pandemic, including greater reliance on technology and more employees working remotely, tend to increase risk in this area. We urge districts to carefully review controls over these transactions, and consider best practices to address this risk, such as:

- Ensuring segregation of duties over these transactions by involving more than one employee in the process.
- Requiring multi-factor authentication of requests for electronic payments from new vendors or for changes in wiring instructions for existing vendors. It is recommended that changes for existing vendors be verified with the vendor through trusted contact information used previously for that vendor, not as provided in the change request, to verify the accuracy of the change.
- Educate employees on the controls in place to protect the organization's financial assets and ensure management is supportive and accepting of the processes in place. These scams are often initiated using the profile of a supervisor. Employees must be comfortable questioning unusual transactions or requests, and instructed not to circumvent internal control procedures regardless of whom they believe initiated the transaction.
- Recommended cyber security measures, such as limiting network access and requiring robust passwords that are changed regularly, should be implemented and followed by all district employees, not just those directly involved with financial transactions.
- Review insurance policies to understand the coverage provided for financial losses due to cybersecurity risks, and evaluate whether they provide adequate coverage based on management's assessment of these risks.

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, 2020. However, the District implemented the following governmental accounting standard during the fiscal year ended June 30, 2020:

- GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying fiduciary activities of local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities.

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 depreciation 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 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 MISSTATEMENT

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. There were no misstatements detected as a result of audit procedures that 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 November 16, 2020.

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 supplemental information and the Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table, which accompany the financial statements, but 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 and other information sections 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.

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FUNDING PUBLIC EDUCATION IN MINNESOTA

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this report. A summary of legislative changes affecting school districts included later in this report gives an indication of how complicated the funding system is. This section provides selected state-wide funding and financial trend information.

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.

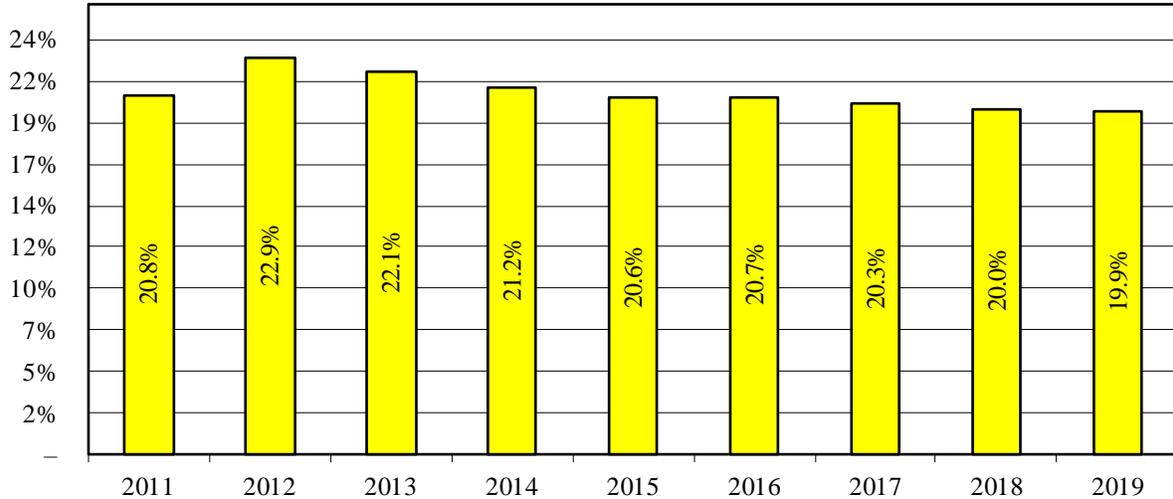
The table below presents a summary of the formula allowance for the past decade and as approved for the next year. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.0 percent, state-wide.

| Fiscal Year Ended June 30, | Formula Allowance | |
|-------------------------------|-------------------|---------------------|
| | Amount | Percent Increase |
| 2011 | \$ 5,124 | – % |
| 2012 | \$ 5,174 | 1.0 % |
| 2013 | \$ 5,224 | 1.0 % |
| 2014 | \$ 5,302 | 1.5 % |
| 2015 | \$ 5,831 | 2.0 % |
| 2016 | \$ 5,948 | 2.0 % |
| 2017 | \$ 6,067 | 2.0 % |
| 2018 | \$ 6,188 | 2.0 % |
| 2019 | \$ 6,312 | 2.0 % |
| 2020 | \$ 6,438 | 2.0 % |
| 2021 | \$ 6,567 | 2.0 % |

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 2020.

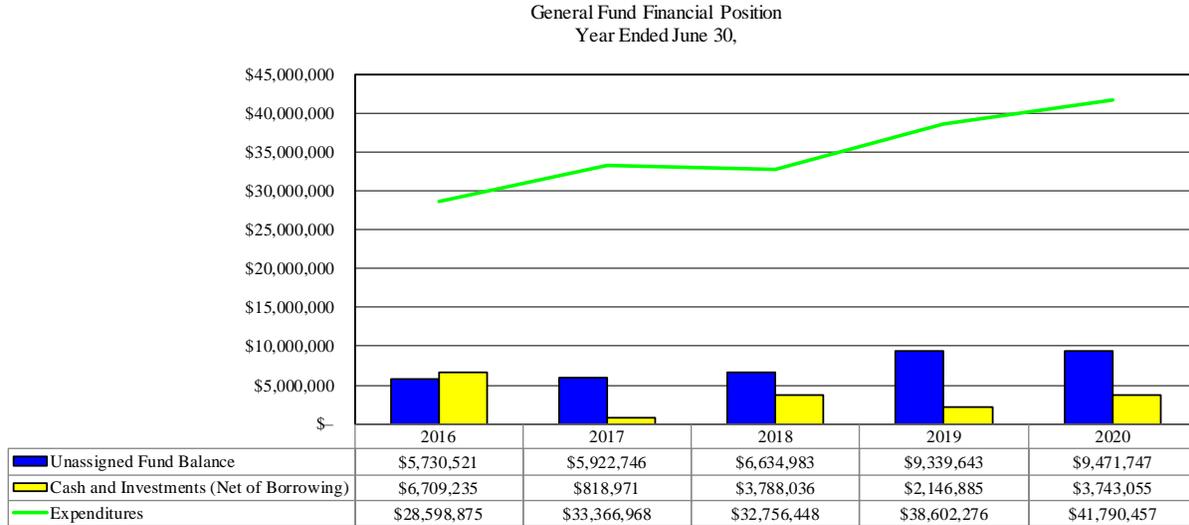
The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

During the economic downturn that began in 2008, the average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts increased, peaking at 22.9 percent at the end of fiscal 2012. This trend reflected districts' efforts to limit budget cuts, retain educational programs, and maintain adequate operating cash flow during a period of uncertain funding. As the state's economic condition improved and funding stabilized in subsequent years, this ratio decreased gradually to 19.9 percent at the end of fiscal 2019.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

The following graph displays the District’s General Fund trends of financial position and changes in the volume of financial activity. Unassigned fund balance and cash balance are two indicators of financial health, while annual expenditures are often used to measure the size of the operation.



The District ended fiscal year 2020 with a General Fund cash and investments balance of \$3,743,055 (net of borrowing and interfund receivables and payables), an increase of \$1,596,170 from the previous year. This was mainly due to the decrease in amounts due from the MDE for special education aid and member districts from tuition billings.

Unassigned fund balance at year-end was \$9,471,747, an increase of \$132,104.

The District ended the year with a \$331,098 increase in the General Fund balance, excluding the change in accounting principle. This increase of \$331,098 is \$250,659 higher than anticipated in the District’s revised budget. The reason for the variance is due to the District experiencing better than expected results in the Secondary Education Account totaling \$384,344, including revenue exceeding projections by \$85,401, mainly due to having higher than anticipated enrollment, including 12 additional students at the alternative learning (DCALS) program in fiscal 2020. Expenditures were lower than anticipated in this account by \$298,943, mainly in salaries and purchased services.

The District experienced an increase to fund balance that was less than anticipated in the Special Education Account with an increase of \$11,657, compared to an anticipated increase of \$148,637. The special education programs received less tuition revenue than anticipated totaling \$314,581 for fiscal year 2020. State aid was less than budget, due to lower program activity in the current year. Expenditures were also lower than budgeted amounts, mainly in salaries and benefits. Most categories of expenditures were lower than budget as a result of moving to distance learning at the end of March, due to COVID-19.

The following table presents the components of the General Fund balance for the past five years:

| | Year Ended June 30, | | | | |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Nonspendable fund balances | \$ 48,404 | \$ 154,609 | \$ 622,617 | \$ 129,262 | \$ 131,151 |
| Restricted fund balances | 1,377,634 | 880,523 | 342,912 | 182,355 | 138,134 |
| Assigned fund balances | 181,445 | – | 423,420 | 145,942 | 391,088 |
| Unassigned | 5,730,521 | 5,922,746 | 6,634,983 | 9,339,643 | 9,471,747 |
| Total fund balances | \$ 7,338,004 | \$ 6,957,878 | \$ 8,023,932 | \$ 9,797,202 | \$ 10,132,120 |
| Unassigned fund balances as a percentage of expenditures | <u>20.0%</u> | <u>17.8%</u> | <u>20.3%</u> | <u>24.2%</u> | <u>22.7%</u> |
| Cash and temporary investments (net of borrowing) | <u>\$ 6,709,235</u> | <u>\$ 818,971</u> | <u>\$ 3,788,036</u> | <u>\$ 2,146,885</u> | <u>\$ 3,743,055</u> |

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 against the impact of unexpected costs or funding shortfalls.

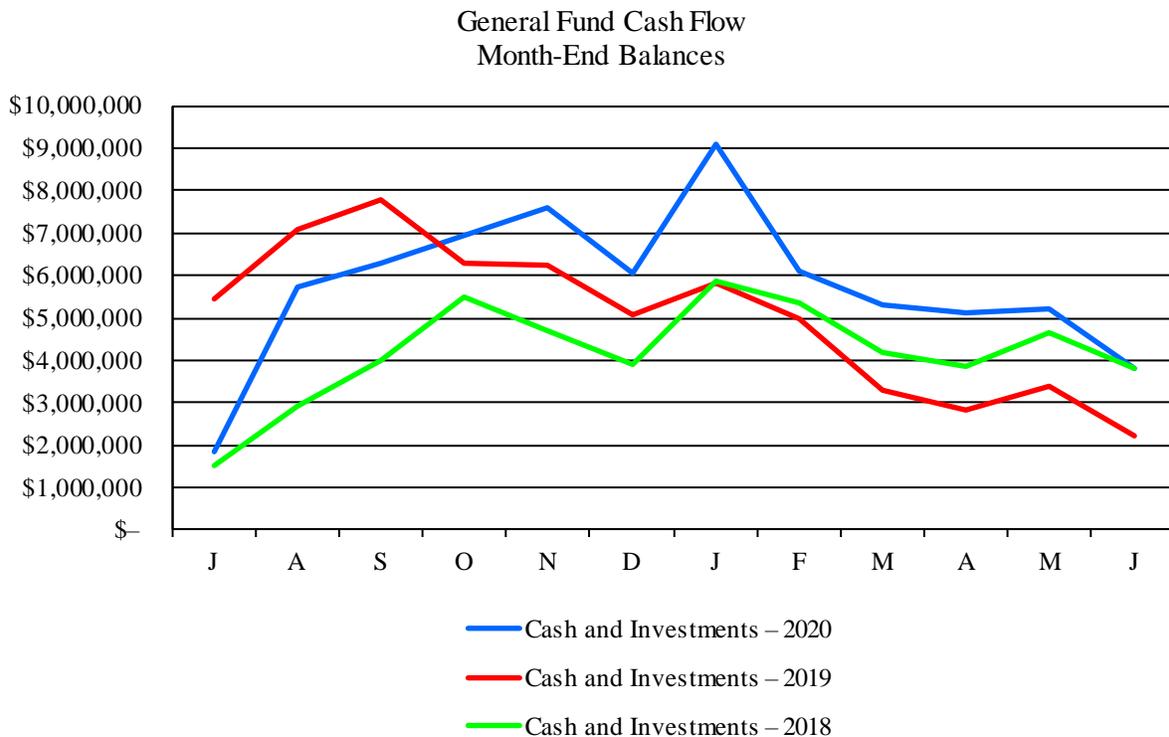
Fund balance as a percentage of expenditures is one key measure in assessing the financial health of the District. Maintaining an adequate fund balance is particularly important because of the limited availability of borrowing for the District and the need for the General Fund to be self-sustaining in its cash flow needs.

The fund balance remains healthy when compared to the level of district expenditures. The District’s plan, based on the current fund balance policy, is to maintain a minimum unassigned General Fund balance of 15.0 percent of the annual budget. At June 30, 2020, the District has exceeded that policy, with an unassigned fund balance as a percentage of 2020 expenditures of 22.7 percent.

The District’s fund balance provides opportunities to incur one-time capital expenditures to mitigate the amount of long-term facilities maintenance levy that the District requests on behalf of the member districts. The District continues to monitor its fund balances closely.

GENERAL FUND CASH FLOW

The level of cash and investments varies considerably during the year, due to the timing of various revenues and expenditures. The following graph summarizes the level of cash and investments, including cash and investments held by trustee (net of short-term cash flow borrowing) over the past three years:



The graph above shows the peaks and valleys of the General Fund cash and investments balance (net of borrowing and interfund balances) on a monthly basis. The swing between its high and low month-end cash balances was about \$7.2 million for fiscal 2020.

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:

Secondary Education Account

| | Year Ended June 30, | | | | |
|-------------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenue and other financing sources | \$3,452,295 | \$3,384,163 | \$3,891,849 | \$4,598,757 | \$4,413,256 |
| Expenditures | 3,246,387 | 3,401,719 | 3,399,214 | 3,713,372 | 4,103,597 |
| Net change in fund balances | 205,908 | (17,556) | 492,635 | 885,385 | 309,659 |
| Fund balances | | | | | |
| Beginning of year | 1,730,422 | 1,936,330 | 1,918,774 | 2,411,409 | 3,296,794 |
| Change in accounting principle | — | — | — | — | 3,820 |
| End of year | <u>\$1,936,330</u> | <u>\$1,918,774</u> | <u>\$2,411,409</u> | <u>\$3,296,794</u> | <u>\$3,610,273</u> |

This account experienced a net increase in fund balance of \$309,659 during fiscal 2020. This amount excludes the change in accounting principle related to the addition of student activities to this account in the current year. This compares to a budgeted decrease of \$74,685. Revenues were over budget by \$85,401, mainly in state sources, while expenditures ended the year lower than budget by \$298,943, mainly in salaries and purchased services.

Total revenue in the Secondary Education Account of the General Fund totaled \$4,413,256 in fiscal 2020, a decrease of \$185,501 from the previous year, due to a decrease in tuition revenue, mainly in the alternative learning (DCALS) program. Expenditures in this account increased \$390,225, mainly in salaries related to the opening of a new DCALS site in the current year.

Special Education Account

| | Year Ended June 30, | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenue and other financing sources | \$25,133,268 | \$26,294,372 | \$28,924,111 | \$34,735,955 | \$37,131,011 |
| Expenditures and other financing uses | 24,245,802 | 25,498,947 | 28,235,178 | 33,857,291 | 37,119,354 |
| Net change in fund balances | 887,466 | 795,425 | 688,933 | 878,664 | 11,657 |
| Fund balances | | | | | |
| Beginning of year | 3,214,588 | 4,102,054 | 4,897,479 | 5,586,412 | 6,465,076 |
| End of year | <u>\$ 4,102,054</u> | <u>\$ 4,897,479</u> | <u>\$ 5,586,412</u> | <u>\$ 6,465,076</u> | <u>\$ 6,476,733</u> |

This account experienced a net increase in fund balance of \$11,657 during fiscal 2020, which compares to a budgeted increase in fund balance of \$148,637 for the year. The special education programs received less tuition revenue than anticipated totaling \$314,581 for fiscal year 2020. The special education state aid revenue and the related expenditures were also lower than budgeted amounts. This was mainly due to lower than anticipated salaries and benefits and due to most expenditure categories being lower as a result of moving to distance learning at the end of March, due to COVID-19.

Special Education Account revenues and other financing sources increased \$2,395,056 in fiscal 2020. The District experienced increased activity in special education programs causing increased state aid. Expenditures and other financing uses increased \$3,262,063, mainly in salaries and benefits for licensed staff, employee contract enhancements, employee benefits for insurance, and purchased services, mainly for contracted staff.

OTHER FUNDS OF THE DISTRICT

Internal Service Funds

The internal service funds are considered proprietary funds and are used to account for health and dental insurance offered by the District to its employees as a self-insured plan and post-employment employee benefits.

The following table presents comparative operating results for the District’s internal service funds over the past five fiscal years:

| | Year Ended June 30, | | | | |
|------------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenue | \$2,149,801 | \$3,425,979 | \$3,865,060 | \$4,632,933 | \$5,066,691 |
| Expenses | 1,627,900 | 3,255,326 | 3,150,658 | 4,122,961 | 3,831,523 |
| Change in net position | 521,901 | 170,653 | 714,402 | 509,972 | 1,235,168 |
| Net position | | | | | |
| Beginning of year | (384,468) | 137,433 | 406,523 | 1,120,925 | 1,630,897 |
| End of year | <u>\$ 137,433</u> | <u>\$ 308,086</u> | <u>\$ 1,120,925</u> | <u>\$ 1,630,897</u> | <u>\$ 2,866,065</u> |

These funds had revenues over expenses of \$1,235,168 during fiscal 2020. This occurred mostly as a result of the District’s internal service fund for self-insured health insurance which had an operating income of \$1,075,082. Revenues were more than fiscal 2019, mainly in the self-insured health insurance plan, due to increased numbers of employee participants and increased rates. Expenditures were down, due to a decrease in higher case claims and also with less in utilization of service, due to the COVID-19 pandemic.

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:

| | As of June 30, | | Change |
|--|------------------------|------------------------|---------------------|
| | 2019 | 2020 | |
| Net position – governmental activities | | | |
| Total fund balances – governmental funds | \$ 9,797,202 | \$ 10,132,120 | \$ 334,918 |
| Total capital assets, net of depreciation | 9,108,562 | 9,050,323 | (58,239) |
| Total long-term debt | (7,877,148) | (7,620,856) | 256,292 |
| Net pension-related liabilities | (23,730,092) | (26,070,284) | (2,340,192) |
| Internal service funds balance | 1,630,897 | 2,866,065 | 1,235,168 |
| Other items | 4,013 | (3,722) | (7,735) |
| Total net position – governmental activities | <u>\$ (11,066,566)</u> | <u>\$ (11,646,354)</u> | <u>\$ (579,788)</u> |
| Net position | | | |
| Net investment in capital assets | \$ 1,667,450 | \$ 1,894,018 | \$ 226,568 |
| Restricted | 138,880 | 93,757 | (45,123) |
| Unrestricted | <u>(12,872,896)</u> | <u>(13,634,129)</u> | <u>(761,233)</u> |
| Total net position | <u>\$ (11,066,566)</u> | <u>\$ (11,646,354)</u> | <u>\$ (579,788)</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 severance payable, compensated absences, OPEB, and pension liabilities.

Total net position decreased by \$579,788 in fiscal 2020. The District's net investment in capital assets increased \$226,568 this year. 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, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The District's unrestricted net position decreased by \$761,233, mainly due to changes in funding levels of the Public Employees Retirement Association and the Teachers Retirement Association pension obligations offset by improved net position in the General Fund and Internal Service Funds of the District.

LEGISLATIVE SUMMARY

The 2020 Minnesota Legislature session was expected to be short and focused on making tweaks to the biennial budget. By early March, it became clear the session would unfold differently than anyone could have predicted. As the novel coronavirus (COVID-19) spread reached Minnesota, Governor Walz issued an Executive Order declaring a peacetime emergency. The declaration was enacted, which allowed his administration to quickly impose measures aimed at mitigating the COVID-19 health threat. These measures, which were issued through dozens of executive orders over the months that would follow, included: closing schools and requiring instruction be provided through distance learning; allowing schools to offer summer programs and extended school year services through distance learning or a hybrid model; requiring districts to deliver meals and instructional materials; requiring districts to provide childcare for essential workers, and authorizing fund transfers and flexibility in the use of revenues for districts to cover school-age care, transportation, and other COVID-19 related costs.

The following is a brief summary of specific legislative changes from the 2020 regular and special sessions or previous legislative sessions impacting Minnesota school districts in future years.

Coronavirus Aid, Relief, and Economic Security (CARES) Act – The CARES Act provides federal economic relief to protect the American people from the public health and economic impacts of COVID-19.

This CARES funding includes an Education Stabilization Fund, which in turn contains two major sources of funding for schools that may be used for expenditures incurred from March 13, 2020 through September 30, 2022:

1. Governor’s Emergency Education Relief (GEER) Fund

These funds were allocated to support efforts in getting children back to school in the fall, while prioritizing the safety of students and staff. These funds support operational costs, such as: cleaning supplies and disinfectant sprayers, screening supplies, personal protective equipment, and increased transportation costs associated with transporting students in a socially distant manner. These funds also support student, family, and educator needs, such as technology devices and internet access, technology training, tutors or mentors to address learning loss, translation services, school-age care for essential workers, and professional development focused on learning models. To spend funds from this source, an expenditure must be a reasonably necessary expense that is directly related to the COVID-19 pandemic, and the expenditure must not be one that was planned for in the current school year budget.

2. Elementary and Secondary School Emergency Relief (ESSER) Fund

These funds are divided into two streams: a formula-based allocation and state-directed grants. The formula-based allocation to districts and charter schools is based on their allocations under Title I, Part A of the Elementary and Secondary Education Act (ESEA). These funds can be used for a wide range of expenses to meet local needs.

State-directed grants, provided to districts and charter schools that do not receive a formula-based allocation, districts and charter schools that receive less than \$10,000 from their formula-based allocation, and districts and charter schools whose share of students from historically underserved populations is more than their share of other ESSER funds, can be used for a combination of supplementing GEER funds for summer school programming, supporting mental health, and meeting the needs of historically underserved populations.

The CARES Act also provided funding through the Coronavirus Relief Fund (CRF). These funds were allocated to districts and charter schools based on a two-part formula: 1) 60 percent for operating costs based on average daily membership (ADM) as reported for the 2018–2019 school year, and 2) 40 percent for student, family and staff support costs allocated based 40 percent on ADM and 60 percent on the historically underserved population of students each district or charter school serves. The expenditure of these funds is not required to match the 60 percent/40 percent allocation breakdown, and may be used for costs incurred between July 1, 2020 and December 31, 2020.

General Education Revenue – The Legislature had previously approved annual increases of 2 percent to the basic general education formula allowance for the fiscal year (FY) 2020–2021 biennium. The per pupil allowance will increase \$129 to \$6,567 for FY 2021.

Compensatory Revenue – The requirement to reserve a portion of compensatory revenue for extended time programming is eliminated beginning in FY 2021.

Special Education Revenue – The Legislature had previously approved enhancements to special education funding designed to hold the state average cross subsidy per pupil constant at the FY 2019 level of \$82 per ADM for FY 2021. The changes included:

- Establishing a new component of the state special education funding formula, known as cross subsidy reduction aid. Cross subsidy reduction aid will equal a percentage of each district’s “initial cross subsidy” for the prior fiscal year, with the percentages set at 6.43 percent for 2021. Initial cross subsidy is defined as the district’s nonfederal special education costs, including transportation, less state special education aid after tuition adjustments and general education aid attributable to students receiving special education services outside of the regular classroom for at least 60.00 percent of the school day. Charter schools are not eligible for cross subsidy reduction aid.
- Updating the pupil-driven portion of the initial special education aid formula to use FY 2018 data beginning in FY 2021, rather than continuing to use 2011 data adjusted for inflation.
- Phasing out the special education aid cap over two years, with the cap eliminated for FY 2021 and beyond.
- Reducing the tuition rate paid by the resident school district for open enrolled special education students served by another district or charter school from 90.00 percent of unfunded costs to 80.00 percent for FY 2021 and later. Charter schools will be eligible for additional special education aid from the state to fully offset the impact of the tuition rate change.
- Reducing the hold harmless guarantee by changing the formula to reduce reliance on the FY 2016 base year so that schools where special education expenditures have fallen or grown slowly since FY 2016 do not benefit disproportionately from the hold harmless guarantee compared to other schools. The percentage of FY 2019 regular program costs used to calculate the hold harmless will decrease to 85.00 percent for FY 2021, 80.00 percent for FY 2022, and 75.00 percent for FY 2023. In addition, the annual inflation adjustment used to calculate the hold harmless will be reduced by 0.20 percent annually from the 4.60 percent factor used in FY 2019 until the adjustment reaches 2.00 percent.
- The 2020 Legislature added that for FY 2020, expenditures for employees and contracted services that would have been eligible for state aid in the absence of school closure due to COVID-19 must be included as eligible expenditures for calculation of aid and for tuition billing, regardless of whether special education services were actually provided during the closure.

Achievement and Integration Revenue – School districts are authorized to carry over any unspent balance of their approved achievement and integration budget from FY 2020 into FY 2021. If spent for approved purposes in FY 2021, the districts would generate additional FY 2021 revenue over and above the regular formula limitations.

Operating Referendum/Local Optional Revenue – Effective for the tax levy payable in FY 2021, the operating referendum and local optional revenue (LOR) levies were simplified by transferring \$300 per pupil unit (PU) of referendum revenue to LOR, thereby eliminating the board-approved referendum levy and increasing the LOR levy authority to \$724 per PU. The referendum cap is reduced by the \$300 per PU transferred to LOR. The annual recalculation of referendum allowances approved prior to FY 2014 based on the amount of LOR a district opts to receive is also eliminated. Inflation adjusted referendum authority transferred to LOR will continue to be adjusted for the life of the referendum. This change is revenue neutral for all districts.

Operating Referendum Equalization – Effective for the tax levy payable in FY 2021, the equalizing factor for Tier 2 of the referendum (New Tier 1) is increased from \$510,000 to \$567,000. This is expected to provide \$9.4 million of property tax relief to taxpayers, and result in \$600,000 of additional referendum state aid for charter schools.

Fund Transfers – For fiscal years 2020 and 2021 only, a school district, charter school, or a cooperative unit may transfer any funds not already assigned or encumbered by staff salary and benefits, or otherwise encumbered by federal law, from any accounts or operating fund to the undesignated balance in any other operating fund. A fund transfer is allowed if the transfer meets the following criteria from Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8:

1. The transfer does not increase state aid obligations to the district or school or result in additional property tax authority for the district.
2. A transfer is limited to the operating funds of a school district, charter school, or cooperative unit.
3. A school board must approve any fund or account transfer before the reporting deadline for the respective fiscal year.
4. A school district, charter school, or cooperative unit must maintain accounting records for the purposes of this section that are sufficient to document both the specific funds transferred and use of those funds. The accounting records are subject to auditor review.
5. Any execution of this flexibility must not interfere with or jeopardize funding per federal requirements.
6. Any transfer must not interfere with the equitable delivery of distance learning or social distancing models.

Debt Service Payments – For FY 2021 only, a school district unable to make a required debt service payment due to a delay in property tax receipts may apply for modified cash flow payments from the state under Minnesota Statutes, Section 127A.45.

Pension Benefit Reforms – The 2018 pension bill included a number of reforms to the various defined benefit pension plans across the state. Employer contribution rates were increased for the Teachers Retirement Association (TRA) plan (a total increase of 1.25 percent phased in over a 6-year period beginning in FY 2019) and the St. Paul Teachers Retirement Fund Association (SPTRFA) plan (a total increase of 2.50 percent phased in over a 6-year period beginning in FY 2019). Employee contribution rates were also increased by 0.25 percent beginning in FY 2024 for the TRA plan and beginning in FY 2023 for the SPTRFA plan. The pension adjustment component of the general education aid formula was increased by an amount equal to the product of the salaries paid to members of these two plans times the district's pension adjustment rate for the fiscal year to help offset the cost of the employer contribution increases.

Workers' Compensation Claims – COVID-19 Presumption – The Legislature added several provisions to state unemployment statutes related to COVID-19, including a presumption that an employee who contracts COVID-19 has an occupational disease arising out of and in the course of employment if the employee works in one of the specified occupations and has a confirmed case of COVID-19. Covered occupations include nurses, healthcare workers, and workers required to provide childcare for first responders and healthcare workers under Executive Orders 20-02 and 20-19.

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ACCOUNTING AND AUDITING UPDATES

The following is a summary of GASB standards expected to be implemented in the next few years. Due to the COVID-19 pandemic, the GASB has delayed the original implementation dates of these and other standards as described below.

GASB STATEMENT NO. 87, *LEASES*

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of the four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for fiscal years beginning after June 15, 2021.

GASB STATEMENT NO. 92, *OMNIBUS 2020*

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post-employment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for post-employment benefits

- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to post-employment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged.

GASB STATEMENT NO. 96, *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS*

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (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. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

This statement provides an exception for short-term SBITAs with a maximum possible term under the SBITA contract of 12 months, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB STATEMENT NO. 97, CERTAIN COMPONENT UNIT CRITERIA, AND ACCOUNTING AND FINANCIAL REPORTING FOR INTERNAL REVENUE CODE SECTION 457 DEFERRED COMPENSATION PLANS—AN AMENDMENT OF GASB STATEMENT NO. 14 AND NO. 84, AND A SUPERSESSION OF GASB STATEMENT NO. 32

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this statement that (1) exempt primary governments that perform the duties that a government board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this statement.

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Executive Director of Student Services
Board Update
December 2020

- **Learning Models:**
 - As you are aware, prior to moving into distance learning on December 1, we had three sites with positive cases and multiple close contacts that needed to shift to distance learning earlier than expected. These sites were Concord Education Center, Alliance Education Center, and the TESA program at DCTC. We also have had 5 positive COVID-19 cases at Cedar School that were reported over the long weekend.
 - All special education programs are in distance learning at the time. We have developed a *Modified Distance Learning Flowchart* and an *Intensive Services Determination Guide* that will be used when COVID case data begins to trend downward to bring students in for modified in-person learning on a limited basis. While we have not determined a date for this, at this time ISD 194 is planning to bring students in on a limited basis on December 7 and ISD 192 is planning to do so on December 14. They are the only two member districts with dates set at this point. Our programs, ECSE TEA and PACES, in those districts will follow their models.

- **Equity:** Last week two meetings were held with equity consulting firms, Sankore Consulting and Equity Alliance Minnesota, to discuss our needs and seek information about services they could provide to structure efforts in ISD 917 for our equity work. Because an equity audit is an important part of any effort, we felt it was important to seek support for this evaluative activity from an outside consultant. When we receive more information from both firms, we will be able to consider our next steps.

- **Crisis planning:** During the summer of 2020, our administrative team along with other support professionals underwent training in PREPaRE, a framework for school crisis prevention and response. We have had the opportunity to refocus on this effort. A plan is almost complete to take the next steps to further develop the many components of this framework. It will take some time to evaluate existing structures and resources and further develop what is needed in the district. Expect future updates.

INTERMEDIATE SCHOOL DISTRICT 917

A School Board Meeting of the Intermediate School District 917 School Board was held on Tuesday, November 10, 2020, via Google Hangouts.

Members Present: Tom Bennett, DeeDee Currier, Kathy Lewis, Wendy Felton, Cindy Nordstrom, Vanda Pressnall, Dave Pemble, Melissa Sauser, Byron Schwab and ex-officio member Superintendent Mark Zuzek.

Members Absent: none.

Also Present: Nicolle Roush, Eric VanBrocklin, Melissa Schaller, Brooke Peterson, and Linda Berg. Many staff from 917 also were in the meeting.

School Board Chair Dr. DeeDee Currier called the meeting to order at 5:00 PM.

Roll call was taken.

The Pledge of Allegiance was conducted.

Linda Berg read the following statement:

“Intermediate School District 917 – General Process for Remote School Board Meetings. Due to the current federal and state emergency declarations, the Minnesota directive to residents to stay at home, and guidance about limiting person-to-person contact due to the COVID-19 (coronavirus) pandemic, this meeting of the Intermediate School District 917 School Board is being conducted in accordance with Minnesota Statutes 13D.021 – Meetings by Telephone or Other Electronic Means.

Due to the health pandemic, the school board determined that it is not feasible for at least one board member, the superintendent, or the school district’s legal counsel to be physically present at the regular meeting location and that it is not feasible for the public to attend this meeting at the regular meetings location due to the health pandemic. Persons may monitor this meeting from a remote location by video link through Google Hangouts. School board members are reminded to mute their microphone or phone when they are not speaking. School board members wishing to speak should “raise hand via Boardbook” and wait to be recognized by the Chair. If not recognized, then go off mute and let us know.

The chair will determine the order in which board members wishing to speak will be recognized. When recognized, the board member should unmute the microphone or phone, speak, and then mute their device.

All votes will be conducted by roll call. Each school board member should wait until their name is called before voting.

This meeting is being recorded. Access to the recording will be made available on the school district’s website as soon as it is reasonably possible.”

There were no visitors to be heard.

1. Motion by Byron Schwab, seconded by Melissa Sauser, to approve the consent items, as presented. Voting aye: Tom Bennett, DeeDee Currier, Wendy Felton, Kathy Lewis, Cindy Nordstrom, Vanda Pressnall, Dave Pemble , Melissa Sauser, Byron Schwab. Voting naye: None. Motion carried.
 - **Minutes:** October 6, 2020, Regular School Board Meeting
 - **Personnel:** *New Hires:* Jayle Engberg, Classroom Assistant, effective October 26, 2020. James Horace, Classroom Assistant, effective October 26, 2020. Sara Stelflug, Classroom Assistant, effective October 14, 2020. Rebecca Strickland, Classroom Assistant, effective November 2, 2020. Emily Waller, Classroom Assistant, effective October 14, 2020. *Resignations and Terminations:* Karley Branscomb, Classroom Assistant, effective October 28, 2020. Kaytlyn Knight, Classroom Assistant, effective August 30, 2020. Savannah Mead, Classroom Assistant, effective November 17, 2020. Kacy Rodamaker, Classroom Assistant, effective September 25, 2020. Alyssa Tongue, Special Education Teacher, effective October 19, 2020. *Retirements:* Lynn Morris, Math Teacher, effective January 22, 2021.
 - **Policies:** 452 – Employment of Temporary Employees; 453 – Non-Licensed Substitute Pay Schedule; 454 – Instructor Attendance; 458 – Instructional Staff Performance Appraisal; 462 – Building Security; 463 – Jury Duty; Policy 456 – Substitute Instructor Pay Schedule; Policy 521 – Student Disability Non-Discrimination; Policy 461 – Staff Use of District Facilities Equipment; Policy 465 – Employee Time off for Union Negotiations; Policy 483 – Uniforms for School District Personnel, Safety Eyewear and Other Personal Protective Equipment. Voting aye: Tom Bennett, DeeDee Currier, Wendy Felton, Kathy Lewis, Cindy Nordstrom, Vanda Pressnall, Dave Pemble, Melissa Sauser, Byron Schwab. Voting naye: None. Motion carried. (Addendum A.)
2. Board Member Kathy Lewis introduced the following resolution accepting Donations in the amount of \$1290. Motion was seconded by Wendy Felton. (Addendum B.) Voting aye: Tom Bennett, DeeDee Currier, Wendy Felton, Kathy Lewis, Cindy Nordstrom, Vanda Pressnall, Dave Pemble, Melissa Sauser, Byron Schwab. Voting naye: None. Motion carried.
3. Motion by Cindy Nordstrom, seconded by Byron Schwab, to approve the bills from September 25, 2020, to November 4, 2020, Investment Report and wire transfers, as presented by the Business Manager. Voting aye: Tom Bennett, DeeDee Currier, Wendy Felton, Kathy Lewis, Cindy Nordstrom, Vanda Pressnall, Dave Pemble , Melissa Sauser, Byron Schwab. Voting naye: None. Motion carried.

Superintendent Mark Zuzek, Executive Director of Student Services Melissa Schaller, and Principal Eric VanBrocklin presented the revised Returning to Learning Plan that will be put in effect as of November 23, 2020. (Addendum C.)

4. Motion by Byron Schwab, seconded by Kathy Lewis, to approve the Revenue and Expenditure Report as presented by the Executive Director of Business Services, as presented. (Addendum D.) Voting aye: Tom Bennett, DeeDee Currier, Wendy Felton, Kathy Lewis, Cindy Nordstrom, Vanda Pressnall, Dave Pemble , Melissa Sauser, Byron Schwab. Voting naye: None. Motion carried.
5. Motion by Vanda Pressnall, seconded by Byron Schwab, to approve the Aged Accounts Receivable Report, as presented. (Addendum E.) Voting aye: Tom Bennett, DeeDee Currier, Wendy Felton, Kathy Lewis, Cindy Nordstrom, Vanda Pressnall, Dave Pemble, Melissa Sauser, Byron Schwab. Voting naye: None. Motion carried.
6. Motion Byron Schwab, seconded by Wendy Felton, to approve the Operational Focus for 2020-2021, as presented. (Addendum F.) Voting aye: Tom Bennett, DeeDee Currier, Wendy Felton, Kathy Lewis,

Cindy Nordstrom, Vanda Pressnall, Dave Pemble, Melissa Sauser, Byron Schwab. Voting naye: None. Motion carried.

7. Motion by Dave Pemble, seconded by Melissa Sauser, to approve the Paraprofessional Contract for 2020-2022 as presented. (Addendum G.) Voting aye: Tom Bennett, DeeDee Currier, Wendy Felton, Kathy Lewis, Cindy Nordstrom, Vanda Pressnall, Dave Pemble, Melissa Sauser, Byron Schwab. Voting naye: none. Motion carried.
8. Motion by Cindy Nordstrom, seconded by Byron Schwab, to approve Policy 601 School District Curriculum and Instruction Goals and Policy 603 Curriculum Development on a first reading basis. (Addendum H.) Voting aye: Tom Bennett, DeeDee Currier, Wendy Felton, Kathy Lewis, Cindy Nordstrom, Vanda Pressnall, Dave Pemble, Melissa Sauser, Byron Schwab. Voting naye: none. Motion carried.
9. Motion Kathy Lewis, Dave Pemble, to approve the Policy 820 School Closings in Exigent Emergencies, second reading. (Addendum I.) Voting aye: Tom Bennett, DeeDee Currier, Wendy Felton, Kathy Lewis, Cindy Nordstrom, Vanda Pressnall, Dave Pemble, Melissa Sauser, Byron Schwab. Voting naye: None. Motion carried.
10. Motion by Byron Schwab, seconded by Wendy Felton to adjourn the meeting.

There being no further business the meeting adjourned at 6:29 PM.

The next regular School Board Meeting will be Tuesday, December 1, 2020, at 5:00 PM.

Clerk

**SUMMARY OF PERSONNEL ITEMS RECOMMENDED
FOR ACTION AT BOARD MEETING OF DECEMBER 1, 2020**

NEW HIRES:

Michelle Delaney, Classroom Assistant, effective November 30, 2020.

Taryn Nygard, Classroom Assistant, effective November 17, 2020.

Katie Crone, Program Assistant, effective November 17, 2020.

RE-HIRES:

CHANGE IN STATUS:

LEAVES OF ABSENCE:

RESIGNATION & TERMINATIONS:

Damian Calamese, Program Assistant, effective November 2, 2020.

RETIREMENTS:

*Intermediate School District 917 Policy 820 Provisions for the closing of Schools Due to
Inclement Weather or Other Exigency
Board Approved May 1, 2007, old Policy 466
Board Reviewed, final reading, December 1, 2020*

**820 PROVISIONS FOR THE CLOSING OF SCHOOLS DUE TO
INCLEMENT WEATHER OR OTHER EXIGENCY**

I. PURPOSE

The purpose of this policy is to establish the procedures to be followed in the event that school is to be cancelled due to inclement weather or other exigency.

II. GENERAL STATEMENT OF POLICY

- A. It is the policy of this school district not to place staff or students at serious risk due to extremely hazardous driving conditions going to and from school.
- B. The school board is also cognizant of this district's unique role in providing educational services to member and other districts and the fact that many Intermediate School District 917 employees are assigned at work locations that are situated in other school district's facilities.
- C. This policy establishes the procedures to be followed in various situations when schools may be closed. In situations not anticipated by the provisions of this policy, the superintendent shall make the sole determination as to how the situation shall be addressed. The superintendent's decision in these instances shall be final.
- D. Collective bargaining agreements that contain language that is contrary to this policy shall control.
- E. Employees may be required to report to work even when school is cancelled for students.

III. DEFINITIONS

- A. "Dangerous driving conditions" means that highway conditions are extremely hazardous and the Minnesota Highway Department or other government agency has recommended that no unnecessary travel be attempted.
- B. "Extremely cold weather conditions" means an absolute temperature or wind chill temperature that is so severe as to present a health and safety risk for children walking to school or waiting at bus stops.

- C. “Emergency Employee” means any Intermediate School District 917 employee who is designated to perform services as delineated by this Policy.
- D. “Hourly Employee” means any Intermediate School District 917 employee who is paid at an hourly rate.

IV. MAKING THE DECISION TO CLOSE SCHOOL

- A. Only the superintendent or his specifically authorized representative may approve a school closing.
- B. In making the decision whether or not to close school, the superintendent shall consider:
 - 1. The status of other member school districts. If other member districts remain open, this will be a major consideration against closing Intermediate School District 917.
 - 2. Dangerous driving conditions could exist in isolated parts of Dakota County. These conditions shall be a major consideration for closing Intermediate School District 917. Since employees come from long distances to reach their work location, they should carefully consider their personal risk in light of the conditions they might encounter on the way to work.
 - a) If the district remains open and employees determine that the risk is too great for them to attempt to reach their work location, they may elect to take a vacation day, personal day, non-duty day or an unpaid day. Emergency leave shall not be granted in these situations.
 - b) This criteria also applies to situations where employees at member school district locations elect to stay home because of the local conditions when that district remains open.

V. PROCEDURES FOR CLOSING SCHOOL FOR ISD 917 STUDENTS

- A. On days when the weather forecast or early morning weather conditions are questionable, the superintendent will ~~implement the Intermediate School District #917 “calling tree” alert. The superintendent will call:~~ **implement the Infinite Campus Messenger system for all staff, students and families. Messages will be received via text, voice, or email, depending on the choice of the family. The superintendent will also call or text the following staff:**
 - 1. ~~Director of Special Education~~ **Executive Director of Student Services**
 - 2. Principal ~~STC/DCALS~~
 - 3. **Executive Director of Business Services** ~~Business Manager~~
 - 4. Executive Assistant to the Superintendent
 - 5. ~~Chair, School Board~~

6. President, Dakota County Technical College
 7. Superintendent's Office of any member district that is not closed on that day
- B. In addition to making the official announcement, employees and parents should monitor ~~radio station WCCO, AM 830; WCCO Television, Channel #4; WCCORADIO.COM; or WCCO.COM~~ for the official announcement.
 - C. ~~Each department administrator shall initiate an internal calling tree document and distribute it to all staff having a calling responsibility during the opening week of school each fall.~~ Department heads should remind staff of the closing procedures when serious inclement weather is forecast.
 - D. ~~In the event of an Intermediate School District 917 closing, no students attending programs at: Dakota County Technical College, Alliance Education Center, or Apple Valley site should report to school. Alliance Education school administrator shall assure that the school building is attended by at least one emergency employee whenever the District declares a school closing due to any reason. This will assure that no students arrive at the building only to find it locked. Typically, when school is closed due to an emergency, all Intermediate School District 917 locations will be closed. The exception is when an emergency, (gas leak, pipe burst, etc.) only affects a single site.~~
 - E. ~~Students attending Intermediate School District #917 classes at other locations in member school districts that have not closed will have school as normal or in accordance with the announcement made by that district.~~

VI. STAFF RESPONSIBILITIES IN THE EVENT OF AN INTERMEDIATE DISTRICT 917 SCHOOL CLOSING

- A. ~~The official announcement on the radio is based on an automated system that does not allow for many variations on the information to be broadcast. One of those variations is; "teachers should still report." If that language is contained in the announcement, it pertains to all Intermediate School District Employees. The superintendent will inform staff when school is cancelled whether or not they are expected to report to work. If that language is in the announcement, If staff are expected to report to work, employees are expected to report for work as soon as possible they safely can. Employees should report to their respective supervisors for work assignments for the day. Employees who expect to be more than one hour late should contact their supervisor to indicate what time they expect to report. Additional information may be relayed through the calling tree. Program supervisors will inform their employees of their work expectations for the day. Often, there may be tasks that can also be completed by working remotely.~~
 1. Employees who are unable to report for work on a day when school is closed

and employees are expected to report, may use a vacation day, personal day, non-duty day or non-paid day and are to submit an absence report or time-sheet indicating the option chosen. Emergency leave will not be granted in these instances.

2. Employees who have already reported in sick (prior to the public announcement or having been contacted ~~through the calling tree~~) on a day that school is cancelled but staff are to report will be charged for a sick day.
3. Supervisors, **deans**, and lead teachers shall plan for staff assignments during days when schools are closed for students but employees must report. These activities may include: staff development, classroom preparation, paperwork, curriculum activities, cleaning, etc., depending upon the employee classification and assignment.
4. All employees (salaried and hourly) will be paid their normal wages on a day when school is closed and employees are not required to report. ~~Time sheets shall be marked "SD" (Snow Day).~~

B. ~~If the official announcement on the radio does not indicate that "teachers should still report," then only designated "emergency employees" and employees who are assigned in member district locations that have not closed are required to report. In this event, employees' payroll shall be in accordance with the following provisions.~~ **If the announcement about a school closing communicates that staff should not report to work, then staff do not need to physically report to work. However, there may also be the expectation that remote working is required.**

1. Emergency employees who are hourly employees will receive overtime pay for the time worked on a day when school is closed and other employees are not required to ~~report work~~. A minimum of four (4) hours will be worked on such a day.
2. Salaried employees shall be paid as though present at work. Salaried employees who are "emergency employees" and report for work will not receive any additional remuneration.
3. Hourly employees shall be paid as though present at work for the number of hours that they were scheduled to work on that day.
4. Employees who have already called in sick will not be charged for a sick day.
5. Employees who are on vacation, personal day or other paid absence will not be charged for that day.

VII. STAFF RESPONSIBILITIES IN THE EVENT OF A MEMBER DISTRICT

SCHOOL CLOSING WITH INTERMEDIATE DISTRICT 917 REMAINING OPEN

- A. Employees are expected to follow the directions of the member district where their work location is situated.
- B. When their work location school is closed, employees are to ~~call~~ **communicate with** their supervisor to receive direction as to whether or not they are excused for the day.
- C. Supervisors may reassign employees to another work location for the day. This could be at another program that needs assistance or a central location to perform other appropriate duties.
- D. Employees who feel that the local driving conditions for them are too dangerous to drive to the reassigned work location may use vacation, personal leave, non-duty day, or unpaid leave. No emergency leave will be granted in these situations.
- E. If the supervisor does not reassign the employees, they are excused for the day and will be paid for the hours that they were scheduled to work. Employees who have already called in sick will not be charged for a sick day. Employees who were on a scheduled personal leave day or vacation will not be charged for that day.

~~Board Approved October 5, 2004~~
~~Revised: May 1, 2007~~

601 SCHOOL DISTRICT CURRICULUM AND INSTRUCTION GOALS

I. PURPOSE

The purpose of this policy is to establish broad curriculum and instruction parameters for the school district that comply with requirements established by federal and state educational agencies.

II. GENERAL STATEMENT OF POLICY

The policy of the school district is to align its curriculum and instruction with all federal and state requirements established by law, "under which all learning in the school district should be directed and for which all school district learners should be held accountable" within the scope of the educational setting or a student's Individualized Education Program (IEP). To that end, the district is committed to providing an educational program that ensures all students will receive high quality, effective instruction, and be challenged to reach their maximum potential.

School District goals include the following:

1. All students will be required to demonstrate essential skills to effectively participate in lifelong learning.
2. Prepare students to thrive in a rapidly changing world.
3. Foster a love of learning.
4. Promote a recognition of each individual's intrinsic value and capacity to contribute to society.
5. Ensure that the curriculum used is equitable, inclusive, and reflective of all students, especially students from historically marginalized groups.

III. DEFINITIONS

- A. "Academic standard" means a summary description of student learning in a required or elective content area.
- B. "Benchmark" means specific knowledge or skill that a student must master to complete part of an academic standard by the end of the grade level or grade band.
- C. "Curriculum" means district or school adopted programs and written plans for providing students with learning experiences that lead to expected knowledge,

understanding and skills.

- D. “Instruction” means methods of providing learning experiences that enable students to meet state and district academic standards and graduation requirements.
- E. “Performance measures” are measures to determine school district and school site progress toward curricular and instructional goals and include:
 - 1. measures that are aligned with what is being taught, collects timely information, and provides meaningful interpretations to the people who will be making decisions.
 - 2. standardized norm-referenced tests, curriculum-referenced tests, ability tests, state-required tests and assessments, and other appropriate performance measures.
 - 3. analysis of the opportunity gap between white students and students of color and other historically marginalized students.
- F. “Experiential learning” means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

IV. CONTINUOUS IMPROVEMENT PLANS

- A. Each ISD 917 Principal/Assistant Director shall adopt a comprehensive, continuous improvement plan to support and improve learning and teaching that is aligned with state and federal regulations and includes the following:
 - 1. clearly defined goals and benchmarks for instruction and student achievement for all students,
 - 2. a process to assess and evaluate each student’s progress toward meeting state and local academic standards, and identify the strengths and weaknesses of instruction,
 - 3. strategies for improving instruction, curriculum, and student achievement,
 - 4. a process to implement strategies to support students from historically marginalized groups,
 - 5. education effectiveness practices that integrate high-quality instruction, rigorous curriculum, instructional and assistive technology, and a

collaborative professional culture that develops and supports teacher quality, performance, and effectiveness; and

6. a system to periodically review and evaluate the effectiveness of continuous improvement plans, including: instruction and curriculum, strategies and best practices, and student outcomes.

B. Goals for the Continuous Improvement Plan shall include the following:

1. Academics,
2. Social-Emotional Learning, and
3. Equity.

V. READING INSTRUCTION

A. Teachers provide comprehensive, scientifically based reading instruction, including a program or collection of instructional practices that is based on valid, replicable evidence.

1. The school district must identify all students who are not reading at grade level.
2. Reading assessments must identify and evaluate students' areas of academic need related to literacy. The school district also must monitor the progress and provide reading instruction appropriate to the specific needs of English learners.
3. A student identified as having a reading difficulty must be provided with alternate instruction under Minn. Stat. § 125A.56, Subd. 1.
4. At least annually, the school district must give the legal guardian of each student who is not reading at or above grade level timely information about:
 - a. the student's reading proficiency as measured by a locally adopted assessment;
 - b. reading-related services currently being provided to the student and the student's progress; and
 - c. strategies for parents to use at home in helping their students succeed in becoming grade-level proficient in reading English and their native languages.

This provision may not be used to deny a student's right to a special education evaluation.

Legal References: Minn. Stat. § 120B.018 (Definitions)
Minn. Stat. § 120B.02 (Educational Expectations for Minnesota Students)
Minn. Stat. § 120B.11 (School District Process)
Minn. Stat. § 120B.12 (Reading Proficiently no Later than the End of Grade 3)
Minn. Stat. § 120B.30, Subd. 1 (Statewide Testing and Reporting System)
Minn. Stat. § 120B.35, Subd. 3 (Student Academic Achievement and Growth)
Minn. Stat. § 122A.40, Subd. 8 (Employment; Contracts; Termination)
Minn. Stat. § 122A.41, Subd. 5 (Teacher Tenure Act; Cities of the First Class; Definitions)
Minn. Stat. § 123B.147, Subd. 3 (Principals)
Minn. Stat. § 125A.56, Subd. 1 (Alternate Instruction Required)
20 U.S.C. § 5801, *et seq.* (National Education Goals 2000)
20 U.S.C. § 6301, *et seq.* (Every Student Succeeds Act)

Cross References: MSBA/MASA Model Policy 104 (School District Mission Statement)
MSBA/MASA Model Policy 613 (Graduation Requirements)
MSBA/MASA Model Policy 614 (School District Testing Plan and Procedure)
MSBA/MASA Model Policy 615 (Testing Accommodations, Modifications, and Exemptions for IEPs, Section 504 Plans, and LEP Students)
MSBA/MASA Model Policy 616 (School District System Accountability)
MSBA/MASA Model Policy 618 (Assessment of Student Achievement)

603 CURRICULUM DEVELOPMENT

I. PURPOSE

The purpose of this policy is to provide direction for continuous review and improvement of the school curriculum that comply with requirements established by federal and state educational agencies.

II. GENERAL STATEMENT OF POLICY

Curriculum development shall be directed toward the fulfillment of the goals and objectives of the education program of the school district. The policy of the school district is to align its curriculum with all federal and state requirements established by law.

III. RESPONSIBILITY

- A. The Director of Teaching and Learning shall be responsible for curriculum development and for determining the most effective way of conducting research on the school district's curriculum needs and establishing a long range curriculum development plan. Timelines shall be determined by the Director of Teaching and Learning that will provide for periodic reviews of each curriculum area.
- B. A district advisory committee shall provide assistance at the request of the Director of Teaching and Learning. The advisory committee membership shall include teacher, support staff, member district representation, and administration representation, and shall provide translation to the extent appropriate and practicable.
- C. Within the ongoing process of curriculum development, the following needs shall be addressed:
 - 1. Provide for articulation of courses of study from early childhood through transition.
 - 2. Provide for continuing evaluation of programs for the purpose of attaining school district objectives.
 - 3. Provide a program for assessing students' academic needs and ongoing monitoring of student progress.
 - 4. Provide for specific, particular, and special needs of all members of the student community.

5. Develop a local literacy plan to improve reading for every student.
 6. Meet all applicable requirements of the Minnesota Department of Education and federal law.
- D. The Director of Teaching and Learning shall be responsible for keeping the school board informed of all state-mandated curriculum changes, as well as recommended discretionary changes, and for periodically presenting recommended modifications for school board review and approval.
- E. The Director of Teaching and Learning shall have discretionary authority to develop guidelines and directives to implement school board policy relating to curriculum development.

Legal References: Minn. Stat. § 120B.10 (Findings; Improving Instruction and Curriculum)
Minn. Stat. § 120B.11 (School District Process)
Minn. Stat. § 120B.12 (Reading Proficiently no Later than the End of Grade 3)
Minn. Stat. § 120B.125(f) (Planning for Students' Successful Transition to Postsecondary Education and Employment)
Minn. Rules Part 3500.0550 (Inclusive Educational Program)
Minn. Rules Parts 3501.0640-3501.0655 (Academic Standards for Language Arts)
Minn. Rules Parts 3501.0700-3501.0745 (Academic Standards for Mathematics)
Minn. Rules Parts 3501.0800-3501.0815 (Academic Standards for the Arts)
Minn. Rules Parts 3501.0900-3501.0955 (Academic Standards in Science)
Minn. Rules Parts 3501.1000-3501.1190 (Graduation-Required Assessment for Diploma) (repealed Minn. L. 2013, Ch. 116, Art. 2, § 22)
Minn. Rules Parts 3501.1200-3501.1210 (Academic Standards for English Language Development)
Minn. Rules Parts 3501.1300-3501.1345 (Academic Standards for Social Studies)
Minn. Rules Parts 3501.1400-3501.1410 (Academic Standards for Physical Education)
20 U.S.C. § 6301, *et seq.* (Every Student Succeeds Act)

Cross References: MSBA/MASA Model Policy 604 (Instructional Curriculum)
MSBA/MASA Model Policy 605 (Alternative Programs)
MSBA/MASA Model Policy 613 (Graduation Requirements)
MSBA/MASA Model Policy 614 (School District Testing Plan and Procedure)
MSBA/MASA Model Policy 615 (Testing Accommodations, Modifications, and Exemptions for IEPs, Section 504 Plans, and LEP Students)
MSBA/MASA Model Policy 616 (School District System Accountability)

MSBA/MASA Model Policy 617 (School District Ensurance of Preparatory and High School Standards)

MSBA/MASA Model Policy 618 (Assessment of Student Achievement)

MSBA/MASA Model Policy 619 (Staff Development for Standards)

MSBA/MASA Model Policy 620 (Credit for Learning)

MSBA/MASA Model Policy 623 (Mandatory Summer School Instruction)

Intermediate School District #917
School Board

Resolution to Accept Donations

Board member _____ introduced the following Resolution:

RESOLVED, that the School Board of Intermediate School District 917 accept the following donations, as indicated below, in the amount of \$500.

1. Donation of \$500 to be used for the Mitten Day Program at Alliance Education Center, from St. Joseph Church in Rosemount, MN. (Value: \$500.)

The motion for the adoption of the foregoing resolution was duly seconded by _____,
and upon vote being taken thereon, the following voted in favor _____
and the following voted against the same: _____

Whereupon said resolution was duly passed and adopted.

Date Board Approved: _____

AUDREY WEILER, PAYROLL SPECIALIST

PLEASE APPROVE NET PAYROLL FOR

| | | |
|--|----|------------|
| 11/13/2020 DIRECT DEPOSITS REGULAR PAY (009) | \$ | 696,003.64 |
| 11/13/2020 CHECKS | \$ | - |

NET PAYROLL \$ **696,003.64**

Authorized Signature  Date 11/24/2020

AUDREY WEILER, PAYROLL SPECIALIST

PLEASE APPROVE NET PAYROLL FOR

| | | |
|--|----|------------|
| 11/30/2020 DIRECT DEPOSITS REGULAR PAY (010) | \$ | 702,043.37 |
| 11/30/2020 CHECKS | \$ | - |

NET PAYROLL \$ **702,043.37**

Authorized Signature  Date 11/24/2020

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DISTRIBUTION FUND: 01

| CHECK NUMBER | ISSUE DATE | VENDOR | STATUS | TOTAL | DESCRIPTION |
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| 1903756 | 11/05/2020 | AMERICAN TIME & SIGNAL | R | 169.60 | ACCOUNTS PAYABLE CHECK |
| 1903757 | 11/05/2020 | ANNE HOFF, SAFE HARBOR COUNSELING | R | 2550.00 | ACCOUNTS PAYABLE CHECK |
| 1903758 | 11/05/2020 | APPLE COMPUTER, INC | R | 5919.00 | ACCOUNTS PAYABLE CHECK |
| 1903759 | 11/05/2020 | ARVIG ENTERPRISES, INC | R | 2525.71 | ACCOUNTS PAYABLE CHECK |
| 1903760 | 11/05/2020 | CANDICE GODFREY | R | 87.95 | ACCOUNTS PAYABLE CHECK |
| 1903761 | 11/05/2020 | CDWG | R | 336.79 | ACCOUNTS PAYABLE CHECK |
| 1903762 | 11/05/2020 | CINTAS CORPORATION | R | 7933.72 | ACCOUNTS PAYABLE CHECK |
| 1903763 | 11/05/2020 | FOLLETT SCHOOL SOLUTIONS, INC | R | 771.86 | ACCOUNTS PAYABLE CHECK |
| 1903764 | 11/05/2020 | FRONTIER COMMUNICATIONS | R | 517.74 | ACCOUNTS PAYABLE CHECK |
| 1903765 | 11/05/2020 | KAREN CASS FELLING, M.A., LP | R | 500.00 | ACCOUNTS PAYABLE CHECK |
| 1903766 | 11/05/2020 | MARCO TECHNOLOGIES LLC. | R | 370.00 | ACCOUNTS PAYABLE CHECK |
| 1903767 | 11/05/2020 | METRO ECSU-REGION 11 ISD #920 | R | 240.00 | ACCOUNTS PAYABLE CHECK |
| 1903768 | 11/05/2020 | MN CLN SERVICES, INC | R | 4622.80 | ACCOUNTS PAYABLE CHECK |
| 1903769 | 11/05/2020 | SAVVAS LEARNING COMPANY LLC | R | 1715.50 | ACCOUNTS PAYABLE CHECK |
| 1903770 | 11/05/2020 | PROCARE THERAPY | R | 3895.00 | ACCOUNTS PAYABLE CHECK |
| 1903771 | 11/05/2020 | REPUBLIC SERVICES #923 | R | 666.02 | ACCOUNTS PAYABLE CHECK |
| 1903772 | 11/05/2020 | RFL CONSTRUCTION | R | 8355.00 | ACCOUNTS PAYABLE CHECK |
| 1903773 | 11/05/2020 | SAM'S CLUB/SYNCHRONY BANK | R | 1553.96 | ACCOUNTS PAYABLE CHECK |
| 1903774 | 11/05/2020 | SCHOLASTIC, INC | R | 750.97 | ACCOUNTS PAYABLE CHECK |
| 1903775 | 11/05/2020 | SUNBELT STAFFING, LLC | R | 4928.00 | ACCOUNTS PAYABLE CHECK |
| 1903776 | 11/05/2020 | TEACHERS ON CALL | V | 0.00 | VOID: MULTI STUB CHECK |
| 1903777 | 11/05/2020 | TEACHERS ON CALL | R | 8902.97 | ACCOUNTS PAYABLE CHECK |
| 1903778 | 11/05/2020 | TRIG LIFE SERVICES | R | 1154.00 | ACCOUNTS PAYABLE CHECK |
| 1903779 | 11/05/2020 | TWIN CITY HARDWARE COMPANY INC | R | 396.25 | ACCOUNTS PAYABLE CHECK |
| 1903780 | 11/05/2020 | UNIQUE SOFTWARE CORP | R | 179.00 | ACCOUNTS PAYABLE CHECK |
| 1903781 | 11/05/2020 | VERIZON WIRELESS | R | 1690.51 | ACCOUNTS PAYABLE CHECK |
| 1903782 | 11/05/2020 | VOMELA SPECIALTY COMPANY INC | R | 826.79 | ACCOUNTS PAYABLE CHECK |
| 1903783 | 11/12/2020 | ABLENET INC. | R | 15.00 | ACCOUNTS PAYABLE CHECK |
| 1903784 | 11/12/2020 | APPLE COMPUTER, INC | R | 2147.00 | ACCOUNTS PAYABLE CHECK |
| 1903785 | 11/12/2020 | AUTISM-PRODUCTS | R | 132.20 | ACCOUNTS PAYABLE CHECK |
| 1903786 | 11/12/2020 | CHROMEBOOKPARTS.COM | R | 161.94 | ACCOUNTS PAYABLE CHECK |
| 1903787 | 11/12/2020 | CINTAS CORPORATION | R | 5280.00 | ACCOUNTS PAYABLE CHECK |
| 1903788 | 11/12/2020 | CUB FOODS - ROSEMOUNT | R | 261.46 | ACCOUNTS PAYABLE CHECK |
| 1903789 | 11/12/2020 | ENABLING DEVICES/ | R | 224.90 | ACCOUNTS PAYABLE CHECK |
| 1903790 | 11/12/2020 | FRONTIER COMMUNICATIONS | R | 803.38 | ACCOUNTS PAYABLE CHECK |
| 1903791 | 11/12/2020 | HILDI INCORPORATED | R | 50.00 | ACCOUNTS PAYABLE CHECK |
| 1903792 | 11/12/2020 | KAREN CASS FELLING, M.A., LP | R | 700.00 | ACCOUNTS PAYABLE CHECK |
| 1903793 | 11/12/2020 | MARTIN LAW FIRM PLLC | R | 396.00 | ACCOUNTS PAYABLE CHECK |
| 1903794 | 11/12/2020 | MENARDS | R | 2024.66 | ACCOUNTS PAYABLE CHECK |
| 1903795 | 11/12/2020 | METRO ECSU-REGION 11 ISD #920 | R | 240.00 | ACCOUNTS PAYABLE CHECK |
| 1903796 | 11/12/2020 | MICROSOFT CORPORATION | R | 599.00 | ACCOUNTS PAYABLE CHECK |
| 1903797 | 11/12/2020 | MN ENERGY RESOURCES CORPORATION | R | 741.06 | ACCOUNTS PAYABLE CHECK |
| 1903798 | 11/12/2020 | PLANSOURCE BENEFITS ADMINISTRATION, | R | 3645.60 | ACCOUNTS PAYABLE CHECK |
| 1903799 | 11/12/2020 | PROCARE THERAPY | R | 2275.00 | ACCOUNTS PAYABLE CHECK |
| 1903800 | 11/12/2020 | PROFESSIONAL CRISIS MANAGEMENT ASSO | R | 6320.00 | ACCOUNTS PAYABLE CHECK |
| 1903801 | 11/12/2020 | RIFTON EQ/COMMUNITY PRODUCTS LLC | R | 82.50 | ACCOUNTS PAYABLE CHECK |
| 1903802 | 11/12/2020 | SCHOOL SPECIALTY | R | 6578.00 | ACCOUNTS PAYABLE CHECK |
| 1903803 | 11/12/2020 | SOURCEWELL TECHNOLOGIES | R | 11302.66 | ACCOUNTS PAYABLE CHECK |
| 1903804 | 11/12/2020 | THE SERVICE AGENCY | R | 1980.00 | ACCOUNTS PAYABLE CHECK |
| 1903805 | 11/12/2020 | TIERNEY BROS. INC | R | 891.80 | ACCOUNTS PAYABLE CHECK |
| 1903806 | 11/12/2020 | WESTONE | R | 634.80 | ACCOUNTS PAYABLE CHECK |
| 1903807 | 11/13/2020 | WISCONSIN SCTF | R | 845.39 | ACCOUNTS PAYABLE CHECK |
| 1903808 | 11/13/2020 | EDUCATION MINNESOTA, LOCAL 3904 | R | 9600.77 | ACCOUNTS PAYABLE CHECK |

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| 1903809 | 11/13/2020 | NCPERS GROUP LIFE INS | R | 32.00 | ACCOUNTS PAYABLE CHECK |
| 1903810 | 11/13/2020 | O.P.E.I.U., LOCAL 12 | R | 573.77 | ACCOUNTS PAYABLE CHECK |
| 1903811 | 11/13/2020 | RELATED SERVICES NURSES ESP | R | 160.70 | ACCOUNTS PAYABLE CHECK |
| 1903812 | 11/13/2020 | S.E.P., LOCAL 4242 | R | 3565.52 | ACCOUNTS PAYABLE CHECK |
| 1903813 | 11/13/2020 | IVY FUNDS | R | 2244.37 | ACCOUNTS PAYABLE CHECK |
| 1903814 | 11/24/2020 | ADAPTIVE TECH SOLUTIONS LLC | R | 263.16 | ACCOUNTS PAYABLE CHECK |
| 1903815 | 11/24/2020 | ALL IN ONE TRANSLATION AGENCY, LLC | R | 495.00 | ACCOUNTS PAYABLE CHECK |
| 1903816 | 11/24/2020 | APPLE COMPUTER, INC | R | 1058.95 | ACCOUNTS PAYABLE CHECK |
| 1903817 | 11/24/2020 | ASL INTERPRETING SERVICES, INC | R | 128.00 | ACCOUNTS PAYABLE CHECK |
| 1903818 | 11/24/2020 | CANON USA | R | 208.51 | ACCOUNTS PAYABLE CHECK |
| 1903819 | 11/24/2020 | CARSON DELLOSA | R | 121.12 | ACCOUNTS PAYABLE CHECK |
| 1903820 | 11/24/2020 | CDWG | R | 89.60 | ACCOUNTS PAYABLE CHECK |
| 1903821 | 11/24/2020 | DAKOTA COUNTY SHERIFF | R | 28654.80 | ACCOUNTS PAYABLE CHECK |
| 1903822 | 11/24/2020 | DAKOTA TRUCK UNDERWRITERS | R | 38924.00 | ACCOUNTS PAYABLE CHECK |
| 1903823 | 11/24/2020 | DICK'S VALLEY SERVICE, INC | R | 105.00 | ACCOUNTS PAYABLE CHECK |
| 1903824 | 11/24/2020 | EDUCATORS BENEFIT CONSULTANTS, LLC | R | 237.52 | ACCOUNTS PAYABLE CHECK |
| 1903825 | 11/24/2020 | EXCEPTIONAL TEACHING, INC. | R | 479.95 | ACCOUNTS PAYABLE CHECK |
| 1903826 | 11/24/2020 | FRONTIER COMMUNICATIONS | R | 1209.39 | ACCOUNTS PAYABLE CHECK |
| 1903827 | 11/24/2020 | HOSANNA CHURCH | R | 2500.00 | ACCOUNTS PAYABLE CHECK |
| 1903828 | 11/24/2020 | IND SCH DIST 191 | R | 66831.71 | ACCOUNTS PAYABLE CHECK |
| 1903829 | 11/24/2020 | IND SCH DIST 197 | R | 3758.30 | ACCOUNTS PAYABLE CHECK |
| 1903830 | 11/24/2020 | INT SCH DIST 287 | R | 2952.25 | ACCOUNTS PAYABLE CHECK |
| 1903831 | 11/24/2020 | INVER HILLS COMMUNITY COLLEGE | R | 271.55 | ACCOUNTS PAYABLE CHECK |
| 1903832 | 11/24/2020 | INVER HILLS COMMUNITY COLLEGE | R | 716.00 | ACCOUNTS PAYABLE CHECK |
| 1903833 | 11/24/2020 | MALLOY, MONTAGUE, KARNOWSKI, RADOSE | R | 6500.00 | ACCOUNTS PAYABLE CHECK |
| 1903834 | 11/24/2020 | MCGRAW-HILL EDUCATION | R | 216.36 | ACCOUNTS PAYABLE CHECK |
| 1903835 | 11/24/2020 | MINNESOTA DEPARTMENT OF HEALTH | R | 2800.00 | ACCOUNTS PAYABLE CHECK |
| 1903836 | 11/24/2020 | MULTI-HEALTH SYSTEMS INC. | R | 127.50 | ACCOUNTS PAYABLE CHECK |
| 1903837 | 11/24/2020 | PROCARE THERAPY | R | 4602.50 | ACCOUNTS PAYABLE CHECK |
| 1903838 | 11/24/2020 | REINHART FOODSERVICE, LLC | R | 384.95 | ACCOUNTS PAYABLE CHECK |
| 1903839 | 11/24/2020 | SCHOLASTIC, INC | R | 162.06 | ACCOUNTS PAYABLE CHECK |
| 1903840 | 11/24/2020 | SOURCEWELL TECHNOLOGIES | R | 2178.78 | ACCOUNTS PAYABLE CHECK |
| 1903841 | 11/24/2020 | SOUTHWEST/WEST CENTRAL SERVICE CORP | R | 12.00 | ACCOUNTS PAYABLE CHECK |
| 1903842 | 11/24/2020 | SUMMIT FIRE PROTECTION | R | 600.00 | ACCOUNTS PAYABLE CHECK |
| 1903843 | 11/24/2020 | SUNBELT STAFFING, LLC | R | 9336.25 | ACCOUNTS PAYABLE CHECK |
| 1903844 | 11/24/2020 | TEACHERS ON CALL | R | 7999.75 | ACCOUNTS PAYABLE CHECK |
| 1903845 | 11/24/2020 | TEAMWORKS INTERNATIONAL | R | 1250.00 | ACCOUNTS PAYABLE CHECK |
| 1903846 | 11/24/2020 | UNIVERSITY OF ST. THOMAS | R | 55440.00 | ACCOUNTS PAYABLE CHECK |
| 1903847 | 11/24/2020 | WESTERN PSYCHOLOGICAL SERVICES | R | 1612.80 | ACCOUNTS PAYABLE CHECK |
| *V4000726 | 11/17/2020 | ADAPTIVEMALL.COM, LLC | R | 1488.95 | ACCOUNTS PAYABLE VOUCHER |
| *V4000727 | 11/17/2020 | CITY OF APPLE VALLEY | R | 551.13 | ACCOUNTS PAYABLE VOUCHER |
| *V4000728 | 11/17/2020 | CITY OF INVER GROVE HTS | R | 305.08 | ACCOUNTS PAYABLE VOUCHER |
| *V4000729 | 11/17/2020 | LOVING GUIDANCE INC | R | 1179.00 | ACCOUNTS PAYABLE VOUCHER |
| *V4000730 | 11/17/2020 | GOPHER SPORT | R | 909.97 | ACCOUNTS PAYABLE VOUCHER |
| *V4000731 | 11/17/2020 | HEALTHIEST YOU | R | 3950.00 | ACCOUNTS PAYABLE VOUCHER |
| *V4000732 | 11/17/2020 | INNOVATIVE OFFICE SOLUTIONS | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000733 | 11/17/2020 | INNOVATIVE OFFICE SOLUTIONS | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000734 | 11/17/2020 | INNOVATIVE OFFICE SOLUTIONS | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000735 | 11/17/2020 | INNOVATIVE OFFICE SOLUTIONS | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000736 | 11/17/2020 | INNOVATIVE OFFICE SOLUTIONS | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000737 | 11/19/2020 | INNOVATIVE OFFICE SOLUTIONS | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000737 | 11/17/2020 | INNOVATIVE OFFICE SOLUTIONS | R | -13659.78 | VOID MANUAL CHECK |
| *V4000738 | 11/17/2020 | JAMES STANFIELD CO, INC | R | 533.93 | ACCOUNTS PAYABLE VOUCHER |
| *V4000739 | 11/17/2020 | LAKESHORE LEARNING MATERIALS | R | 3202.50 | ACCOUNTS PAYABLE VOUCHER |
| *V4000740 | 11/17/2020 | MINNESOTA READING ASSOCIATION | R | 300.00 | ACCOUNTS PAYABLE VOUCHER |
| *V4000741 | 11/17/2020 | OFFICE DEPOT | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000742 | 11/17/2020 | OFFICE DEPOT | R | 255.35 | ACCOUNTS PAYABLE VOUCHER |

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| *V4000742 | 11/19/2020 | OFFICE DEPOT | V | -255.35 | VOID MANUAL CHECK |
| *V4000743 | 11/17/2020 | PEAR DECK, INC | R | 3101.00 | ACCOUNTS PAYABLE VOUCHER |
| *V4000744 | 11/17/2020 | PITNEY BOWES | R | 223.56 | ACCOUNTS PAYABLE VOUCHER |
| *V4000745 | 11/17/2020 | PRO-ED, INC | R | 1001.00 | ACCOUNTS PAYABLE VOUCHER |
| *V4000746 | 11/17/2020 | PROFESSIONAL WIRELESS COMMUNICATION | R | 1303.50 | ACCOUNTS PAYABLE VOUCHER |
| *V4000747 | 11/17/2020 | SCHOOL NURSE SUPPLY | R | 576.30 | ACCOUNTS PAYABLE VOUCHER |
| *V4000748 | 11/17/2020 | SCHOOL OUTFITTERS | R | 977.42 | ACCOUNTS PAYABLE VOUCHER |
| *V4000749 | 11/17/2020 | SCHOOL SPECIALTY | R | 874.43 | ACCOUNTS PAYABLE VOUCHER |
| *V4000750 | 11/17/2020 | SHOWFIRE DISPLAYS | R | 1231.50 | ACCOUNTS PAYABLE VOUCHER |
| *V4000751 | 11/17/2020 | SOUTHPAW ENTERPRISES | R | 4830.72 | ACCOUNTS PAYABLE VOUCHER |
| *V4000752 | 11/17/2020 | SPECTRUM BRANDS | R | 997.60 | ACCOUNTS PAYABLE VOUCHER |
| *V4000753 | 11/17/2020 | SUMMIT PROFESSIONAL EDUCATION | R | 1884.87 | ACCOUNTS PAYABLE VOUCHER |
| *V4000754 | 11/17/2020 | TEACHING STRATEGIES, LLC | R | 416.10 | ACCOUNTS PAYABLE VOUCHER |
| *V4000755 | 11/17/2020 | THE HOME DEPOT PRO | R | 865.25 | ACCOUNTS PAYABLE VOUCHER |
| *V4000756 | 11/17/2020 | THE PIN DEPOT NETWORK, LLC | R | 1620.00 | ACCOUNTS PAYABLE VOUCHER |
| *V4000757 | 11/17/2020 | UNIVERSAL CLEANING SERVICES | R | 11011.18 | ACCOUNTS PAYABLE VOUCHER |
| *V4000757 | 11/19/2020 | UNIVERSAL CLEANING SERVICES | V | -11011.18 | VOID MANUAL CHECK |
| *V4000758 | 11/17/2020 | VIRCO MFG CORP | R | 3309.32 | ACCOUNTS PAYABLE VOUCHER |
| *V4000759 | 11/17/2020 | ZANER-BLOSER | R | 829.49 | ACCOUNTS PAYABLE VOUCHER |
| *V4000760 | 11/19/2020 | INNOVATIVE OFFICE SOLUTIONS | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000761 | 11/19/2020 | INNOVATIVE OFFICE SOLUTIONS | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000762 | 11/19/2020 | INNOVATIVE OFFICE SOLUTIONS | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000763 | 11/19/2020 | INNOVATIVE OFFICE SOLUTIONS | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000764 | 11/19/2020 | INNOVATIVE OFFICE SOLUTIONS | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000765 | 11/19/2020 | INNOVATIVE OFFICE SOLUTIONS | R | 13051.50 | ACCOUNTS PAYABLE VOUCHER |
| *V4000766 | 11/19/2020 | OFFICE DEPOT | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000767 | 11/19/2020 | OFFICE DEPOT | V | 0.00 | VOID: MULTI STUB VOUCHER |
| *V4000768 | 11/19/2020 | OFFICE DEPOT | R | 1371.47 | ACCOUNTS PAYABLE VOUCHER |
| *V4000769 | 11/19/2020 | UNIVERSAL CLEANING SERVICES | R | 11011.08 | ACCOUNTS PAYABLE VOUCHER |
| *V4000770 | 11/20/2020 | AMAZON.COM, LLC | R | 275.94 | ACCOUNTS PAYABLE VOUCHER |
| *V4000771 | 11/20/2020 | BARNES & NOBLE | R | 13.87 | ACCOUNTS PAYABLE VOUCHER |
| *V4000772 | 11/20/2020 | WELLS FARGO | R | 5171.99 | ACCOUNTS PAYABLE VOUCHER |
| *V4000773 | 11/20/2020 | CLEARMASK, LLC | R | 1199.00 | ACCOUNTS PAYABLE VOUCHER |
| *V4000774 | 11/20/2020 | LOVING GUIDANCE INC | R | 351.00 | ACCOUNTS PAYABLE VOUCHER |
| *V4000775 | 11/20/2020 | NASCO | R | 447.13 | ACCOUNTS PAYABLE VOUCHER |
| *V4000776 | 11/20/2020 | NCS PEARSON, INC. | R | 66.50 | ACCOUNTS PAYABLE VOUCHER |
| *V4000777 | 11/20/2020 | PSYCHOLOGICAL ASSESSMENT RESOURCE, | R | 492.70 | ACCOUNTS PAYABLE VOUCHER |
| *V4000777 | 11/24/2020 | PSYCHOLOGICAL ASSESSMENT RESOURCE, | V | -492.70 | VOID MANUAL CHECK |
| *V4000778 | 11/24/2020 | PESI | V | -119.99 | VOID MANUAL CHECK |
| *V4000778 | 11/20/2020 | PESI | R | 119.99 | ACCOUNTS PAYABLE VOUCHER |
| *V4000779 | 11/20/2020 | SCRUBS.COM | R | 3200.15 | ACCOUNTS PAYABLE VOUCHER |
| *V4000780 | 11/20/2020 | SEESAW | R | 360.00 | ACCOUNTS PAYABLE VOUCHER |
| *V4000781 | 11/20/2020 | THERAPY NOTES, LLC | R | 320.00 | ACCOUNTS PAYABLE VOUCHER |
| *V4000782 | 11/24/2020 | WELLS FARGO | R | 490.90 | ACCOUNTS PAYABLE VOUCHER |
| *V6602777 | 11/12/2020 | DONN JACOB ANDERSON | R | 119.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602778 | 11/12/2020 | BREANNA DARLENE BAKER | R | 13.80 | ACCOUNTS PAYABLE VOUCHER |
| *V6602779 | 11/12/2020 | JESSICA DAWN CHAMBLIN | R | 78.20 | ACCOUNTS PAYABLE VOUCHER |
| *V6602780 | 11/12/2020 | CRAIG ALAN CURTIS | R | 248.98 | ACCOUNTS PAYABLE VOUCHER |
| *V6602781 | 11/12/2020 | ANGELITA LEE FLEMING | R | 28.75 | ACCOUNTS PAYABLE VOUCHER |
| *V6602782 | 11/12/2020 | ELIZABETH KAY GARLOUGH | R | 56.93 | ACCOUNTS PAYABLE VOUCHER |
| *V6602783 | 11/12/2020 | ADDIE SUZANNE GESKE | R | 27.60 | ACCOUNTS PAYABLE VOUCHER |
| *V6602784 | 11/12/2020 | DONNA GAYLE GREENFIELD | R | 99.48 | ACCOUNTS PAYABLE VOUCHER |
| *V6602785 | 11/12/2020 | CASSIE J. GROFF | R | 153.53 | ACCOUNTS PAYABLE VOUCHER |
| *V6602786 | 11/12/2020 | LUCINDA SUE HANSON | R | 135.29 | ACCOUNTS PAYABLE VOUCHER |
| *V6602787 | 11/12/2020 | PETER ALLYN HENDRICKS | R | 74.18 | ACCOUNTS PAYABLE VOUCHER |
| *V6602788 | 11/12/2020 | KENNETH J. HENNES | R | 6.33 | ACCOUNTS PAYABLE VOUCHER |
| *V6602789 | 11/12/2020 | CHRISTINE HALBY HERZOG | R | 8.63 | ACCOUNTS PAYABLE VOUCHER |

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| *V6602790 | 11/12/2020 | AMY TAMARAH WOLF KAUFMAN | R | 104.65 | ACCOUNTS PAYABLE VOUCHER |
| *V6602791 | 11/12/2020 | JENNIFER ANN LENTZ | R | 56.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602792 | 11/12/2020 | MEGAN MARIE LUSCOMB | R | 49.45 | ACCOUNTS PAYABLE VOUCHER |
| *V6602793 | 11/12/2020 | MONIQUE NICOLE MARPLE | R | 13.80 | ACCOUNTS PAYABLE VOUCHER |
| *V6602794 | 11/12/2020 | JESSICA KAY MONTGOMERY | R | 29.33 | ACCOUNTS PAYABLE VOUCHER |
| *V6602795 | 11/12/2020 | LYNN CATHERINE MORRIS | R | 146.19 | ACCOUNTS PAYABLE VOUCHER |
| *V6602796 | 11/12/2020 | JAMES ANTHONY MYRMAN | R | 8.05 | ACCOUNTS PAYABLE VOUCHER |
| *V6602797 | 11/12/2020 | HOLLY MARIE PEMBLE | R | 83.38 | ACCOUNTS PAYABLE VOUCHER |
| *V6602798 | 11/12/2020 | JUSTIN MATTHEW PETERSON | R | 56.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602799 | 11/12/2020 | HANNAH ELAINE PITZL | R | 26.45 | ACCOUNTS PAYABLE VOUCHER |
| *V6602800 | 11/12/2020 | LYNN MARIE QUAM | R | 13.80 | ACCOUNTS PAYABLE VOUCHER |
| *V6602801 | 11/12/2020 | KATHRYN KELLY REUDER | R | 91.43 | ACCOUNTS PAYABLE VOUCHER |
| *V6602802 | 11/12/2020 | JESSICA LYNN RICHTER | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602803 | 11/12/2020 | KATHLEEN RUBBO RICK | R | 65.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602804 | 11/12/2020 | AMY SUE RIESGRAF | R | 30.42 | ACCOUNTS PAYABLE VOUCHER |
| *V6602805 | 11/12/2020 | KAYLA MARIE ROUSH | R | 108.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602806 | 11/12/2020 | MICHELLE JEAN SHANLEY | R | 128.23 | ACCOUNTS PAYABLE VOUCHER |
| *V6602807 | 11/12/2020 | NICHOLE LEIGH SHORT | R | 53.34 | ACCOUNTS PAYABLE VOUCHER |
| *V6602808 | 11/12/2020 | CORTNEY ELIZABETH SMITH | R | 16.10 | ACCOUNTS PAYABLE VOUCHER |
| *V6602809 | 11/12/2020 | WILLIAM MERVAN SPROULS | R | 70.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602810 | 11/12/2020 | ANN MARGUERITE STAPLES | R | 32.22 | ACCOUNTS PAYABLE VOUCHER |
| *V6602811 | 11/12/2020 | DEBRA NYLENE STRESE | R | 35.65 | ACCOUNTS PAYABLE VOUCHER |
| *V6602812 | 11/12/2020 | BRETT MICHAEL SWANSON | R | 36.57 | ACCOUNTS PAYABLE VOUCHER |
| *V6602813 | 11/12/2020 | SHANYN NICOLE TUFTEE | R | 146.05 | ACCOUNTS PAYABLE VOUCHER |
| *V6602814 | 11/12/2020 | MICHELLE LYNN VOLLBRECHT | R | 148.50 | ACCOUNTS PAYABLE VOUCHER |
| *V6602815 | 11/12/2020 | FRAN LOUISE WOOD | R | 169.05 | ACCOUNTS PAYABLE VOUCHER |
| *V6602816 | 11/20/2020 | HOLLY SUZANNE ABEL | R | 34.50 | ACCOUNTS PAYABLE VOUCHER |
| *V6602817 | 11/20/2020 | MARY MICHELLE ADOLPHSON | R | 41.40 | ACCOUNTS PAYABLE VOUCHER |
| *V6602818 | 11/20/2020 | JENNIFER MARIE BAXTER | R | 73.77 | ACCOUNTS PAYABLE VOUCHER |
| *V6602819 | 11/20/2020 | TARA JO BLACKERT | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602820 | 11/20/2020 | LOREEN M. BOHNERT | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602821 | 11/20/2020 | MATTHEW KYLE BRUNS | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602822 | 11/20/2020 | DON JAMES BUDACH | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602823 | 11/20/2020 | ANNE LOUISE BYER | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602824 | 11/20/2020 | CRAIG ALAN CURTIS | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602825 | 11/20/2020 | JAMIE AUTUMN DALBESIO | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602826 | 11/20/2020 | MEGHAN LOUISE DOBSON | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602827 | 11/20/2020 | NANCY JEAN DYE | R | 39.68 | ACCOUNTS PAYABLE VOUCHER |
| *V6602828 | 11/20/2020 | KATHERINE DIANE ENGEL | R | 97.18 | ACCOUNTS PAYABLE VOUCHER |
| *V6602829 | 11/20/2020 | PAMELA VICK GARRETSON | R | 424.66 | ACCOUNTS PAYABLE VOUCHER |
| *V6602830 | 11/20/2020 | DONNA GAYLE GREENFIELD | R | 50.03 | ACCOUNTS PAYABLE VOUCHER |
| *V6602831 | 11/20/2020 | PETER ALLYN HENDRICKS | R | 44.85 | ACCOUNTS PAYABLE VOUCHER |
| *V6602832 | 11/20/2020 | JENNIFER AMY HETLAND | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602833 | 11/20/2020 | MELISSA ROCHELL HO | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602834 | 11/20/2020 | JUSTIN DAVID HOELSCHER | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602835 | 11/20/2020 | COURTNEY ELIZABETH INMAN | R | 36.23 | ACCOUNTS PAYABLE VOUCHER |
| *V6602836 | 11/20/2020 | CINDY LOU JACOBS | R | 30.48 | ACCOUNTS PAYABLE VOUCHER |
| *V6602837 | 11/20/2020 | CHRISTYNA HELENE JAROSH | R | 85.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602838 | 11/20/2020 | LORI ANN KLEIN | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602839 | 11/20/2020 | SHANNA MARIE KNUTSON | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602840 | 11/20/2020 | LAURA MARIE KVAMME | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602841 | 11/20/2020 | CORY LEE LANGENFELD | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602842 | 11/20/2020 | ABIGAIL MARIE EVANS LARSON | R | 45.43 | ACCOUNTS PAYABLE VOUCHER |
| *V6602843 | 11/20/2020 | CATHLEEN CAROL MATTICE | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602844 | 11/20/2020 | SHANNON BRENNAN BRENNAN | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602845 | 11/20/2020 | RACHEL ERIN NOVY | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602846 | 11/20/2020 | JENNIFER LEE OLSON | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |

SOURCEWELL
DATE: 11/25/2020
TIME: 13:13:40

INTERMEDIATE SCHOOL DISTRICT
CHECK REGISTER INCLUDING SYSTEM VOIDS

PAGE NUMBER: 5
ACCTPA21
ACCOUNTING PERIOD: 5/21

SELECTION CRITERIA: chkstat.rundate between '20201104 00:00:00.000' and '20201125 00:00:00.000'

| | | | | | |
|--------------|------------|---------------------------------|---|------------|--------------------------|
| *V6602847 | 11/20/2020 | AMANDA LYNN PETERS | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602848 | 11/20/2020 | BROOKE ALLYSON PETERSON | R | 2348.44 | ACCOUNTS PAYABLE VOUCHER |
| *V6602849 | 11/20/2020 | VANDA JOY PRESSNALL | R | 21.85 | ACCOUNTS PAYABLE VOUCHER |
| *V6602850 | 11/20/2020 | WENDI MARLAINA RENKEN | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602851 | 11/20/2020 | MELANIE ANN RIX | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602852 | 11/20/2020 | NICOLLE KATHERINE ROUSH | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602853 | 11/20/2020 | MELISSA RAE SCHALLER | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602854 | 11/20/2020 | MICHELLE JEAN SHANLEY | R | 117.30 | ACCOUNTS PAYABLE VOUCHER |
| *V6602855 | 11/20/2020 | WILLIAM MERVAN SPROULS | R | 69.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602856 | 11/20/2020 | ANN MARGUERITE STAPLES | R | 16.10 | ACCOUNTS PAYABLE VOUCHER |
| *V6602857 | 11/20/2020 | AMY LYNN SWANEY | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602858 | 11/20/2020 | THOMAS JOSEPH SZEWCZYK | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602859 | 11/20/2020 | BRENDA JEAN SZOKA | R | 31.63 | ACCOUNTS PAYABLE VOUCHER |
| *V6602860 | 11/20/2020 | LAURA J. TENNESSEN | R | 23.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602861 | 11/20/2020 | TAYLOR MAY THOMAS | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602862 | 11/20/2020 | BETHANY ANN THORSON | R | 18.34 | ACCOUNTS PAYABLE VOUCHER |
| *V6602863 | 11/20/2020 | SHANYN NICOLE TUFTEE | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602864 | 11/20/2020 | ERIC JOSEPH VAN BROCKLIN | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602865 | 11/20/2020 | MICHELLE LYNN VOLLBRECHT | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602866 | 11/20/2020 | SARAH MICHELLE WEILER | R | 24.15 | ACCOUNTS PAYABLE VOUCHER |
| *V6602867 | 11/20/2020 | SCOTT MICHAEL ZEHNDER | R | 20.00 | ACCOUNTS PAYABLE VOUCHER |
| *V6602868 | 11/20/2020 | MARK A. ZUZEK | R | 90.00 | ACCOUNTS PAYABLE VOUCHER |
| *V7701263 | 11/04/2020 | PLANSOURCE FLEX BEN. | R | 1363.62 | ACCOUNTS PAYABLE VOUCHER |
| *V7701264 | 11/04/2020 | MEDICA | R | 39507.20 | ACCOUNTS PAYABLE VOUCHER |
| *V7701265 | 11/13/2020 | MN CHILD SUPPORT PAYMENT CENTER | R | 237.70 | ACCOUNTS PAYABLE VOUCHER |
| *V7701266 | 11/13/2020 | AMERIPRISE FINANCIAL ADVISORS | R | 7679.50 | ACCOUNTS PAYABLE VOUCHER |
| *V7701267 | 11/13/2020 | AXA EQUITABLE LIFE INS CO | R | 3761.15 | ACCOUNTS PAYABLE VOUCHER |
| *V7701268 | 11/13/2020 | FIDELITY INVSTMT TAX-EX SVC CO | R | 7150.43 | ACCOUNTS PAYABLE VOUCHER |
| *V7701269 | 11/13/2020 | HEALTH EQUITY, INC. | R | 26386.84 | ACCOUNTS PAYABLE VOUCHER |
| *V7701270 | 11/13/2020 | HORACE MANN LIFE INS | R | 2299.61 | ACCOUNTS PAYABLE VOUCHER |
| *V7701271 | 11/13/2020 | INTERNAL REVENUE SERVICE | R | 229566.33 | ACCOUNTS PAYABLE VOUCHER |
| *V7701272 | 11/13/2020 | EDUCATION MN ESI BILLING TRUST | R | 10416.30 | ACCOUNTS PAYABLE VOUCHER |
| *V7701273 | 11/13/2020 | MN DEPT OF REVENUE | R | 37333.34 | ACCOUNTS PAYABLE VOUCHER |
| *V7701274 | 11/13/2020 | MN STATE RETIREMENT SYSTEM | R | 2245.83 | ACCOUNTS PAYABLE VOUCHER |
| *V7701275 | 11/13/2020 | EXECUTIVE DIRECTOR | R | 50437.02 | ACCOUNTS PAYABLE VOUCHER |
| *V7701276 | 11/13/2020 | STATE TREASURER, TRA | R | 110250.87 | ACCOUNTS PAYABLE VOUCHER |
| *V7701277 | 11/13/2020 | VARIABLE ANNUITY LIFE INS CO | R | 7904.06 | ACCOUNTS PAYABLE VOUCHER |
| *V7701278 | 11/13/2020 | VOYA | R | 2698.53 | ACCOUNTS PAYABLE VOUCHER |
| *V7701279 | 11/13/2020 | MEDICA | R | 86360.25 | ACCOUNTS PAYABLE VOUCHER |
| *V7701280 | 11/13/2020 | PLANSOURCE FLEX BEN. | R | 2064.36 | ACCOUNTS PAYABLE VOUCHER |
| *V7701281 | 11/18/2020 | MEDICA | R | 67344.24 | ACCOUNTS PAYABLE VOUCHER |
| *V7701282 | 11/20/2020 | DELTA DENTAL OF MINNESOTA | R | 44495.77 | ACCOUNTS PAYABLE VOUCHER |
| *V7701283 | 11/20/2020 | VOYA | R | 45.00 | ACCOUNTS PAYABLE VOUCHER |
| TOTAL FUND | | | | 1190348.86 | |
| TOTAL REPORT | | | | 1190348.86 | |

**INTERMEDIATE SCHOOL DISTRICT 917
SCHOOL BOARD REPORT OF
CONSOLIDATED INVESTMENTS (GENERAL & BUILDING)**

October 2020

| ACCOUNT NAME | ACCT NO | BEGINNING BALANCE | PURCHASES CREDITS | SALES TRANSFERS | INVESTMENT FEES | INTEREST EARNED | ENDING BALANCE | YEAR TO DATE INTEREST EARNED |
|---|---------|----------------------|---------------------|-------------------|-----------------|-----------------|----------------------|------------------------------|
| MSDLAF + MAX | 01 | 10,045,097.96 | 2,000,000.00 | 750,000.00 | 0.00 | 405.98 | 11,295,503.94 | 3,896.46 |
| MSDLAF Liquid | 01 | 830.96 | 0.00 | 831.03 | 0.00 | 0.11 | 0.04 | 0.33 |
| MSDLAF TERM (CD's, Term, Comm) maturity | 01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL | | 10,045,928.92 | 2,000,000.00 | 750,831.03 | 0.00 | 406.09 | 11,295,503.98 | 3,896.79 |

EXPLANATION: The above are School District Investments complying with the requirements of Minnesota Statutes 118.01, 471.56 and 475.66.

1. MSDMAX is MSDLAF'S "Max Portfolio" and includes pooled investments plus banker's acceptances, commercial paper, repurchase agreements and US Government obligations.
2. MSDLAF is MSDLAF'S primary clearing "Money Market" fund. All fixed rate investments (FRI) clear through this account as do maturities, interest, and fees.

NOTE: October, 2020 Average MSDLAF Liquid Rate was .02% and the MSDLAF+MAX Average Rate was .04%.
MSDLAF Term Average Rate is .00%.



Account Statement - Transaction Summary

For the Month Ending **October 31, 2020**

INTERMEDIATE SCHOOL DISTRICT 917 - STATE PAYMENTS - 600430

| MSDLAF+ Liquid Class | |
|----------------------|------|
| Opening Market Value | 0.04 |
| Purchases | 0.00 |
| Redemptions | 0.00 |
| Unsettled Trades | 0.00 |
| Change in Value | 0.00 |

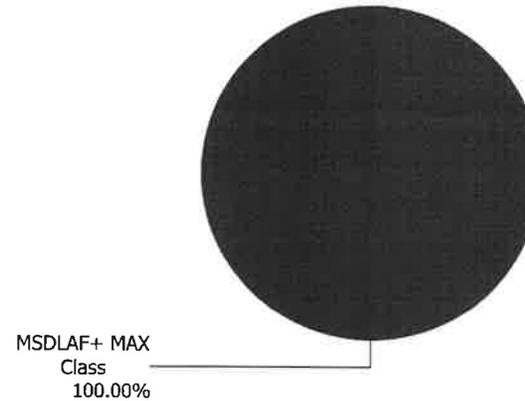
| | |
|-----------------------------|---------------|
| Closing Market Value | \$0.04 |
| Cash Dividends and Income | 0.00 |

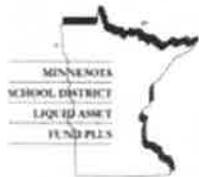
| MSDLAF+ MAX Class | |
|----------------------|---------------|
| Opening Market Value | 10,045,097.96 |
| Purchases | 2,000,405.98 |
| Redemptions | (750,000.00) |
| Unsettled Trades | 0.00 |
| Change in Value | 0.00 |

| | |
|-----------------------------|------------------------|
| Closing Market Value | \$11,295,503.94 |
| Cash Dividends and Income | 405.98 |

| Asset Summary | | |
|-----------------------------|------------------------|------------------------|
| | October 31, 2020 | September 30, 2020 |
| MSDLAF+ Liquid Class | 0.04 | 0.04 |
| MSDLAF+ MAX Class | 11,295,503.94 | 10,045,097.96 |
| Total | \$11,295,503.98 | \$10,045,098.00 |

Asset Allocation





Account Statement

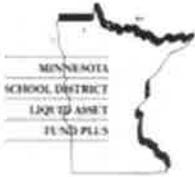
For the Month Ending **October 31, 2020**

INTERMEDIATE SCHOOL DISTRICT 917 - STATE PAYMENTS - 600430

| Trade Date | Settlement Date | Transaction Description | Share or Unit Price | Dollar Amount of Transaction | Total Shares Owned |
|-----------------------------|-----------------|-------------------------|---------------------|------------------------------|--------------------|
| MSDLAF+ Liquid Class | | | | | |
| Opening Balance | | | | | 0.04 |
| Closing Balance | | | | | 0.04 |

| | Month of October | Fiscal YTD July-October | | |
|-----------------------------------|------------------|-------------------------|-----------------------------------|-------|
| Opening Balance | 0.04 | 830.96 | Closing Balance | 0.04 |
| Purchases | 0.00 | 0.11 | Average Monthly Balance | 0.04 |
| Redemptions (Excl. Checks) | 0.00 | (831.03) | Monthly Distribution Yield | 0.02% |
| Check Disbursements | 0.00 | 0.00 | | |
| Closing Balance | 0.04 | 0.04 | | |
| Cash Dividends and Income | 0.00 | 0.11 | | |

| MSDLAF+ MAX Class | | | | | |
|--------------------------|----------|---|------|--------------|----------------------|
| Opening Balance | | | | | 10,045,097.96 |
| 10/05/20 | 10/05/20 | Purchase - ACH Purchase | 1.00 | 1,000,000.00 | 11,045,097.96 |
| 10/19/20 | 10/19/20 | Purchase - ACH Purchase | 1.00 | 1,000,000.00 | 12,045,097.96 |
| 10/29/20 | 10/29/20 | Redemption - ACH Redemption | 1.00 | (750,000.00) | 11,295,097.96 |
| 10/30/20 | 11/02/20 | Accrual Income Div Reinvestment - Distributions | 1.00 | 405.98 | 11,295,503.94 |



Account Statement

For the Month Ending **October 31, 2020**

INTERMEDIATE SCHOOL DISTRICT 917 - STATE PAYMENTS - 600430

| Trade Date | Settlement Date | Transaction Description | Share or Unit Price | Dollar Amount of Transaction | Total Shares Owned |
|-----------------------------------|-----------------|-------------------------|--------------------------------|-----------------------------------|----------------------|
| Closing Balance | | | | | 11,295,503.94 |
| | | Month of October | Fiscal YTD July-October | | |
| Opening Balance | | 10,045,097.96 | 8,240,776.45 | Closing Balance | 11,295,503.94 |
| Purchases | | 2,000,405.98 | 3,804,727.49 | Average Monthly Balance | 11,262,866.09 |
| Redemptions (Excl. Checks) | | (750,000.00) | (750,000.00) | Monthly Distribution Yield | 0.04% |
| Check Disbursements | | 0.00 | 0.00 | | |
| Closing Balance | | 11,295,503.94 | 11,295,503.94 | | |
| Cash Dividends and Income | | 405.98 | 3,896.46 | | |

MEMORANDUM

TO: School Board
FROM: Mark A. Zuzek
DATE: November 25, 2020
REGARDING: Policy Review Update for the board meeting

The following policies are being recommended for removal:

- 6.71 Secondary Student Health Services. Last revised in 1999. Refers to mentor program which we no longer have. Remove.
- 6.92 Eating and Beverage Consumption. Unnecessary and incomplete. Remove.
- 6.78 Crisis Intervention. Last revised in 1992. Now covered in Policy 806 Crisis Management. Policy 806 was revised in July of 2020. Remove.

The following policy is being reviewed for a first reading:

- 6.75 Student Safety (District Safety, Health and Wellness Policy). Last revised in 1999. This is covered in Policy 902 – Health and Safety Policy last reviewed in 2013. Delete Policy 6.75 as Policy 902 replaces it and we will revise Policy 902. This policy is not mandatory and does not require an annual review.

SUGGEST REMOVING THIS POLICY

06. STUDENT

06.7 Student Health Service

06.71 Secondary Student Health Service

Secondary students attending ISD 917 Secondary Programs are not covered by an ISD 917 student accident insurance policy.

The Health Service of Dakota County Technical College will maintain health records on secondary students attending secondary programs at that location. Secondary students in the Mentor program located in their own resident districts will have their health records maintained on site at those locations. The only purpose for the health records at the Health Service of Dakota County Technical College is to have emergency phone number(s) should it be necessary to contact parents/guardians or a person designated by the parents/guardian in case of an emergency occurring during school hours.

First aid will be administered as necessary and recorded on the student's record. The school nurse of the home school shall be notified so that the health files are kept up to date.

11/20/79

Board Revised/Approved 4/20/99

SUGGEST REMOVING THIS POLICY - INCOMPLETE

6. STUDENTS

6.9 Miscellaneous

6.92 Eating and Beverage Consumption

Food and beverages must be consumed in eating areas designed. ~~by building administrators.~~

~~Food and beverages are not to be consumed in classrooms, hallways, labs, shops, storage areas or other areas not appropriately designed as per this policy.~~

Board Approved 11/20/79
Revised 7/16/91

**REPLACED WITH POLICY 806 CRISIS MANAGEMENT WHICH WAS
REVIEWED IN JULY OF 2020.**

REMOVE THIS POLICY

06. STUDENTS

06.7 Student Health and Safety

06.78 Crisis Intervention

The Intermediate School District 917 School Board recognizes that there are a variety of social and psychological factors which may impact students and place them at-risk in the learning process. These concerns include but are not limited to variables such as: (1) serious or life-threatening injuries; (2) abuse and neglect; (3) suspected chemical abuse; (4) stress, depression, suicide, and other psychiatric emergencies; (5) violence; (6) untimely death, and (7) disasters and other unique crisis situations.

The District 917 School Board is committed to providing a healthy learning environment that seeks to reduce the impact of these conditions through prevention, intervention and postvention programming.

The District 917 School Board is committed to active involvement in community-wide efforts to reduce the negative impact of these conditions, and to promote psychological health and wellness.

Therefore, the District 917 School Board directs the administration to develop a district-wide crisis response plan which includes: (1) prevention, intervention and postvention programming; (2) related in-service for 917 personnel; and (3) community involvement as appropriate.

Boards Approved 9/9/92
Revised 4/6/93

902 HEALTH AND SAFETY POLICY

[Note: To receive health and safety revenue for any fiscal year, school districts must submit an application to the Commissioner of Education, along with a health and safety budget adopted and confirmed by the school board as being consistent with the school district's health and safety policy. The provisions of this policy substantially reflect statutory requirements. This policy has been approved by the Minnesota Department of Education.]

I. PURPOSE

The purpose of this policy is to assist the school district in promoting health and safety, reducing injuries, and complying with federal, state, and local health and safety laws and regulations.

II. GENERAL STATEMENT OF POLICY

- A. The policy of the school district is to implement a health and safety program that includes plans and procedures to protect employees, students, volunteers, and members of the general public who enter school district buildings and grounds. The objective of the health and safety program will be to provide a safe and healthy learning environment; to increase safety awareness; to help prevent accidents, illnesses, and injuries; to reduce liability; to assign duties and responsibilities to school district staff to implement and maintain the health and safety program; to establish written procedures for the identification and management of hazards or potential hazards; to train school district staff on safe work practices; and to comply with all health and safety, environmental, and occupational health laws, rules, and regulations.

- B. All school district employees have a responsibility for maintaining a safe and healthy environment within the school district and are expected to be involved in the health and safety program to the extent practicable. For the purpose of implementing this policy, the school district may form a health and safety advisory committee to be appointed by the superintendent. The health and safety advisory committee will be composed of employees and other individuals with specific knowledge of related issues. The advisory committee will provide recommendations to the administration regarding plans and procedures to implement this policy and to establish procedures for identifying, analyzing, and controlling hazards, minimizing risks, and training school district staff on safe work practices. The committee will also recommend procedures for investigating accidents and enforcement of workplace safety rules. Each recommendation shall include estimates of annual costs of implementing and maintaining that proposed recommendation. The superintendent may request that the safety committee established under Minn. Stat. § 182.676 carry out all or part of the duties of the

advisory committee or the advisory committee may consider recommendations from a separate safety committee established under Minn. Stat § 182.676.

III. PROCEDURES

- A. Based upon recommendations from the health and safety advisory committee and subject to the budget adopted by the school board to implement or maintain these recommendations, the administration will adopt and implement written plans and procedures for identification and management of hazards or potential hazards existing within the school district in accordance with federal, state, and local laws, rules, and regulations. Written plans and procedures will be maintained, updated, and reviewed by the school board on an annual basis ~~and shall be an addendum to this policy.~~ The administration shall identify in writing a contact person to oversee compliance with each specific plan or procedure.
- B. To the extent that federal, state, and local laws, rules, and regulations do not exist for identification and management of hazards or potential hazards, the health and safety advisory committee shall evaluate other available resources and generally accepted best practice recommendations. Best practices are techniques or actions which, through experience or research, have consistently proven to lead to specific positive outcomes.
- C. The school district shall monitor and make good faith efforts to comply with any new or amended laws, rules, or regulations to control potential hazards.

IV. PROGRAM AND PLANS

- A. For the purpose of implementing this policy, the administration will, within the budgetary limitations adopted by the school board, implement a health and safety program that includes specific plan requirements in various areas as identified by the health and safety advisory committee. Areas that may be considered include, but are not limited to, the following:

[FYI – the bolded areas below are procedures, plans and courses 917 offers to our staff.]

- 1. Asbestos
- 2. **Fire and Life Safety**
- 3. **Employee Right to Know**
- 4. **Emergency Action Planning**
- 5. Combustible and Hazardous Materials Storage
- 6. **Indoor Air Quality**
- 7. Mechanical Ventilation
- 8. Mold Cleanup and Abatement
- 9. Accident and Injury Reduction Program: Model AWAIR Program for Minnesota Schools
- 10. **Infectious Waste/Bloodborne Pathogens**
- 11. Community Right to Know

12. Compressed Gas Safety
13. **Confined Space Standard**
14. **Electrical Safety**
15. **First Aid/CPR/AED**
16. **Food Safety Inspection**
17. Forklift Safety
18. **Hazardous Waste**
19. **Hearing Conservation**
20. Hoist/Lift/Elevator Safety
21. Integrated Pest Management
22. Laboratory Safety Standard/Chemical Hygiene Plan
23. **Lead**
24. **Control of Hazardous Energy Sources (Lockout/Tagout)**
25. **Machine Guarding**
26. **Safety Committee**
27. **Personal Protection Equipment (PPE)**
28. Playground Safety
29. **Radon**
30. **Respiratory Protection**
31. Underground and Above Ground Storage Tanks
32. Welding/Cutting/Brazing
33. Fall Protection
34. Other areas determined to be appropriate by the health and safety advisory committee.

If a risk is not present in the school district, the preparation of a plan or procedure for that risk will not be necessary.

- B. The administration shall establish procedures to ensure, to the extent practicable, that all employees are properly trained and instructed in job procedures, crisis response duties, and emergency response actions where exposure or possible exposure to hazards and potential hazards may occur.
- C. The administration shall conduct or arrange safety inspections and drills. Any identified hazards, unsafe conditions, or unsafe practices will be documented and corrective action taken to the extent practicable to control that hazard, unsafe condition, or unsafe practice.
- D. Communication from employees regarding hazards, unsafe or potentially unsafe working conditions, and unsafe or potentially unsafe practices is encouraged in either written or oral form. No employee will be retaliated against for reporting hazards or unsafe or potentially unsafe working conditions or practices.
- E. The administration shall conduct periodic workplace inspections to identify potential hazards and safety concerns.
- F. In the event of an accident or a near miss, the school district shall promptly cause an accident investigation to be conducted in order to determine the cause of the

incident and to take action to prevent a similar incident. All accidents and near misses must be reported to an immediate supervisor as soon as possible.

V. BUDGET

The superintendent shall be responsible to provide for periodic school board review and approval of the various plan requirements of the health and safety program, including current plan requirements and related written plans and procedures and recommendations for additional plan requirements proposed to be adopted. The superintendent, or such other school official as designated by the superintendent, each year shall prepare preliminary revenue and expenditure budgets for the school district's health and safety program. The preliminary budgets shall be accompanied by such written commentary as may be necessary for them to be clearly understood by the members of the school board and the public. The school board shall review the projected revenues and expenditures for this program and make such adjustments within the expenditure budget to carry out the current program and to implement new recommendations within the revenues projected and appropriated for this purpose. No funds may be expended for the health and safety program in any school year prior to the adoption of the budget document authorizing that expenditure for that year, or prior to the adoption of an amendment to that budget document by the school board to authorize that expenditure for that year. The health and safety program shall be implemented, conducted, and administered within the fiscal restraints of the budget so adopted.

VI. ENFORCEMENT

Enforcement of this policy is necessary for the goals of the school district's health and safety program to be achieved. Within applicable budget limitations, school district employees will be trained and receive periodic reviews of safety practices and procedures, focusing on areas that directly affect the employees' job duties. Employees shall participate in practice drills. Willful violations of safe work practices may result in disciplinary action in accordance with applicable school district policies.

Legal References: Minn. Stat. § 123B.56 (Health, Safety, and Environmental Management)
Minn. Stat. § 123B.57 (Capital Expenditure; Health and Safety)
Minn. Stat. § 182.676 (Safety Committees)
Minn. Rules Part 5208.0010 (Applicability)
Minn. Rules Part 5208.0070 (Alternative Forms of Committee)

Cross References: Policy 407 (Employee Right to Know)

SUGGEST REMOVING THIS POLICY – COVERED IN POLICY 902

STUDENT

06.7 Student Health and Safety

06.75 Student Safety

DISTRICT SAFETY, HEALTH AND WELLNESS POLICY

The requirement for maintaining a safe and healthy place for students to learn and staff to work, is the responsibility of all district personnel, students and the District 917 School Board. Facilities and grounds within the district must be free from hazards which are likely to cause injury or death to students, district personnel or visitors.

All district staff and students should develop a proper safety awareness through a continuous safety education program. The following action guidelines will help foster a proper safety attitude:

1. Orient district personnel and students to the industrial and school safety operation and the legal requirements pertaining to both industry and school safety.
2. Develop within the district personnel and students positive safety attitudes and the technical and theoretical skills necessary to use tools and machinery safely.
3. Develop within district personnel and students the ability to recognize and modify existing safety and health hazards in the learning and work place.
4. Develop or modify district personnel and student safety attitudes and work habits so that students and staff will perform in a safe manner both on and off the job and/or in school.

It shall therefore, be the policy of District 917 to take steps to safeguard employees and students from accidents and to maintain an effective safety and health organization.

Effective supervision of students shall remain in force whenever students are in school or under the guidance and direction of school personnel. Student safety and health shall be an integral part of the curriculum at all levels of instruction and competencies.

The District 917 Board recognizes the Occupational Safety and Health Act of 1970 (OSHA), and associated state and local legislation (MOSHA), to be appropriate to and consistent with the purposes of the district. The application of certain of these federal and state safety standards for working conditions, structural limits and acceptable work practices shall be continuous and an integral part of the District 917 organization, and they shall serve as the guidelines for district personnel and student safety performance in the classrooms, laboratories and on the job.

It is the responsibility of district employees to have knowledge of the health and safety laws as they pertain to their program and/or job.

In an effort to develop and carry out a comprehensive District-wide Safety Program, a District Safety and Wellness Committee has been formed to work under the guidance of the District School Board and Administration. The Safety Committee has a representative membership of instructional staff and administration.

11/20/79

Board Revised/Approved 4/20/99