

## **Work Session**

Tuesday, December 6, 2022 4:30 PM

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

### **I. Call to Order - Chair Cindy Nordstrom**

### **II. Conduct Pledge of Allegiance - Chair Cindy Nordstrom**

### **III. Reports - (Stewardship)**

III.A. Continuous Improvement Plan - Don Budach

III.B. Update from AESA Conference in Atlanta -  
Chris Devine, Marci Levy-Maguire, Hannah Simmons

III.C. Review Teachers On Call Absence Report -  
Nicolle Roush

### **IV. Integrity: Aligning our actions with our values and beliefs**

IV.A. Policies

### **V. New Business (Collaboration)**

V.A. Review Classified School Year Contract 2022-  
2024 - Nicolle Roush

V.B. Review 2022 Memorandum of Understanding to  
Joint Powers Agreement - Dr. Michael Favor

V.C. Review Audit for 2021-2022 - Nicolle Roush

### **VI. Adjournment - Chair Cindy Nordstrom**



# **Continuous Improvement Plan**

TESA | DASH | PACES |

# About Our Programs

## TESA

The Transitional Education Service Alternative Program (TESA) program serves the transition needs of young adults ages 18-21. Staff, students, families, and community providers work together to identify the student's unique strengths, interests, and develop a plan to provide instructional and community opportunities to meet their transition needs. Areas addressed may include independent living skills, employment skills, academic or functional skills, communication and social skills, self-advocacy, and post-secondary planning. For those students considering post-secondary education following graduation, there are also opportunities to build their skills in preparation for college, including understanding the resources and supports available through disability services.

## DASH

The Developmental Disabilities, Academics, Socialization, and Health Services (DASH) program provides services to students, ages 3-21, who present with severe to profound Developmental Cognitive Disabilities (DCD) and may have multiple disabling conditions which require nursing care during the school day. The program focuses on communication, social, motor, and daily living skills as well as functional academics.

## PACES

The Program Alternative for Communication Education and Socialization (PACES) program is designed to meet the needs of students primarily with Autism Spectrum Disorders (ASD), and related neurobiological disorders. The program addresses the educational and environmental needs through a highly structured environment with a low student/staff ratio delivered in member district school buildings.

**TESA, DASH, and PACES** programs are located in various member districts:  
**Bloomington, Farmington, Hastings, Lakeville, Mendota Heights**



# **Increase Student Literacy Skills:** Reading, Writing, Listening, & Speaking

# Information we used to create CIP Goal

**Reflecting on our program strengths and challenges helped us to structure our CIP goal for the 2022-23 school year**

## **Challenges**

- **Diverse needs and abilities between programs**
  - Emergent readers
  - Students with significant cognitive abilities
  - Non-verbal communicators
- **Staff and resources are spread out across various buildings**
  - Programs are across multiple member districts
- **Structure of TESA program**
  - More focus on transitional programming activities



## Increasing Student Achievement & Engagement

TESA, DASH, AND PACES students will be exposed to literacy in classrooms from having partial programs integrate literacy time into classroom instruction (58%) to having all programs (100%) integrating literacy time into their instruction by the end of the the 2022-2023 school year

Core Values = Collaboration, Innovation, Communication, & Personalization



# Action Steps

1. **Discuss CIP goal during teacher workshop week and set expectations to implement literacy (at least 15 minutes daily) into their daily instruction**
2. **PLC Focus around literacy**
  - a. Identify literacy strategies to support individual learning needs
  - b. Identify curriculum to guide instruction
  - c. Collect data and gather feedback to make informed decisions
3. **Provide Professional Development for licensed and non-licensed with the focus to engage students in literacy activities**
  - a. Assistive Technology: various tools to support literacy and functional skills (ie: ebooks, text to speech , speech to text, switch access for reading, etc).
  - b. Readtopia: Modified reading curriculum
  - c. Literacy opportunities to be integrated in functional and daily living activities
4. **Assess and analyze students' Early Reading & aReading and progress monitoring data**



## Data Tools

1. Fastbridge: Early Reading and aReading
2. PLC artifacts
3. Literacy Coaching
4. Walkthrough
5. Observations

Core Values = Collaboration, Integrity, & Diversity



# Professional Development Plan

- 1. Professional Learning Communities**
  - a. Data reviews
  - b. Curriculum Review
- 2. Staff Development**
  - a. Readtopia & Assistive Technology
  - b. Implementation
  - c. Data reviews
- 3. Coaching sessions**
  - a. Kayleen (Reading Specialist)



## Intermediate School District 917

*Purposeful. Personalized. Partners.*

1300 145th Street East, Rosemount, MN 55068

(651) 423-8229 \* <http://www.isd917.org>

TO: Intermediate School District 917 School Board members  
Dr. Michael Favor, Superintendent

FROM: Nicolle Roush, Executive Director of Business Services

DATE: November 1, 2022

REGARDING: Teachers on Call Substitute Informational Report

### **Pertinent Facts:**

#### Overview for 2021-22 school year

- Highest months for absences occurred in October, January, and May.
- Overall fill rate range for the year was 13.60%-35.79% depending on the month; the average fill rate was 16%.
- Teacher absence requests for the year were 1,284 and average fill rate of 38%.
- Paraprofessional absence requests for the year were 6,653 with an average fill rate of 16%.
- Teachers on Call state of MN fill rate reported was 62.65%; ISD 917 average fill rate was 17.56%.
- Goals for Teachers on Call are to recruit more subs for ISD 917, provide additional trainings for subs, and to increase fill rate % and with ISD 917 pay rates set higher for teachers and paraprofessionals in the 2022-23 school year. (The detail on page 16 of the document attached.)

#### Overview for 2022-23 school year

- July and August detail report not supplied. The only substitute positions needed would be at the New Chance and Juvenile Service Center.
- September overall fill rate average 26%, Teachers rate 46% and paraprofessional was 19% up 11% from PY.
- September overall fill rate by day of the week: Teachers fill rate higher were on Wednesday and Fridays. Paraprofessionals were Tuesday and Wednesdays.
- October overall fill rate average 17%, Teachers rate 44% and paraprofessional was 10% up 4% from PY.
- October overall fill rate by day of the week: Teachers fill rate higher Monday – Wednesday and Paraprofessionals were Monday and Tuesday.

### **Assumption:**

With only a small amount of data at this point a broad assumption can be made that fill rates are higher for Teachers than Paraprofessionals and overall fill rates have improved for Teachers in comparison to the 2021-22 school year.

#### ISD 917 Vision

Intermediate School District 917 models an innovative culture with diverse pathways serving students and families through equitable practices with highly trained staff.

#### ISD 917 Core Values

Collaboration \* Empathy \* Innovation \* Stewardship \* Communication \* Integrity \* Personalization \* Equity \*  
Diversity

# Intermediate School District #917 Year-End Partnership Review

August 2, 2022



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# Year-End Partnership Review Agenda

- ▶ District Data
- ▶ Year in Review
- ▶ Areas of Focus and Progress
- ▶ Substitute Health
- ▶ Recruiting and Activities

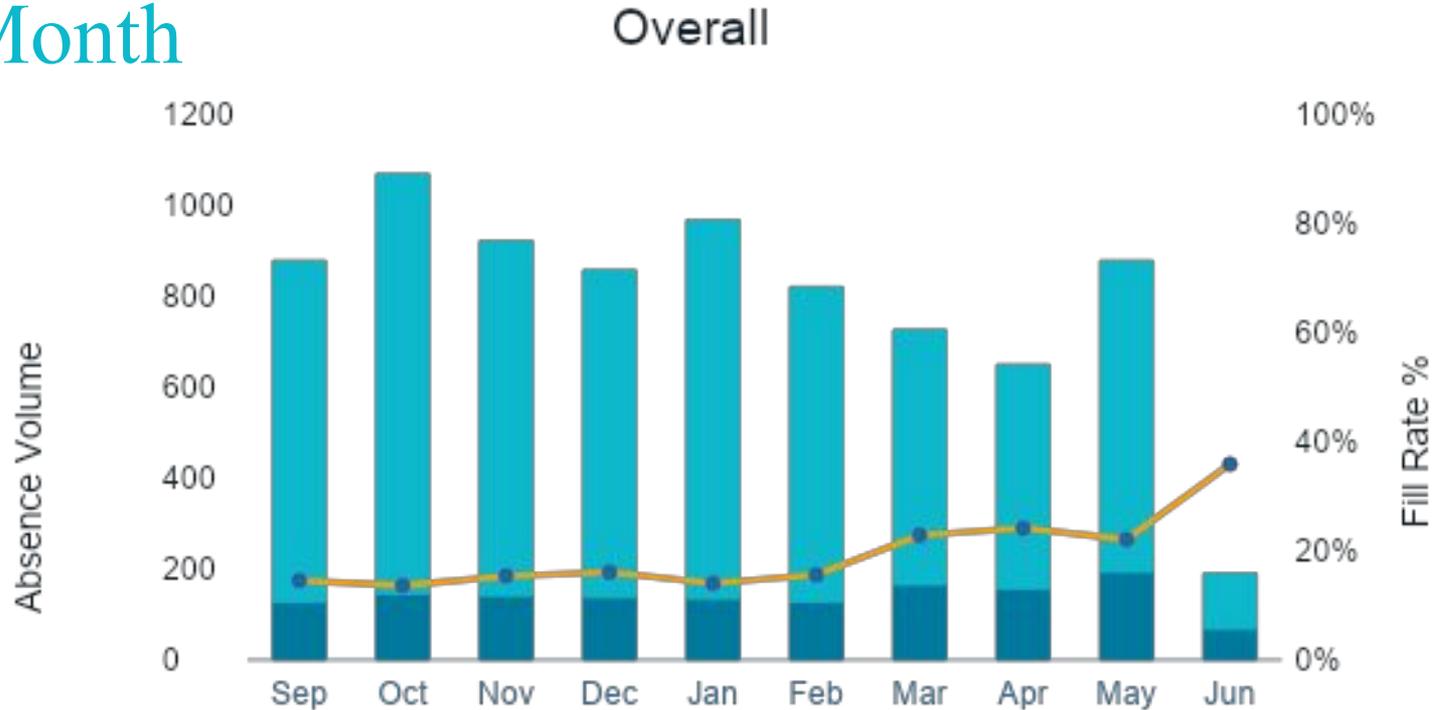


An abstract graphic on the right side of the page consists of four vertical bars of varying heights and widths. The bars are composed of several colored segments: the first bar is a single teal segment; the second bar has a blue segment at the bottom and an orange segment on top; the third bar has a large teal segment at the bottom and a smaller teal segment on top; the fourth bar has a yellow segment at the bottom, a dark blue segment in the middle, and a red segment at the top. The segments are separated by thin white lines.

# District Data

September 7, 2021 – June 9, 2022

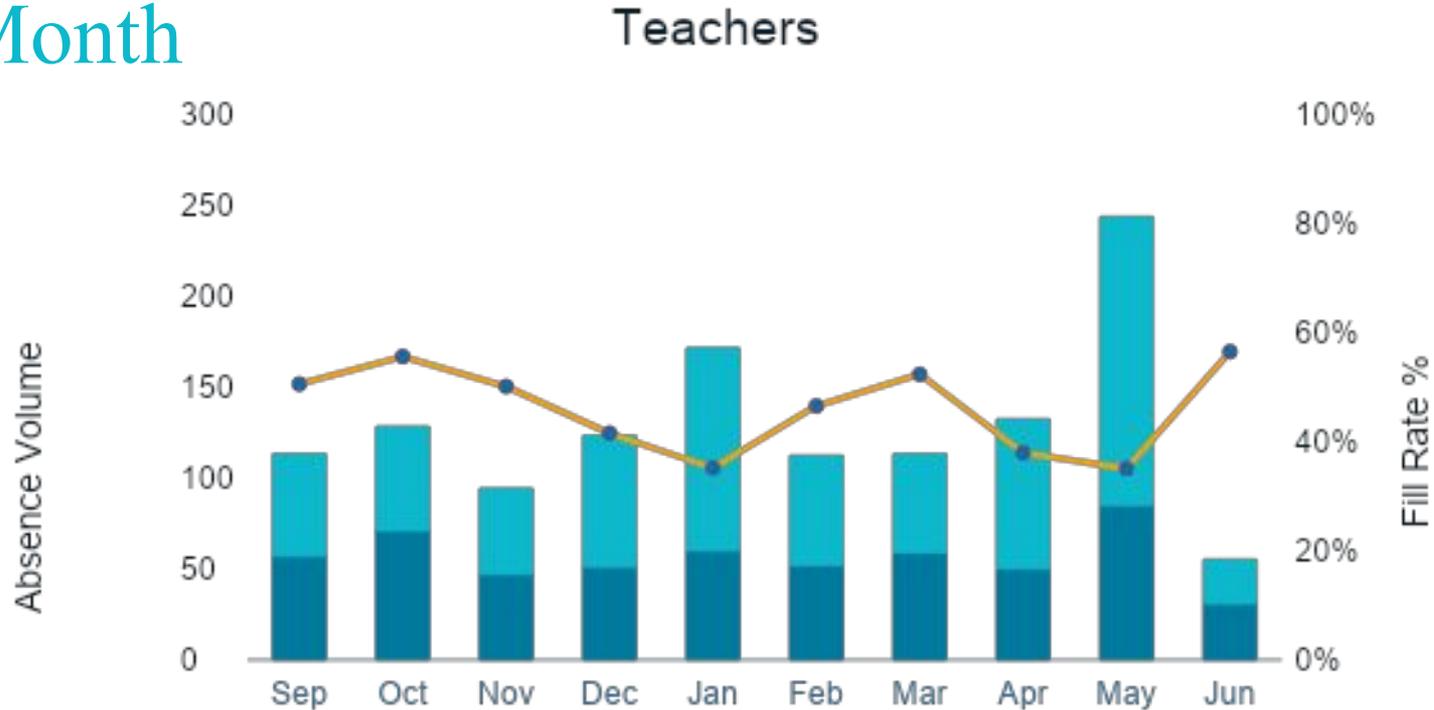
# Absence Volume and Fill Rate by Month



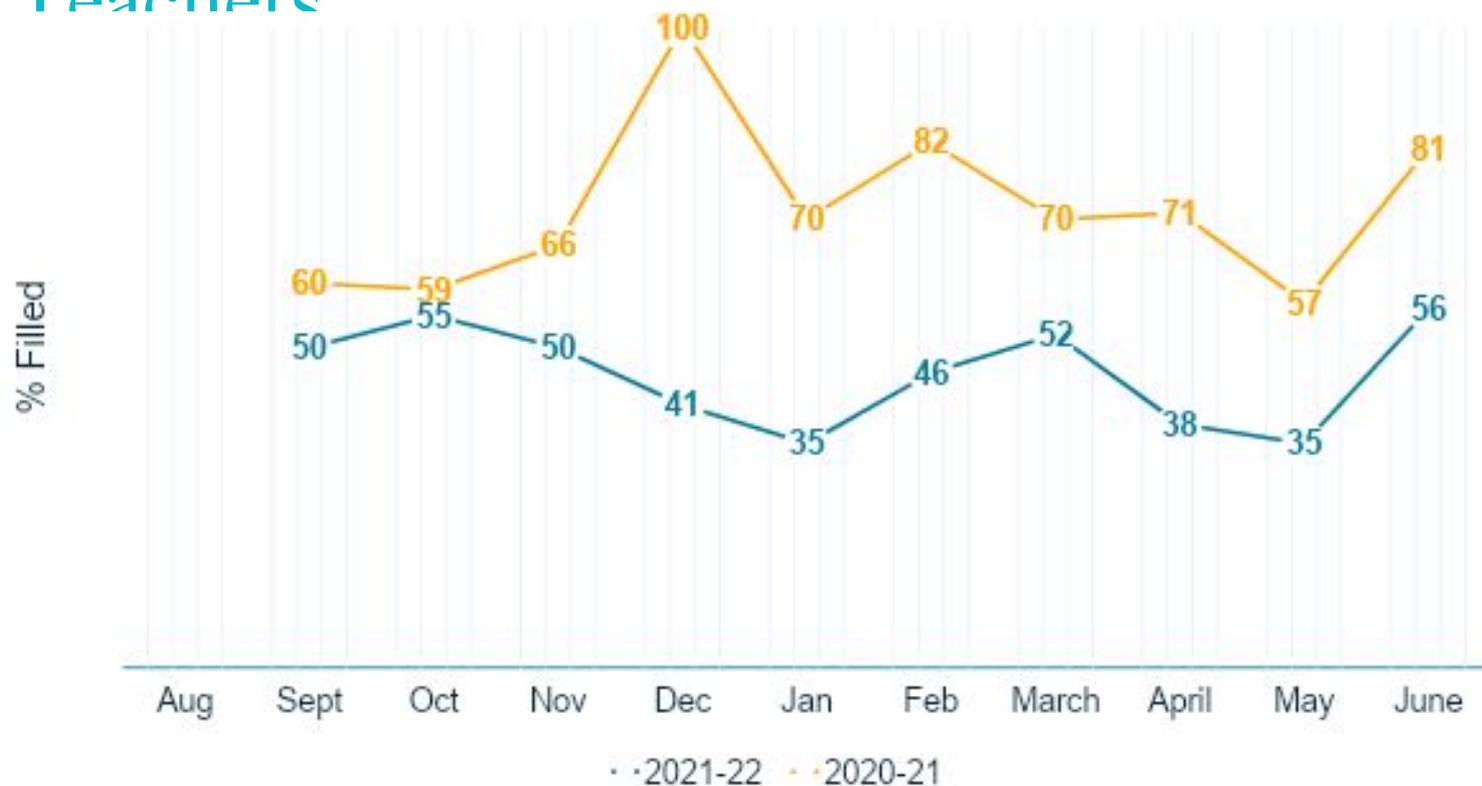
# Fill Rate Trend – Overall



# Absence Volume and Fill Rate by Month

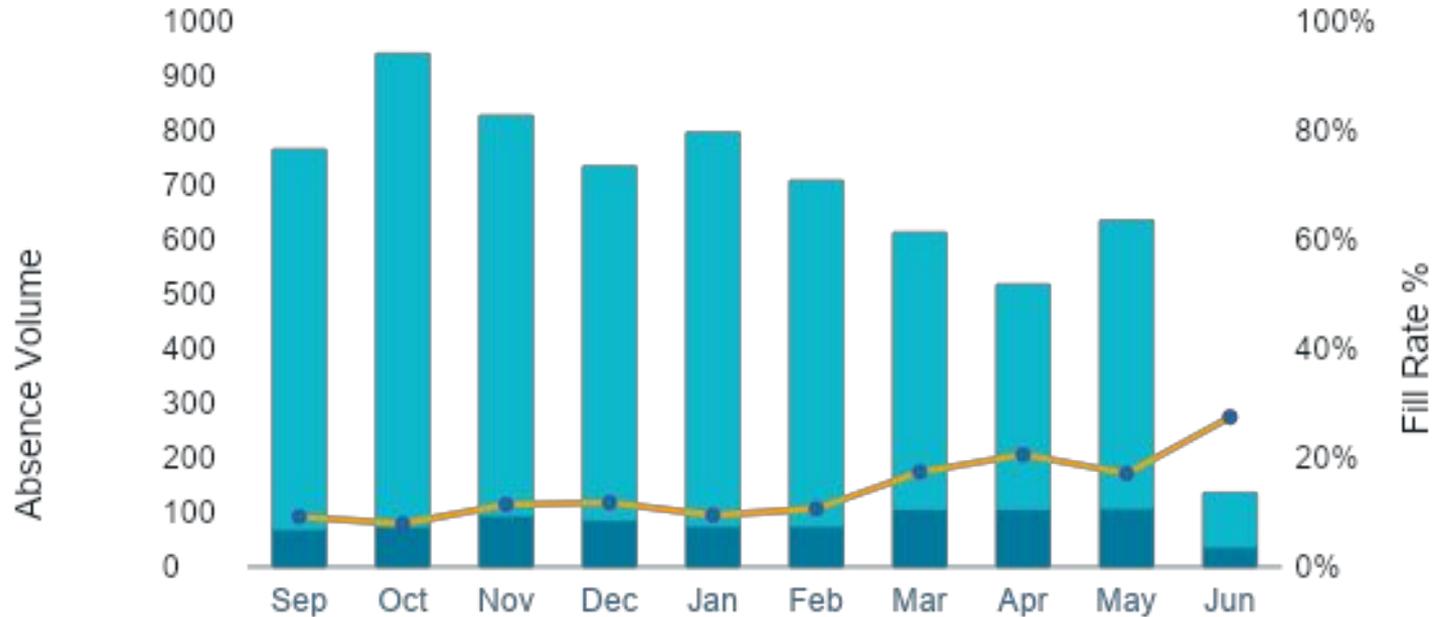


# Fill Rate Trend – Teachers

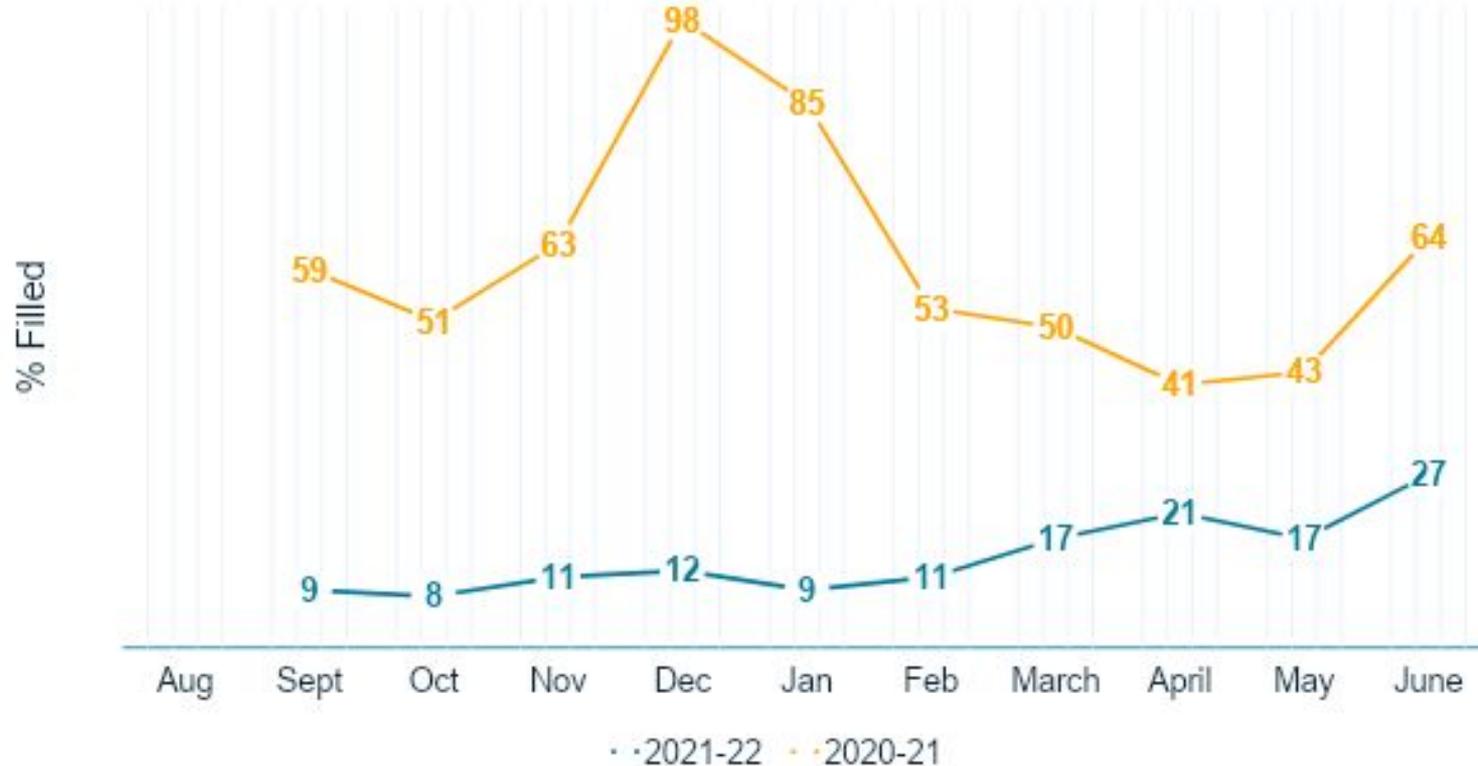


# Absence Volume and Fill Rate by Month

## Paraprofessionals

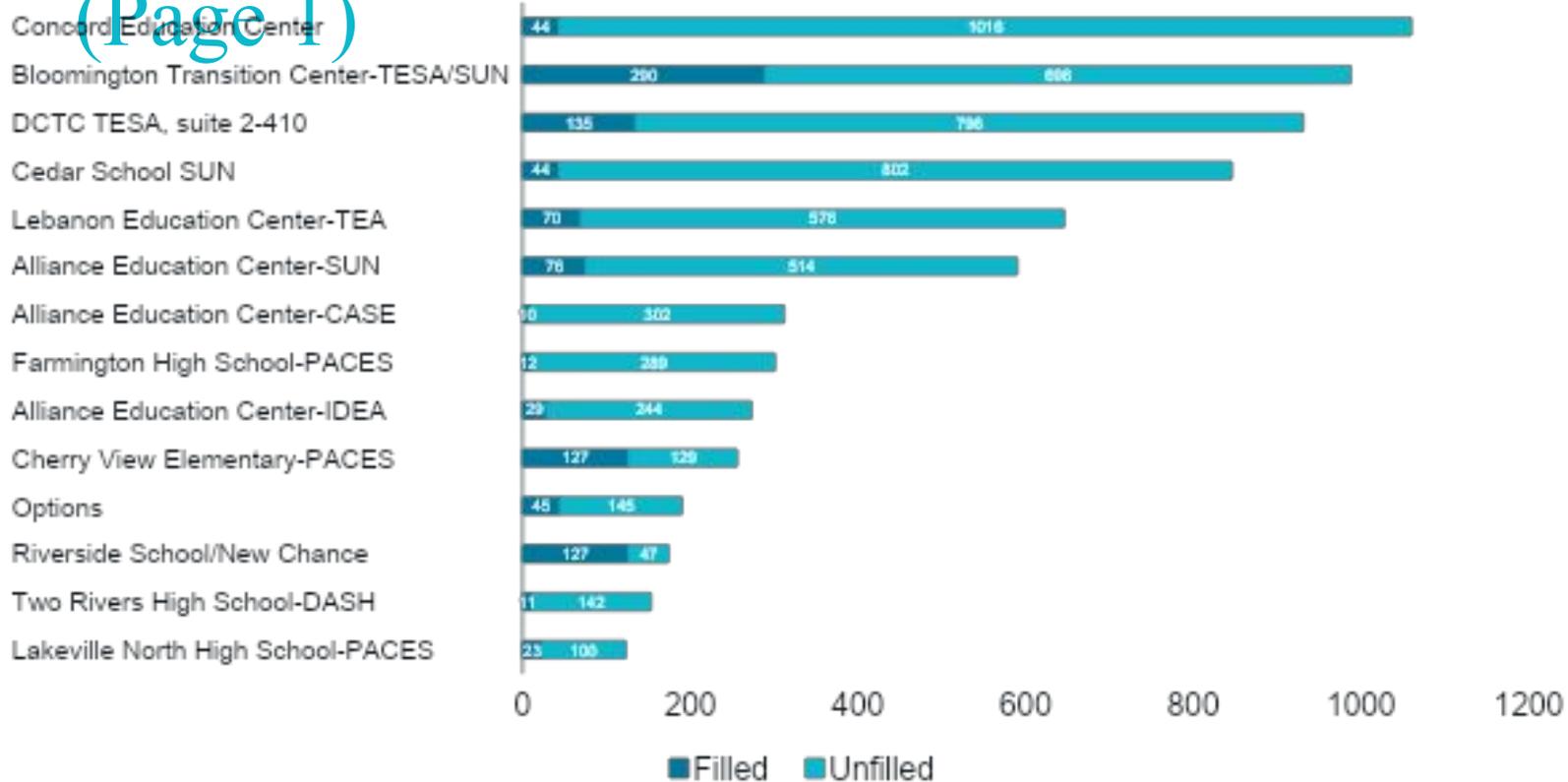


# Fill Rate Trend – Paraprofessionals



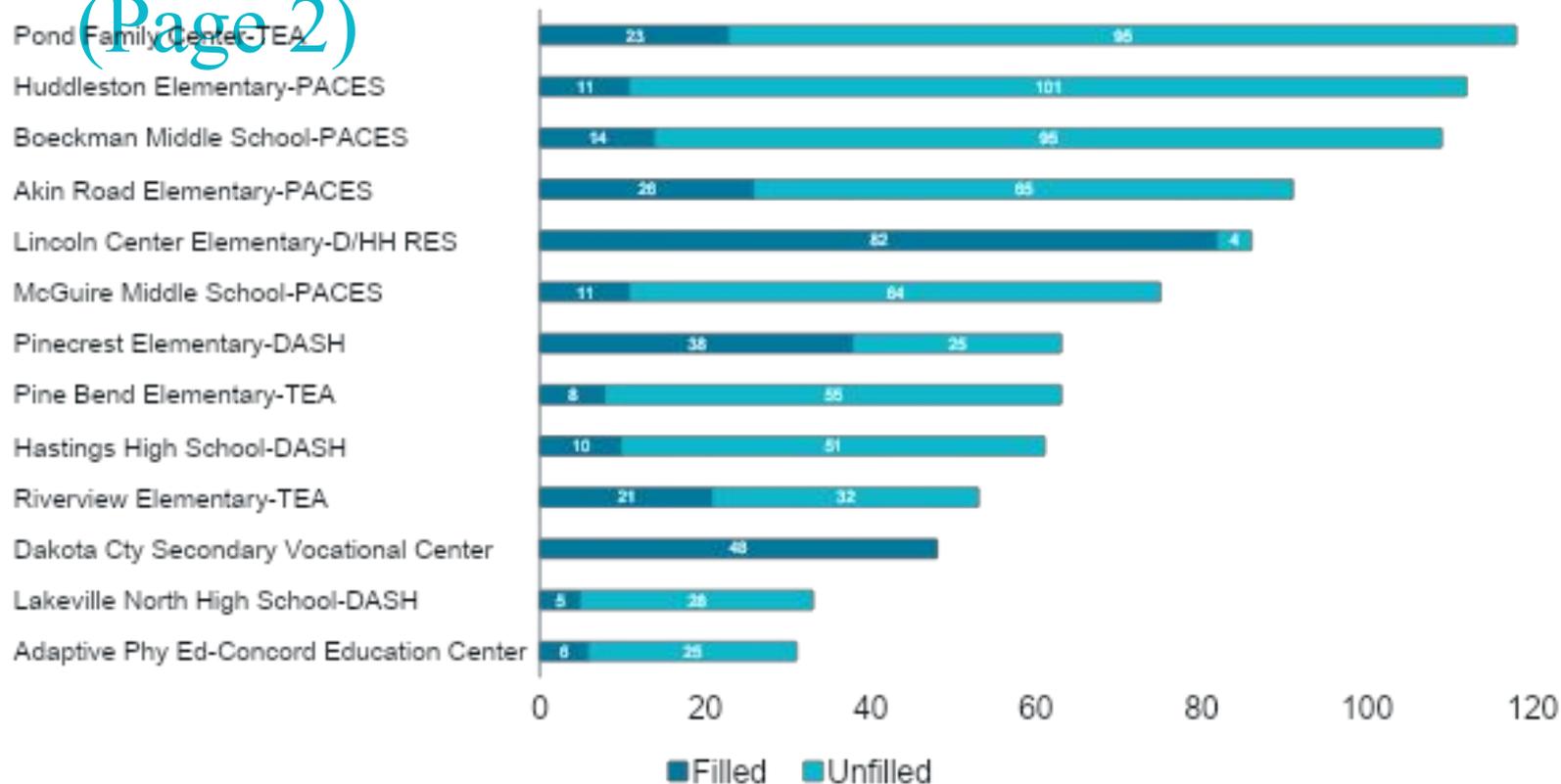
# Filled & Unfilled Requests by School

(Page 1)



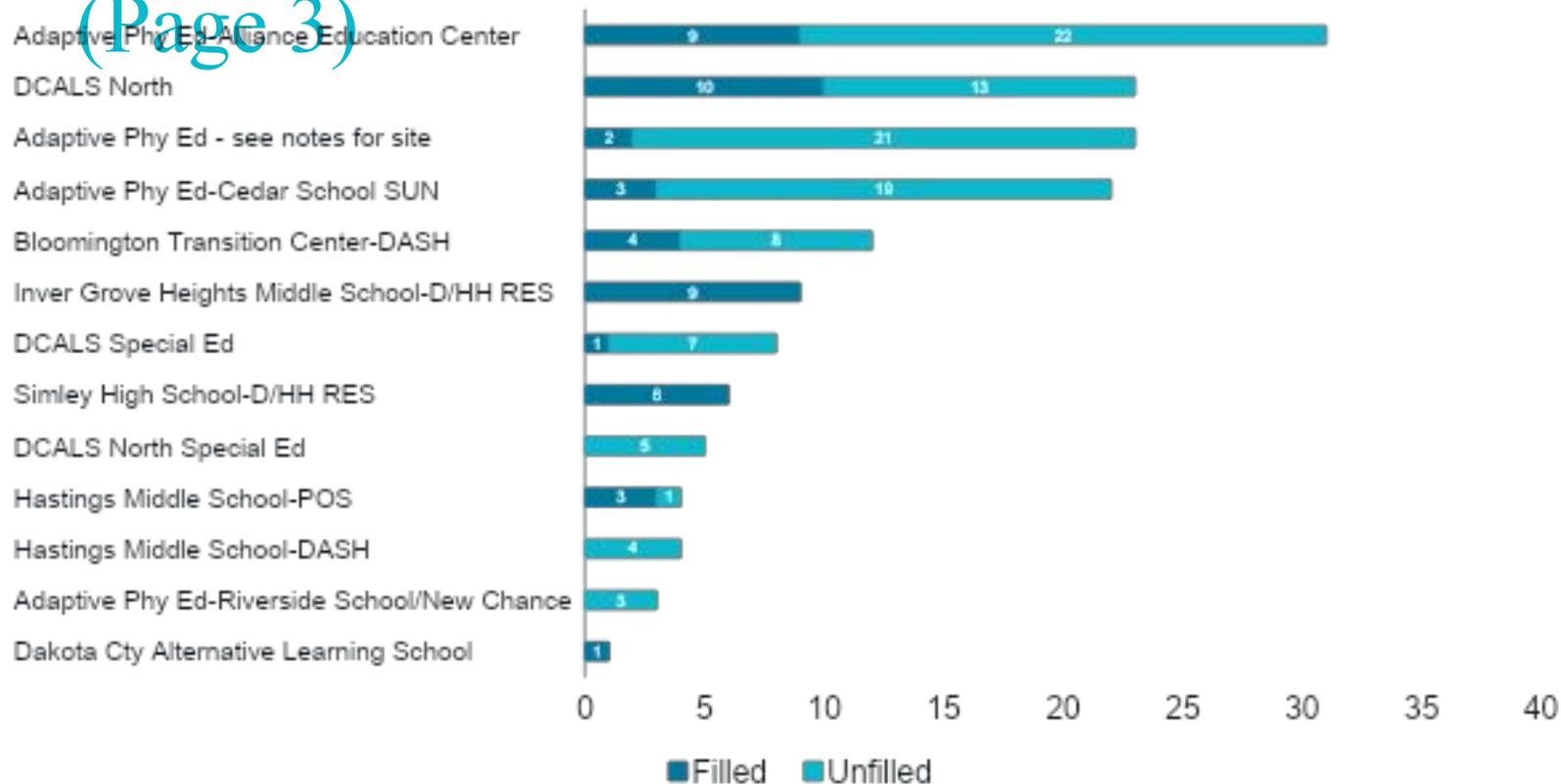
# Filled & Unfilled Requests by School

(Page 2)

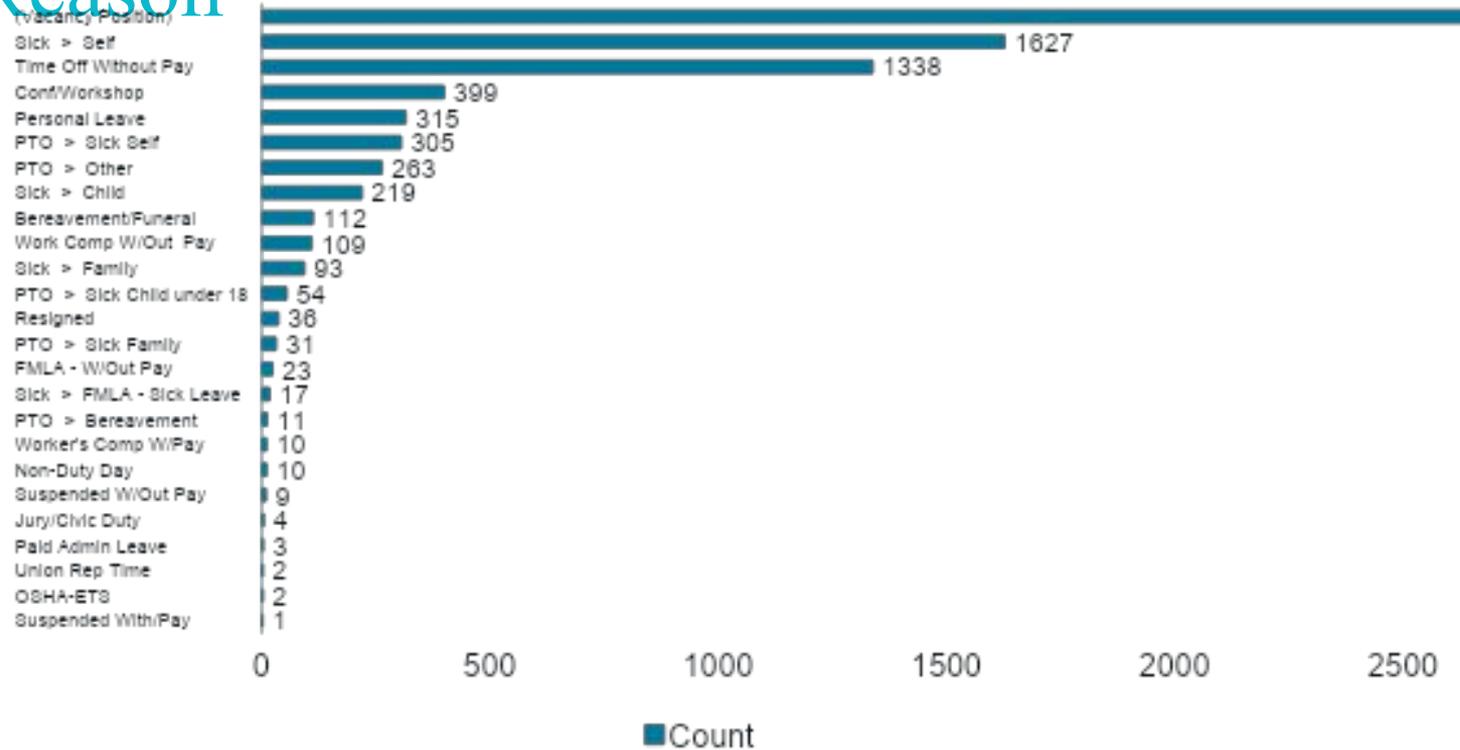


# Filled & Unfilled Requests by School

(Page 3)

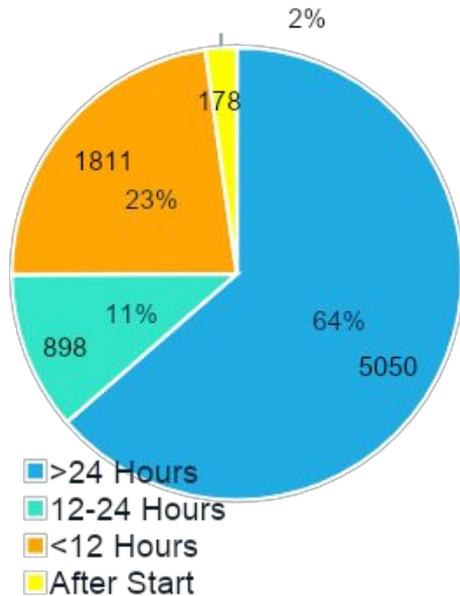


# Absence Requests by Absence Reason

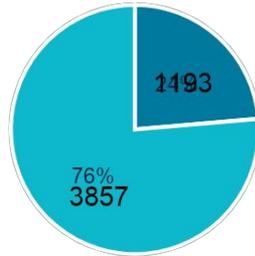


# Absence Lead Time

Overall Counts

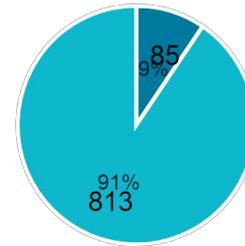


Greater Than 24 hours



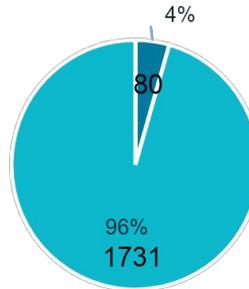
■ Filled ■ Unfilled

12-24 hours



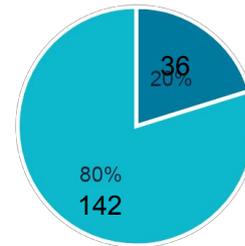
■ Filled ■ Unfilled

Less Than 12 Hours



■ Filled ■ Unfilled

After Start Time



■ Filled ■ Unfilled

# Year in Review...

- ▶ Absenteeism rate = 9.26%
- ▶ 6,170 more overall requests vs. prior year (7,937 in 2021-22; 1,767 in 2020-21)
- ▶ State comparison (Overall MN Fill Rate = 62.65%; Overall Intermediate School District #917 Rate= 17.56%)
- ▶ MN unemployment rate as of May 2022: 2.0%
- ▶ National unemployment rate as of May 2022: 3.6%



# Areas of Focus and Progress

## Sub Pool Increase

28 total substitutes added to the district pool since September 1<sup>st</sup>. 16 of those have been added since Jan 1<sup>st</sup>. The focus is on adding additional substitutes to the pool with the end goal of increasing fill rates.

## Explore the Utilization of Building Substitutes

Highly recommended for the 2022-23 school year. Permanent Building Paraprofessionals and/or Teachers will help increase fill rates and will provide consistent coverage for absences entered within 24 hours of the start time.

## Growing TOC presence in the community

Possibly consider a summer recruiting event to engage the community and to generate public interest in becoming a substitute. Geography and pay are the top two reasons why substitutes choose to work where they do.



# The 'Smarts' Training

|  |  |  |   |
|--|--|--|---|
|  <p><b>ChildSmarts</b></p> <p>17 Lessons - May 20, 2022</p> |  <p><b>CustodialSmarts</b></p> <p>23 Lessons - May 20, 2022</p> |  <p><b>FoodSmarts</b></p> <p>10 Lessons - May 20, 2022</p> |   |
|  <p><b>DiversitySmarts</b></p> <p>10 Lessons</p>            |  <p><b>ClassSmarts</b></p> <p>14 Lessons</p>                    |  <p><b>TutorSmarts</b></p> <p>10 Lessons</p>               |  <p><b>ParaSmarts</b></p> <p>13 Lessons - May 20, 2022</p> |



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# Why the change?

- Role specific pre-hire training
- Streamlined training content to encompass all the information Talent need in a single (or in some cases, two) custom learning module(s).
- Added content to cover the following critical topics:
  - Increased focus on inclusion of all students
  - Ethical Teaching and Diversity
  - Legal Obligations
  - Student and Personal Safety



udent Process

# Substitute Training Incentive Plan

Launching August 2022 – more info to come!

- ▶ Substitutes who engage in optional training statistically work more often, have a better experience, and see far fewer performance issues.
- ▶ Subs can optionally complete specified content organized into 4 Badges: Proficiency, Classroom Management, Special Education, and Inclusive Classrooms. Content totals approx. 30 hours, with content specific to teachers and paras
- ▶ When they complete a badge, their Frontline account will be updated, they'll be entered for a quarterly gift card drawing, and if they complete all content, will receive \$200 bonus from TOC

# Substitute Pool Health



# Current Statistics and Goals

Current Pool size is 77 total substitutes. 47 substitutes have the teacher skill, 47 have the para skill.

Added 28 total substitutes to the district pool since September 1<sup>st</sup>.

ISD #917 Rates:  
Teachers (Tues-Thurs): \$26.00/hour  
Teacher (Mon & Fridays): \$31.00/hour  
Paraprofessionals: \$20.37/hour



Average Metro District Rates:  
Teacher: \$171/day  
Paraprofessionals: \$15.31/hour

22 substitutes worked 10 or more total days. Goal is to increase that number to at least 40+ substitutes for next year.

64 total substitutes worked at Intermediate School District #917 during 2021-22. Goal is to increase to at least 100+ for next school year.

# Recruiting

## VIRTUAL EFFORTS

- Virtual Fairs
- LinkedIn Ads
- Facebook Ads
- Indeed Postings
- Handshake
- Minnesota Works
- Dakota County job connection
- Virtual Information Session
- Webinars
- Classified Ads & Craigslist Adds



## COLLEGE CONNECTIONS -

Connecting with career services departments, education professors, students, and alumni groups, and connecting directly with students via job fairs and presentations.

- University Of Minnesota
- Concordia University St. Paul
- Hamline University
- Augsburg College
- Dakota County Technical College
- Inver Hills Community College
- +Many more colleges and universities



## COMMUNITY CONNECTIONS - connecting with organizations and building relationships:

- Community Education Brochure
- Hubert H. Humphrey Job Corps Center
- Dakota County Regional Chamber of Commerce
- St. Paul Career Force Center
- Lighthouse Christian Church
- +Lots of other work centers/local businesses including YMCA (Rosemount)



## GRASSROOTS EFFORTS -

Posting flyers and connecting with the community

- United States Postal Service
- Local Coffee Shops
- Local Gas Stations
- Local Restaurants
- Local Community Centers
- Robert Trail Library
- + Small businesses in the Metro Area



# Additional Solutions and Services



# Tutoring Solutions Practice

Partnering with you to deliver high-impact tutoring to your district.

## Who we are

### High-impact tutoring program

- Delivery – in-person/virtual/hybrid
- Dosage – minimum of 2 hours/week
- Ratio – 1:1 and/or 1:3 or 1:4

### Grounded in research

- Alignment with district/school curriculum and assessments
- Individualized and paced sessions
- Positive, consistent relationships

### Data insights

- Key growth measurements
- Student feedback forms
- Aggregate reporting

## What we deliver

### High-impact tutor talent

- Diverse, culturally competent, multi-lingual tutors
- Screening/background checks
- Onboarding, tutoring methodology training, professional development
- Talent retention and pipeline

### White-glove program management

- Dedicated team of educational experts
- Thorough, quick, successful implementation strategy
- Talent supervision, coaching, accountability
- Session scheduling
- Curriculum alignment and pacing
- Student progress reporting
- Virtual session technology support
- Regular partnership reviews

# Managed Permanent Paraprofessional Program

There is a critical shortage of special education instructors. Teaching children with special needs or learning disabilities takes educators with compassion, perseverance, and commitment, and oftentimes involves unique instructional methods, learning aids, and equipment.

We identify individuals who have a passion for working with exceptional students. Then, to ensure the best experience for the student and educator, every substitute educator receives:

- ▶ Stringent background screening to ensure a safe environment for your students
- ▶ A proprietary one-on-one situational/behavioral interview to assess aptitude for success in working with exceptional students
- ▶ Exclusive special education training through our partnership with SafeSchools to ensure they are prepared to be effective in a unique environment
- ▶ District-specific training on your specific policies, procedures, and requirements



# Accelerated Certification and Education

TOC/Kelly Education has forged meaningful partnerships with University and Alternative Certification programs that fit the needs of our substitutes. Just like substitute teaching, each of these programs allow our substitutes to **earn while they learn.**

Growing certified teachers for you.

---

- Accredited
- Affordable
- Accelerated
- Flexible
- Comprehensive Training
- Continued Support



1 in 5 teachers plan to leave in the next two years due to an **'out of control' workload.**



**30% of student performance** is tied to teacher quality.



Only 4.25% of entering freshmen choose teaching as a profession. **That's a 45-year low.**



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# Thank you for your partnership!

Any questions?



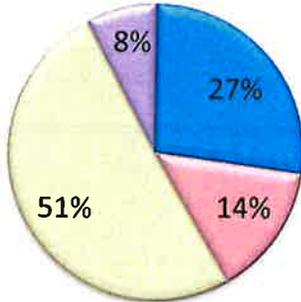
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# Intermediate School District #917: Monthly Report Card September 2022

## Fill Rate Based on Lead Time

### Requests



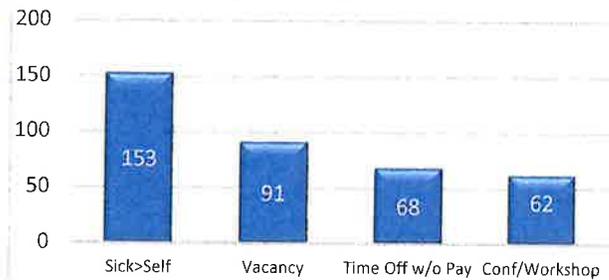
- < 12 Hours
- 12 - 24 Hours
- > 24 Hours
- After Start

| Lead Time   | Fill Rate |
|-------------|-----------|
| >24 Hours   | 43%       |
| 12-24 Hours | 18%       |
| < 12 Hours  | 3%        |
| After Start | 10%       |

### Overall Absence Data

| Position              | Requested  | Filled     | Unfilled   | Fill Rate  |
|-----------------------|------------|------------|------------|------------|
| Teachers              | 131        | 60         | 71         | 46%        |
| Paraprofessionals     | 396        | 76         | 320        | 19%        |
| <b>Total Absences</b> | <b>527</b> | <b>139</b> | <b>391</b> | <b>26%</b> |

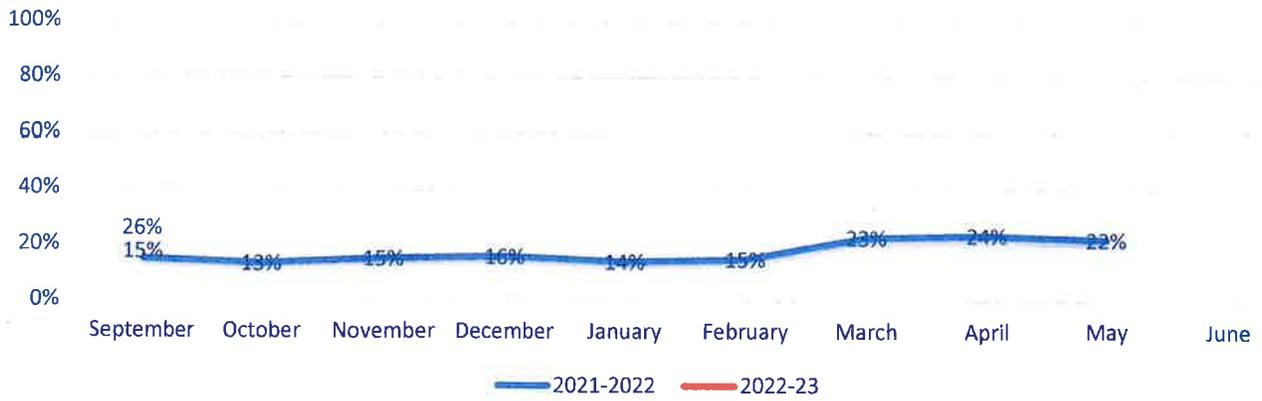
### Frequently Used Absence Reasons



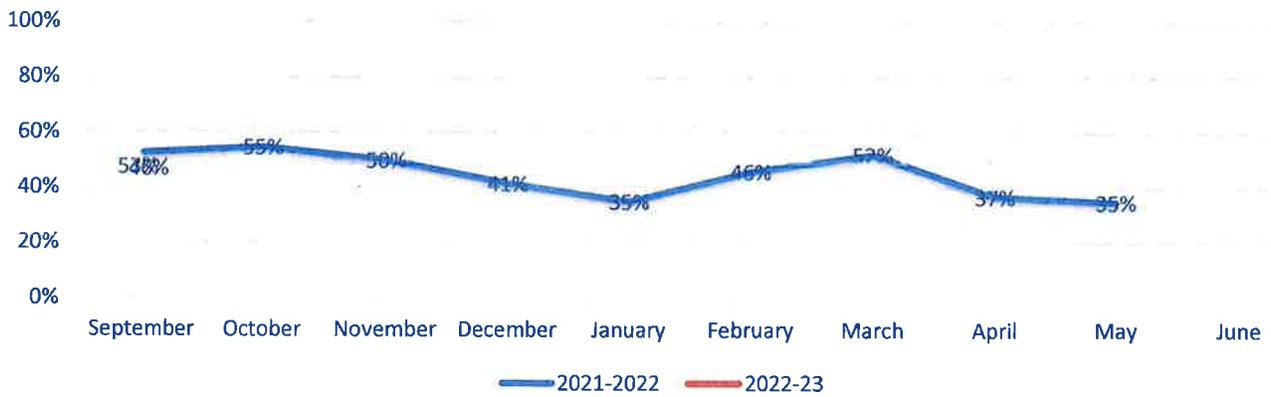
| District Wide Year to Date | Overall District Requests | Prior Year Comparison +/- | Substitutes Added |
|----------------------------|---------------------------|---------------------------|-------------------|
| September                  | 527                       | -40%                      | 10                |

## Fill Rate Trends

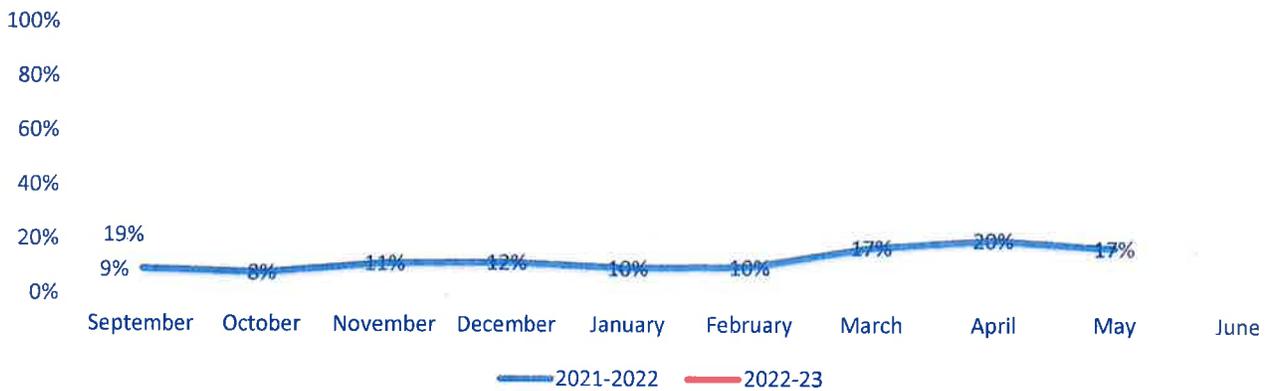
### Overall Monthly Fill Rate



### Teacher Monthly Fill Rate

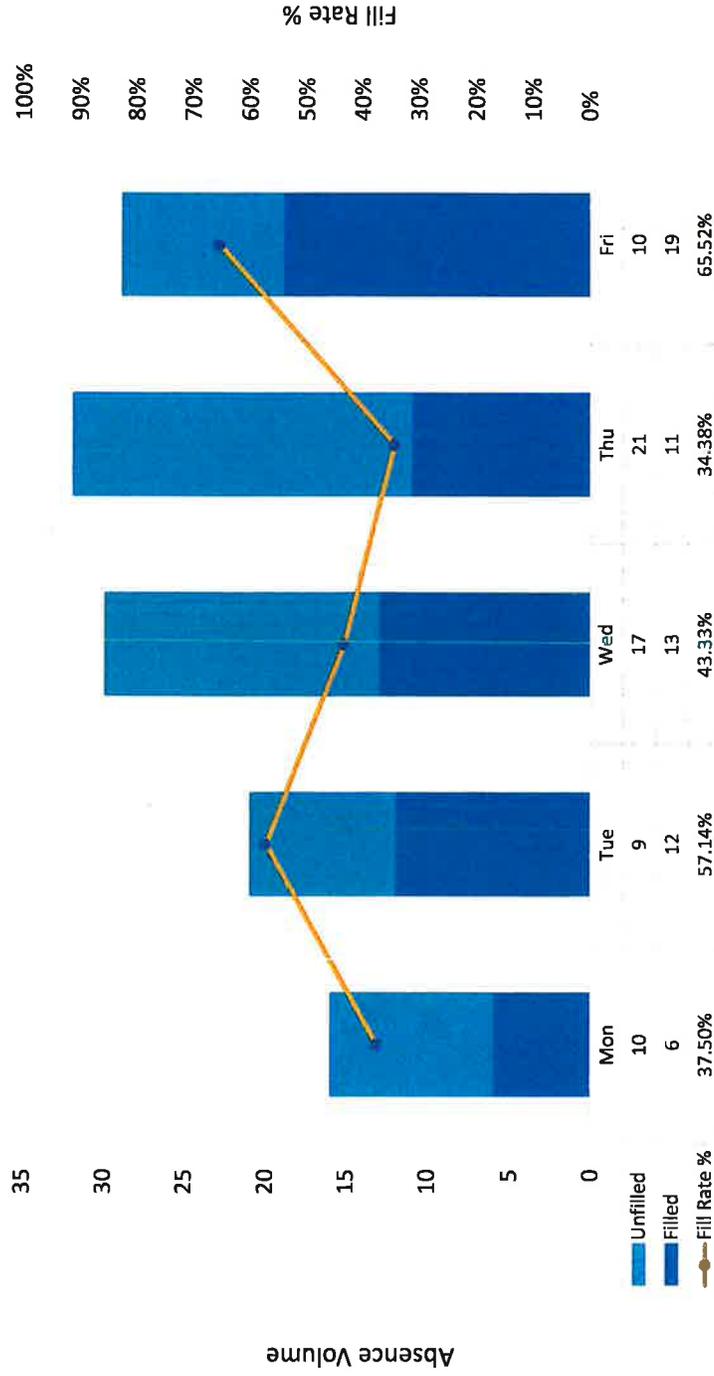


### Para Monthly Fill Rate



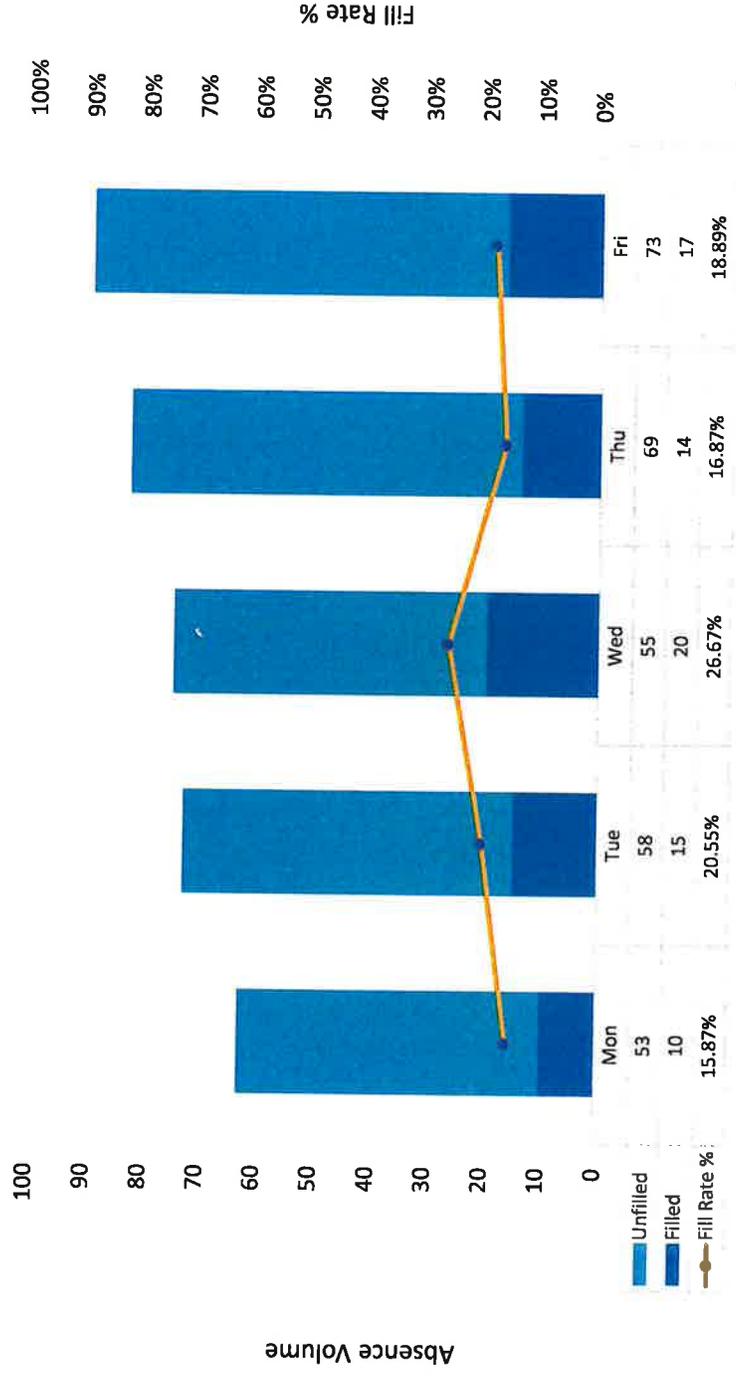
# Absence Volume and Fill Rate by Day of Week

## Teachers - September



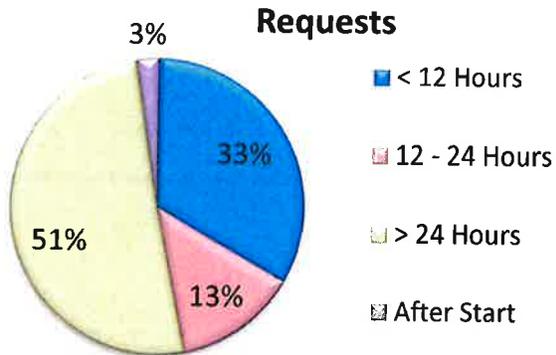
# Absence Volume and Fill Rate by Day of Week

Paras - September



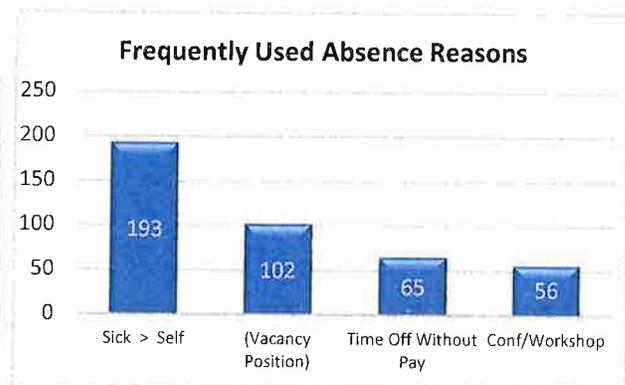
## Intermediate School District #917: Monthly Report Card October 2022

### Fill Rate Based on Lead Time



| Lead Time   | Fill Rate |
|-------------|-----------|
| >24 Hours   | 27%       |
| 12-24 Hours | 14%       |
| < 12 Hours  | 3%        |
| After Start | 35%       |

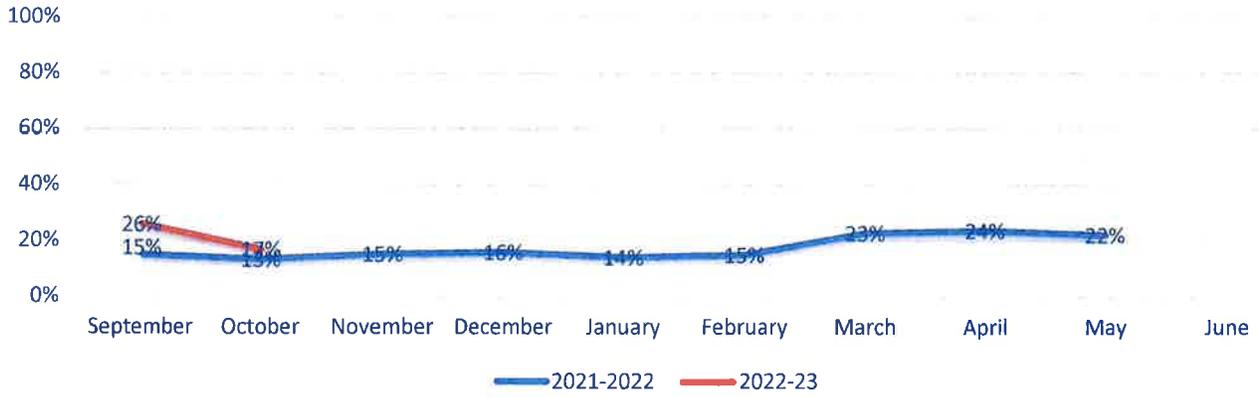
| Overall Absence Data  |            |            |            |            |
|-----------------------|------------|------------|------------|------------|
| Position              | Requested  | Filled     | Unfilled   | Fill Rate  |
| Teachers              | 150        | 66         | 84         | 44%        |
| Paraprofessionals     | 518        | 50         | 468        | 10%        |
| <b>Total Absences</b> | <b>668</b> | <b>116</b> | <b>552</b> | <b>17%</b> |



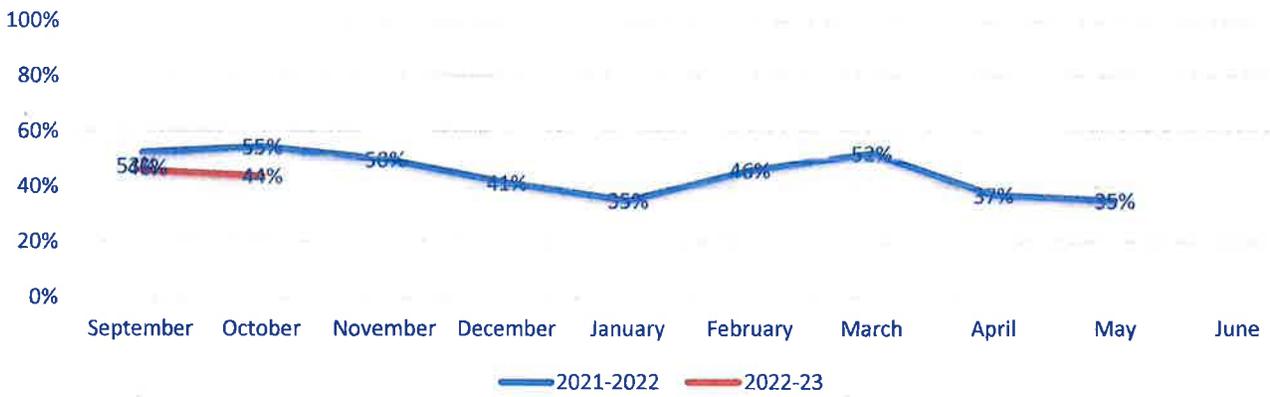
| District Wide Year to Date | Overall District Requests | Prior Year Comparison +/- | Substitutes Added |
|----------------------------|---------------------------|---------------------------|-------------------|
| September - October        | 1,185                     | -39.4%                    | 10                |

## Fill Rate Trends

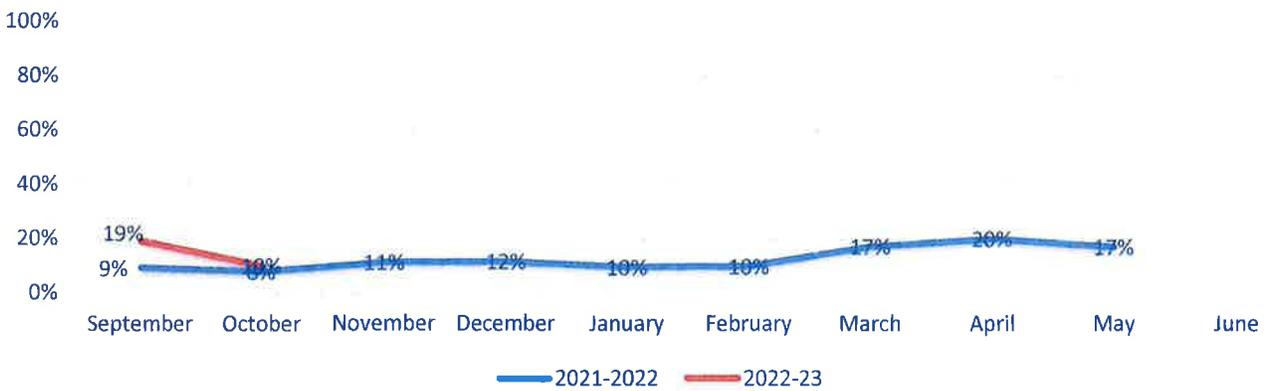
### Overall Monthly Fill Rate



### Teacher Monthly Fill Rate

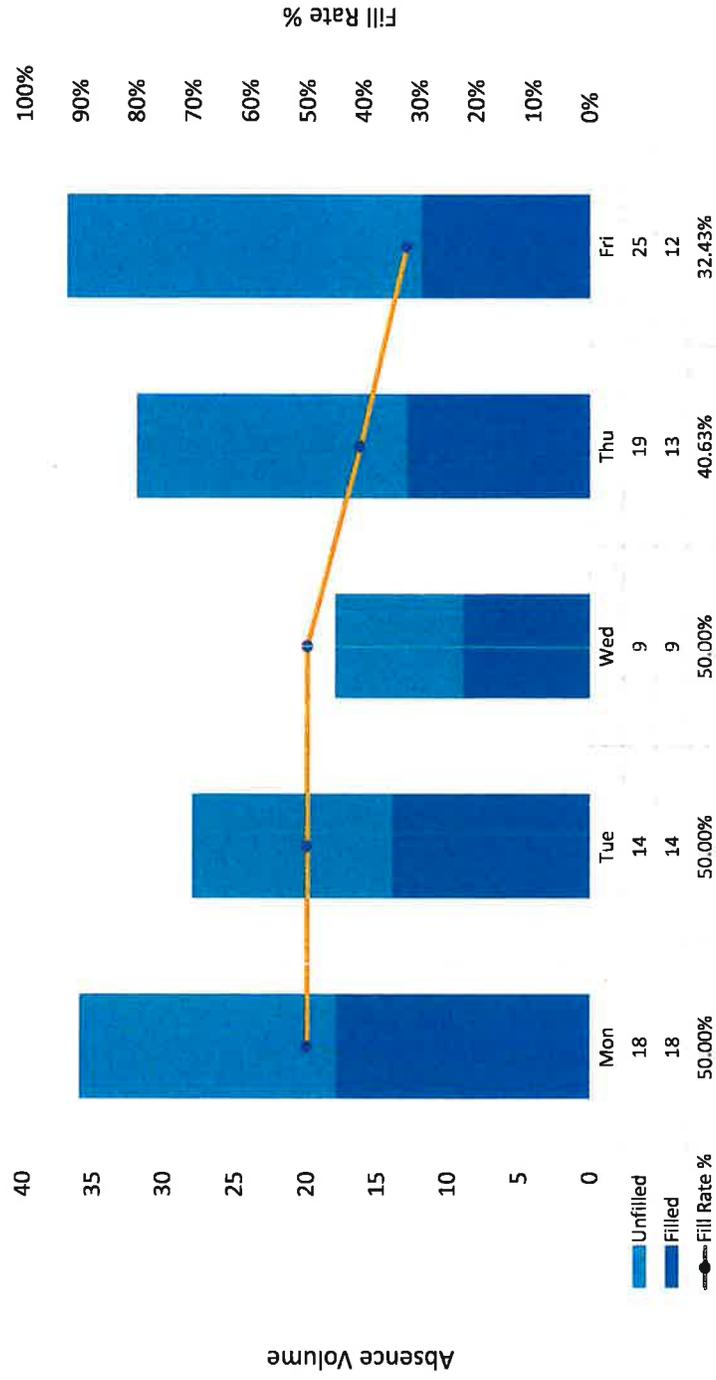


### Para Monthly Fill Rate



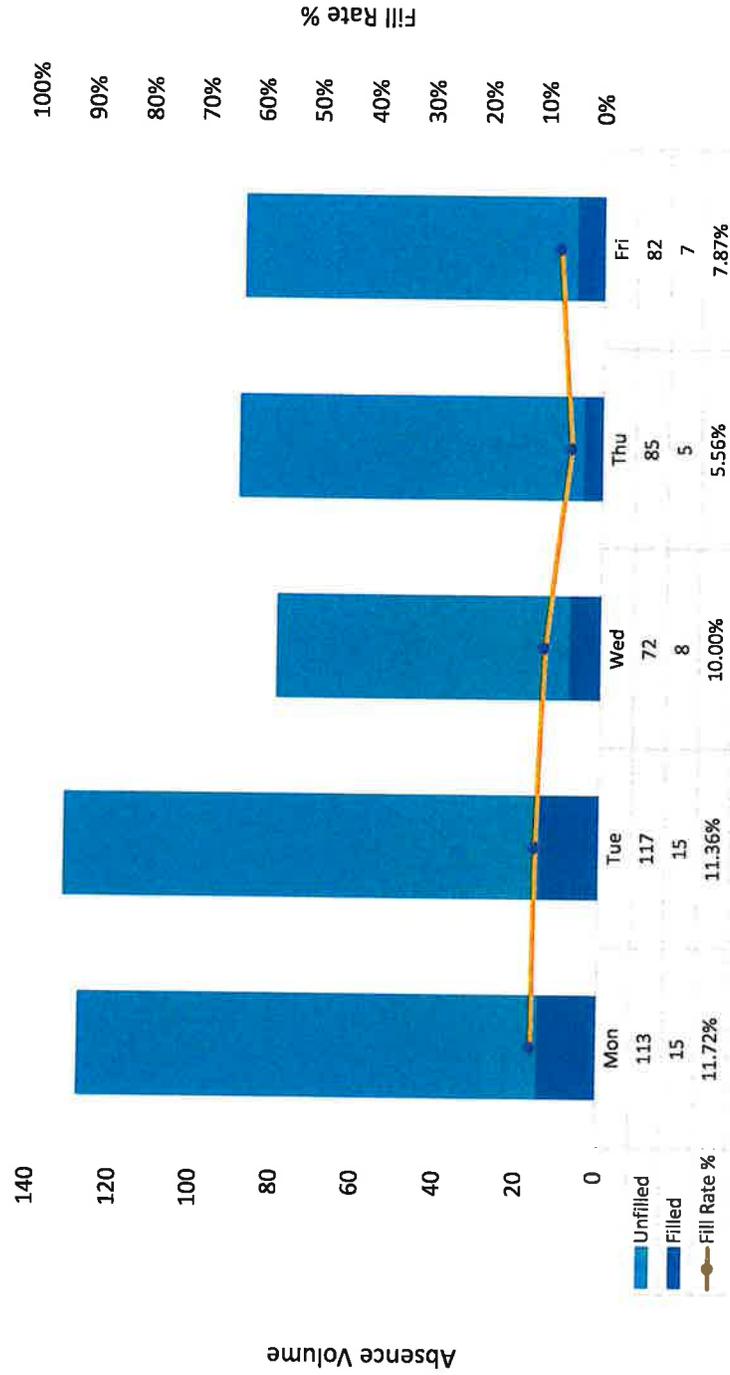
# Absence Volume and Fill Rate by Day of Week

## Teachers - October



# Absence Volume and Fill Rate by Day of Week

Paras - October





**Intermediate School District 917**

***Purposeful. Personalized. Partners.***

1300 145th Street East, Rosemount, MN 55068

(651) 423-8229 \* <http://www.isd917.org>

Dr. Michael Favor

TO: School Board

FROM: Dr. Michael Favor

DATE: December 6, 2022

RE: First and final reading

The policy listed below is a first and final reading.

- 706 Acceptance of Gifts. Legal reference change only.

## **706 ACCEPTANCE OF GIFTS**

### **I. PURPOSE**

The purpose of this policy is to provide guidelines for the acceptance of gifts by the school board.

### **II. GENERAL STATEMENT OF POLICY**

It is the policy of this school district to accept gifts only in compliance with state law.

### **III. ACCEPTANCE OF GIFTS GENERALLY**

The school board may receive, for the benefit of the school district, bequests, donations or gifts for any proper purpose. The school board shall have the sole authority to determine whether any gift or any precondition, condition, or limitation on use included in a proposed gift furthers the interests of or benefits the school district and whether it should be accepted or rejected.

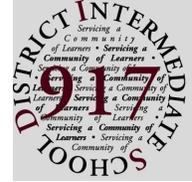
### **IV. GIFTS OF REAL OR PERSONAL PROPERTY**

The school board may accept a gift, grant or devise of real or personal property only by the adoption of a resolution approved by a simple majority of the quorum. The resolution must fully describe any conditions placed on the gift. The real or personal property so accepted may not be used for religious or sectarian purposes.

### **V. ADMINISTRATION IN ACCORDANCE WITH TERMS**

If the school board agrees to accept a bequest, donation, gift, grant or devise which contains preconditions, conditions or limitations on use, the school board shall administer it in accordance with those terms. Once accepted, a gift shall be the property of the school district unless otherwise provided in the agreed upon terms.

**Legal references:** Minn. Stat. Section 123B.02, Subd. 6 (**General Powers of Independent School Boards** ~~Bequests, Donations, Gifts~~) Minn. Stat. Section 465.03 (Gifts **to Municipalities**)



### Donation Procedures

|                          | <i>Action</i>   | <i>Person Responsible</i>  |
|--------------------------|---|--|
| <input type="checkbox"/> | 1. A donation is made to ISD 917.   |  |
| <input type="checkbox"/> | 2. Staff gives donation to Assistant Director/Principal or designee responsible for program or supervision.   | ✓ 917 Staff  |
| <input type="checkbox"/> | 3. Assistant Director/Principal or designee: <ul style="list-style-type: none"> <li>● Copies the check;</li> <li>● Gives the copy to the Assistant to the Director of Special Education/Principal; and</li> <li>● Submits the check to the Business Office indicating what program the donation is benefiting.</li> </ul> OR <ul style="list-style-type: none"> <li>● For items likely to be claimed on taxes of individual or group donating (i.e. in the value range of \$100 or greater), a memo outlining the donation will be sent to the Director of Special Education/Principal and the Assistant to the Director of Special Education.</li> </ul> * Note: Value estimation should never be given to the individual making a donation. | ✓ Assistant Director/Principal or Designee   |
| <input type="checkbox"/> | 4. A thank you letter is written.   | ✓ Assistant to the Director of Special Education and the Director of Special Education/Principal |

|   |   |  |
|---|---|--|
|   |   |  |
| □ | 5. Copies of the letter are submitted to: <ul style="list-style-type: none"><li>✓ Individual making the donation</li><li>✓ Assistant Director in receipt of the donation</li><li>✓ Superintendent's Office (to be included in the board packet)</li></ul> | ✓ Assistant to the Director of Special Education/Principal |



**Intermediate School District 917**

***Purposeful. Personalized. Partners.***

1300 145th Street East, Rosemount, MN 55068

(651) 423-8229 \* <http://www.isd917.org>

Dr. Michael Favor

TO: School Board  
FROM: Dr. Michael Favor  
DATE: December 6, 2022  
RE: First reading on policies

The policies listed below are a first reading.

- Policy 208 Development, Adoption and Implementation of Policies. Removed policies 410, 413, 414, 415, 514, 522, 524, and 616. Added policy 722 Public Data Requests.

~~410 Family and Medical Leave Policy; 413 Harassment and Violence; 414 Mandated Reporting of Child Neglect or Physical or Sexual Abuse; 415 Mandated Reporting of Maltreatment of Vulnerable Adults; 506 Student Discipline; 514 Bullying Prohibition Policy; 522 Student Sex-Nondiscrimination; 524 Internet Acceptable Use and Safety Policy; 616 School District System-Accountability; 722 Public Data Requests, and 806 Crisis Management Policy.~~

- Policy 705 Investments. Added new paragraph XII.A and minor reference changes.

## **208 DEVELOPMENT, ADOPTION, AND IMPLEMENTATION OF POLICIES**

***[Note: The provisions of this policy are recommendations. The procedures for policy development, adoption, and implementation are not specifically provided by statute.]***

### **I. PURPOSE**

The purpose of this policy is to emphasize the importance of the policy-making role of the school board and provide the means for it to continue to be an ongoing effort.

### **II. GENERAL STATEMENT OF POLICY**

Formal guidelines are necessary to ensure the school community that the school system responds to its mission and operates in an effective, efficient, and consistent manner. A set of written policy statements shall be maintained and modified as needed. Policies should define the desire and intent of the school board and should be in a form which is sufficiently explicit to guide administrative action.

### **III. DEVELOPMENT OF POLICY**

- A. The school board has jurisdiction to legislate policy for the school district with the force and effect of law. School board policy provides the general direction as to what the school board wishes to accomplish while delegating implementation of policy to the administration.
- B. The school board's written policies provide guidelines and goals to the school community. The policies shall be the basis for the formulation of guidelines and directives by the administration. The school board shall determine the effectiveness of the policies by evaluating periodic reports from the administration.
- C. Policies may be proposed by a school board member, employee, student or resident of the school district. Proposed policies or ideas shall be submitted to the superintendent for review prior to possible placement on the school board agenda.

### **IV. ADOPTION OF POLICY**

- A. The school board shall give notice of proposed policy changes or adoption of new policies by placing the item on the agenda of two school board meetings. The proposals shall be distributed and public comment will be allowed at both meetings ~~prior to final school board action.~~
- B. The final action taken to adopt the proposed policy shall be approved by a simple majority vote of the school board at a subsequent meeting after the meetings at which public input was received. The policy will be effective on the later of the date of passage or the date stated in the motion.
- C. In the case of an emergency, a new or modified policy may be adopted by a majority vote of a quorum of the school board **in a single meeting**. A statement regarding

the emergency and the need for immediate adoption of the policy shall be included in the minutes. The emergency policy shall expire within one year following the emergency action unless the policy adoption procedure stated above is followed and the policy is reaffirmed. The school board shall have discretion to determine what constitutes an emergency situation.

- D. If a policy is modified with minor changes that do not affect the substance of the policy or because of a legal change over which the school board has no control, the modified policy may be approved at one meeting at the discretion of the school board.

## **V. IMPLEMENTATION OF POLICY**

- A. The superintendent shall be responsible for implementing school board policies, other than the policies that cover how the school board will operate. The superintendent shall develop administrative guidelines and directives to provide greater specificity and consistency in the process of implementation. These guidelines and directives, including employee and student handbooks, shall be subject to annual review and approval by the school board.
- B. Each school board member shall have access to the policies via the website at [www.isd917.org](http://www.isd917.org).
- C. The superintendent, employees designated by the superintendent, and individual school board members shall be responsible for keeping the policy manuals current.
- D. The school board shall review policies at least once every three years. The superintendent shall be responsible for developing a system of periodic review, addressing approximately one third of the policies annually. In addition, the school board shall review the following policies annually: ~~410 Family and Medical Leave Policy; 413 Harassment and Violence; 414 Mandated Reporting of Child Neglect or Physical or Sexual Abuse; 415 Mandated Reporting of Maltreatment of Vulnerable Adults; 506 Student Discipline; 514 Bullying Prohibition Policy; 522 Student Sex Nondiscrimination; 524 Internet Acceptable Use and Safety Policy; 616 School District System Accountability;~~ **722 Public Data Requests**, and 806 Crisis Management Policy.
- E. When no school board policy exists to provide guidance on a matter, the superintendent is authorized to act appropriately under the circumstances keeping in mind the educational philosophy and financial condition of the school district. Under such circumstances, the superintendent shall advise the school board of the need for a policy and present a recommended policy to the school board for approval.

**Legal References:** Minn. Stat. § 123B.02, Subd. 1 (School District Powers)  
Minn. Stat. § 123B.09, Subd. 1 (School Board Powers)

**Cross References:** MSBA/MASA Model Policy 305 (Policy Implementation)

## **705 INVESTMENTS**

### **I. PURPOSE**

The purpose of this policy is to establish guidelines for the investment of school district funds.

### **II. GENERAL STATEMENT OF POLICY**

It is the policy of this school district to comply with all state laws relating to investments and to guarantee that investments meet certain primary criteria.

### **III. SCOPE**

This policy applies to all investments of the surplus funds of the school district, regardless of the fund accounts in which they are maintained, unless certain investments are specifically exempted by the school board through formal action.

### **IV. AUTHORITY; OBJECTIVES**

- A. The funds of the school district shall be deposited or invested in accordance with this policy, ~~Minn. Stat. Ch.~~ **Minnesota Statutes chapter 118A** and any other applicable law or written administrative procedures.
- B. The primary criteria for the investment of the funds of the school district, in priority order, are as follows:
  - 1. Safety and Security. Safety of principal is the first priority. The investments of the school district shall be undertaken in a manner that seeks to ensure the preservation of the capital in the overall investment portfolio.
  - 2. Liquidity. The funds shall be invested to assure that funds are available to meet immediate payment requirements, including payroll, accounts payable and debt service.
  - 3. Return and Yield. The investments shall be managed in a manner to attain a market rate of return through various economic and budgetary cycles, while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements.

## **V. DELEGATION OF AUTHORITY**

- A. The Executive Director of Business Services of the school district is designated as the investment officer of the school district and is responsible for investment decisions and activities under the direction of the school board. The investment officer shall operate the school district's investment program consistent with this policy. The investment officer may delegate certain duties to a designee or designees, but shall remain responsible for the operation of the program.
- B. All officials and employees that are a part of the investment process shall act professionally and responsibly as custodians of the public trust, and shall refrain from personal business activity that could conflict with the investment program or which could reasonably cause others to question the process and integrity of the investment program. The investment officer shall avoid any transaction that could impair public confidence in the school district.

## **VI. STANDARD OF CONDUCT**

The standard of conduct regarding school district investments to be applied by the investment officer shall be the "prudent person standard." Under this standard, the investment officer shall exercise that degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion and intelligence would exercise in the management of their own affairs, investing not for speculation and considering the probable safety of their capital as well as the probable investment return to be derived from their assets. The prudent person standard shall be applied in the context of managing the overall investment portfolio of the school district. The investment officer, acting in accordance with this policy and exercising due diligence, judgment and care commensurate with the risk, shall not be held personally responsible for a specific security's performance or for market price changes. Deviations from expectations shall be reported in a timely manner and appropriate actions shall be taken to control adverse developments.

## **VII. MONITORING AND ADJUSTING INVESTMENTS**

The investment officer shall routinely monitor existing investments and the contents of the school district's investment portfolio, the available markets and the relative value of competing investment instruments.

## **VIII. INTERNAL CONTROLS**

The investment officer shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed by the school

board and shall be annually reviewed for compliance by the school district's independent auditors. The internal controls shall be designed to prevent and control losses of public funds due to fraud, error, misrepresentation, unanticipated market changes or imprudent actions by officers, employees or others. The internal controls may include, but shall not be limited to, provisions relating to controlling collusion, separating functions, separating transaction authority from accounting and record keeping, custodial safekeeping, avoiding bearer form securities, clearly delegating authority to applicable staff members, limiting securities losses and remedial action, confirming telephone transactions in writing, supervising and controlling employee actions, minimizing the number of authorized investment officials, and documenting transactions and strategies.

#### **IX. PERMISSIBLE INVESTMENT INSTRUMENTS**

The school district may invest its available funds in those instruments specified in Minnesota Statutes sections 118A.04 and 118A.05, as these sections may be amended from time to time, or any other law governing the investment of school district funds.

#### **X. PORTFOLIO DIVERSIFICATION; MATURITIES**

- A. Limitations on instruments, diversification and maturity scheduling shall depend on whether the funds being invested are considered short-term or long-term funds. All funds shall normally be considered short-term except those reserved for building construction projects or specific future projects and any unreserved funds used to provide financial-related managerial flexibility for future fiscal years.
- B. The school district shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.
  - 1. The investment officer shall prepare and present a table to the school board for review and approval. The table shall specify the maximum percentage of the school district's investment portfolio that may be invested in a single type of investment instrument, such as U.S. Treasury Obligations, certificates of deposit, repurchase agreements, banker's acceptances, commercial paper, etc. The approved table shall be attached as an exhibit to this policy and shall be incorporated herein by reference.
  - 2. The investment officer shall prepare and present to the school board for its review and approval a recommendation as to the maximum percentage of the total investment portfolio that may be held in any one depository. The approved recommendation shall be attached as an exhibit or part of an exhibit to this policy and shall be incorporated herein by reference.

3. Investment maturities shall be scheduled to coincide with projected school district cash flow needs, taking into account large routine or scheduled expenditures, as well as anticipated receipt dates of anticipated revenues. Maturities for short-term and long-term investments shall be timed according to anticipated need. Within these parameters, portfolio maturities shall be staggered to avoid undue concentration of assets and a specific maturity sector. The maturities selected shall provide for stability of income and reasonable liquidity.

## **XI. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS**

Before the school district invests any surplus funds in a specific investment instrument, a competitive bid or quotation process shall be utilized. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, quotations or bids shall be requested for instruments which meet the maturity requirement. If no specific maturity is required, a market trend analysis, which includes a yield curve, will normally be used to determine which maturities would be most advantageous. Quotations or bids shall be requested for various options with regard to term and instrument. The school district will accept the quotation or bid which provides the highest rate of return within the maturity required and within the limits of this policy. Generally all quotations or bids will be computed on a consistent basis, i.e., a 360-day or a 365-day yield. Records will be kept of the quotations or bids received, the quotations or bids accepted, and a brief explanation of the decision that was made regarding the investment. If the school district contracts with an investment advisor, bids are not required in those circumstances specified in the contract with the advisor.

## **XI. QUALIFIED INSTITUTIONS AND BROKER-DEALERS**

**A. The school district shall maintain a list of the financial institutions that are approved for investment purposes.**

~~A.B.~~ Prior to completing an initial transaction with a broker, the school district shall provide to the broker a notification to broker and certification by broker which shall include a provision that all future investments are to be made in accordance with Minnesota statutes governing the investment of public funds. The broker must annually acknowledge receipt of the notification to broker and certification by broker and agree to handle the school district's account in accordance with these restrictions. The school district may not enter into a transaction with a broker until the broker has provided this annual written agreement to the school district. The notification form to be used shall be that prepared by the State Auditor. A copy of this investment policy, including any amendments thereto, shall be provided to each such broker.

## **XII. SAFEKEEPING AND COLLATERALIZATION**

- A. ~~Securities purchased will be retained at the institution where the securities are purchased. Investments shall be safekept in the School's name. Certificates will be held at the financial institution in the School's name. All securities should be a risk category one according to the Governmental Accounting Standard No. 3.~~

**All investment securities purchased by the school district shall be held in third-party safekeeping by an institution designated as custodial agent. The custodial agent may be any Federal Reserve Bank, any bank authorized under the laws of the United States or any state to exercise corporate trust powers, a primary reporting dealer in United States Government securities to the Federal Reserve Bank of New York, or a securities broker-dealer defined in Minnesota Statutes section 118A.06. The institution or dealer shall issue a safekeeping receipt to the school district listing the specific instrument, the name of the issuer, the name in which the security is held, the rate, the maturity, serial numbers and other distinguishing marks, and other pertinent information.**

- B. Deposit-type securities shall be collateralized as required by ~~Minn. Stat. §~~ **Minnesota Statutes section** 118A.03 for any amount exceeding FDIC, SAIF, BIF, FCUA, or other federal deposit coverage.
- C. Repurchase agreements shall be secured by the physical delivery or transfer against payment of the collateral securities to a third party or custodial agent for safekeeping. The school district may accept a safekeeping receipt instead of requiring physical delivery or third-party safekeeping of collateral on overnight repurchase agreements of less than \$1,000,000.

### **XIII. REPORTING REQUIREMENTS**

- A. The investment officer shall generate daily and monthly transaction reports for management purposes. In addition, the school board shall be provided a monthly report that shall include data on investment instruments being held as well as any narrative necessary for clarification.
- B. The investment officer shall prepare and submit to the school board a semi-annual investment report that summarizes recent market conditions, economic developments, and anticipated investment conditions. The report shall summarize the investment strategies employed and describe the investment portfolio in terms of investment securities, maturities, risk characteristics and other features. The report shall summarize changes in investment instruments and asset allocation strategy approved by the investment officer for an OPEB trust in the most recent quarter. The report shall explain the total investment return and compare the return with

budgetary expectations. The report shall include an appendix that discloses all transactions during the year. The annual report shall indicate any areas of policy concern and suggested or planned revisions of investment strategies. Copies of the report shall be provided to the school district's auditor.

- C. Within ninety (90) days after the end of each fiscal year of the school district, the investment officer shall prepare and submit to the school board a comprehensive annual report on the investment program and investment activity of the school district for that fiscal year. The annual report shall include 12-month and separate quarterly comparisons of return and shall suggest revisions and improvements that might be made in the investment program.
- D. If necessary, the investment officer shall establish systems and procedures to comply with applicable federal laws and regulations governing the investment of bond proceeds and funds in a debt service account for a bond issue. The record keeping system shall be reviewed annually by the independent auditor or by another party contracted or designated to review investments for arbitrage rebate or penalty calculation purposes.

#### **XIV. DEPOSITORIES**

The school board shall annually designate one or more official depositories for school district funds. The treasurer of the school district may also exercise the power of the school board to designate a depository. The school board shall be provided notice of any such designation by its next regular meeting. The school district and the depository shall each comply with the provisions of ~~Minn. Stat. §~~ **Minnesota Statutes section** 118A.03 and any other applicable law, including any provisions relating to designation of a depository, qualifying institutions, depository bonds, and approval, deposit, assignment, substitution, addition and withdrawal of collateral.

#### **XV. ELECTRONIC FUNDS TRANSFER OF FUNDS FOR INVESTMENT**

The school district may make electronic fund transfers for investment of excess funds upon compliance with ~~Minn. Stat. §~~ **Minnesota Statutes section** 471.38.

#### ***Legal References:***

- Minn. Stat. § 118A.01 (**Definitions** ~~Public Funds; Depositories and Investments~~)
- Minn. Stat. § 118A.02 (**Depositories; Investing; Sales, Proceeds, Immunity** ~~Authorization for Deposit and Investment~~)
- Minn. Stat. § 118A.03 (**When and What Collateral Required** ~~Depositories and Collateral~~)
- Minn. Stat. § 118A.04 (Investments)
- Minn. Stat. § 118A.05 (Contracts and Agreements)

Minn. Stat. § 118A.06 (~~Delivery and Safekeeping~~; **Acknowledgements**)  
Minn. Stat. § 471.38 (Claims)  
Minn. Stat. § 471.6175 (Trust for Postemployment Benefits)

***Cross References:***

MSBA/MASA Model Policy 703 (Annual Audit)

~~MSBA Service Manual, Chapter 7, Education Funding~~

Minnesota Legal Compliance Audit Guide **for School Districts** Prepared by the Office of the State Auditor



## Intermediate School District 917

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(651) 423-8229 \* <http://www.isd917.org>

TO: Intermediate School District 917 School Board members  
FROM: Dr. Michael Favor, ISD 917, Superintendent  
DATE: December 6, 2022  
REGARDING: 2022-2024 District 917 Classified School Year Contract

On November 17<sup>th</sup>, Classified School Year and ISD 917 personnel committee reached a tentative agreement for the 2022-2024 contract.

Below is a summary of negotiations:

- Language change under Article VI section 2 language define the workdays and break times.
- Language change under Article VII section 1 included retire health coverage under Minnesota Statute Section 471.61 subd. and moved cutoff date for severance under section 2 instead of section 5.
- Year 1 dropped steps 1 & 2, added step15, added 1% to salary schedule and renumbered. Second year added 1% to schedule.
- Enhance insurance contributions as follows:
  - year one (1)*
    - Add \$7 to the individual medical plan
    - Add \$100 to the family medical plan
    -
  - year two (2)*
    - Add \$19 to the individual medical plan
    - Add \$85 to the family medical plan
    - Add \$14 to the family dental plan

With enhancements outlined the total package is 8.75%.

Board recommendation: Approve 2022-2024 District 917 Classified School Year Contract

### ISD 917 Vision

Intermediate School District 917 models an innovative culture with diverse pathways serving students and families through equitable practices with highly trained staff.

### ISD 917 Core Values

Collaboration \* Empathy \* Innovation \* Stewardship \* Communication \* Integrity \* Personalization \* Equity \* Diversity

**INTERMEDIATE SCHOOL DISTRICT 917**

**TERMS AND CONDITIONS OF EMPLOYMENT FOR DISTRICT  
CLASSIFIED SCHOOL YEAR EMPLOYEES**

Effective July 1, 2022 – June 30, 2024

**APPROVED BY THE SCHOOL BOARD**

December 6, 2022

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**ARTICLE I**  
**DEFINITION OF ELIGIBLE EMPLOYEES**

These terms and conditions of employment cover those employees of Intermediate School District 917 who are not included in any bargaining unit with an exclusive bargaining representative under the Minnesota Public Employment Labor Relations Act and who meet the following conditions:

- a) Are full-time or regular part-time school year employees in a position approved by the school board, and
- b) Are employed in that position at least 30 hours per week during the school year.

The first year of employment shall be defined as any days of employment prior to the last student day of the regular school calendar in the first employment agreement. The next regular school calendar becomes the second year of employment with each successive school calendar adding to the years of employment.

**ARTICLE II**  
**LEAVES**

Section 1. Sick Leave: All eligible employees as defined in Article I in their first or second year of continuous employment shall earn sick leave at the rate of one day for each month of service in the employment of the school district, which is equivalent to nine (9) days in each school year.

Subd. 1: All eligible employees as defined in Article I beginning with their third year of continuous employment shall earn sick leave at the rate of one and one-ninth (1-1/9) days for each month of service in the employ of the School District, which is equivalent to ten (10) days for each school year. Each employee shall be given a credit of nine (9) or ten (10) sick days at the beginning of each school year depending on their year of continuous employment.

Subd. 2: An employee may use one (1) day of accumulated sick leave for each day of illness or disability of the employee's child who is less than eighteen (18) years old, for such reasonable periods as the employee's attendance with the child may be necessary, on the same terms the employee is able to use sick leave benefits for the employee's own illness (Minn. Stat. § 181.9413).

Subd. 3: Unused sick leave days may accumulate without limit.

Section 2. Medical Leave:

Subd. 1. Personal Medical Leave of Absence: An employee who is unable to work because of a personal illness or disability may, upon written request to human resources per procedure outlined on the School District's website, be granted a medical leave of absence. Such leave shall run concurrently, that is at the same time, with Family Medical Leave Act (FMLA) provisions, if the employee is eligible under FMLA as noted in subdivision two (2) of this section. The employee's accrued paid leave must be exhausted before the employee transitions to an unpaid personal medical leave of absence.

Maternity Leave: The start of a personal physical disability absence for prenatal care, pregnancy, delivery, and recovery from childbirth shall be determined by the employee's physician. The end of a personal physical disability absence for childbirth shall also be determined by the employee's physician. This must be communicated to the School District in writing. Leaves extending beyond the physician's documentation shall fall under parental leave and may be eligible under the Family Medical Leave Act as noted in subdivision two (2) of this section.

Subd. 2. Family Medical Leave of Absence: In accordance with the Family Medical Leave Act (FMLA), eligible employees are entitled to twelve (12) workweeks of unpaid leave within a rolling twelve (12)-month period. Non-contract days, such as non-duty days, shall not count toward the twelve (12) workweeks and accrued paid leave shall not be deducted.

- a) FMLA Eligibility: Over the twelve (12) months prior to leave, employees must have been employed with the School District for at least twelve (12) months and worked 1,250 hours within the twelve (12)-month period preceding the leave. Any use of vacation, sick leave, or unpaid time off (non-duty days) are not be counted toward the 1,250-hour benchmark.
- b) Pursuant to law, FMLA Leave shall be granted for any of the following reasons:
  - i. The employee's own serious health condition, as defined by the FMLA.
  - ii. The employee's need to care for an immediate family member (spouse, child, parent) with a serious health condition, as defined by the FMLA.
  - iii. The placement (adoption or foster care) or birth of a child up to one year after the child's birth or placement.
- c) FMLA Leave will run concurrently, that is at the same time, with any paid leave and any and all of the employee's accrued paid leave must be exhausted before the employee transitions to an unpaid leave of absence.
- d) Spouses who work for the School District shall be allowed a combined total of twelve (12) weeks unpaid FMLA leave during any twelve (12)-month period for the birth or adoption of a child, or to care for a parent's serious health condition. However, the combined limitation does not apply to FMLA leave taken by one spouse in the School District to care for the other spouse in the School District.

Subd. 3. Notification and Request for Medical Leave: An employee must give written notice to human resources requesting a medical leave of absence at least three (3) calendar months before the beginning of the requested medical leave or within 24 hours of receipt of notice of arrival of an adopted child, if notice is received less than three (3) calendar months before the leave start date, or as soon as possible following the onset of a serious health condition. The request for medical leave shall adhere to procedure outlined on the School District's website.

Subd. 4. Medical Verification: The employee shall be required to provide the School District with medical verification from a qualified healthcare provider for their own or the family member's serious health condition when requesting the leave of absence.

Subd. 5. Returning from Medical Leave: An employee on a medical leave of absence under this Section must notify human resources or his/her administrative designee in writing, at least one (1) week prior to his/her intention to return from leave.

- a) If the employee is returning from a personal medical leave of absence, the employee must also provide medical verification from a qualified healthcare provider of the employee's release from medical restrictions allowing them to return to full capacity at work.

The employee may provide medical verification from a qualified healthcare provider of the employee's work restrictions due to the employee's serious medical condition, and the School District will attempt to accommodate those restrictions if possible.

- b) Upon return from a medical leave, the employee shall be returned to the former position held from which the employee was granted the leave, or an equivalent position should that position no longer be available or the School District determines the timing of the employee's return would interfere with student achievement.

Subd. 6. Probationary Period: Periods of time for which the employee is on medical leave may extend the employee's probationary period pursuant to Minnesota Statute (122A.41, Subdivision 1).

### Section 3. Parental Leave:

Subd. 1. An employee shall be afforded a parental leave of absence of no more than twelve (12) months in duration for the care of a newborn child or an adopted child, provided that the employee is caring for the child on a full-time basis. The parental leave will run concurrently, that is at the same time, as family medical leave should the leave be an FMLA-qualified leave of absence.

Subd. 2. Notification and Request for Parental Leave: An employee shall give written notice to human resources, per procedure outlined on the School District's website, requesting a parental leave of absence at least three (3) calendar months before the beginning of the requested leave or within 24 hours of receipt of notice of the arrival of an adopted child, if notice is received less than three (3) calendar months before the leave start date.

Subd. 3. Returning from Parental Leave: For partial school year leaves, an employee on a parental leave of absence under this Section must confirm with human resources his/her intention to return from parental leave at least two (2) weeks prior to his/her approved leave end date. For full school-year leaves, an employee on a parental leave of absence under this Section must confirm with human resources or his/her administrative designee

in writing, his/her intention to return from parental leave in July of the next fiscal year by April 1 of the leave fiscal year.

Upon return from a parental leave, the employee shall be returned to the former position held from which the employee was granted the leave, or an equivalent position should that position no longer be available or the School District determines the timing of the employee's return would interfere with student achievement.

Subd. 4. Failure of the employee to return from a parental leave pursuant to the agreed upon return date with the School District, may constitute job abandonment and be grounds for termination.

Subd. 5. The School District may adjust the proposed beginning or end date of a parental leave to coincide with a natural break in the school year.

Subd. 6. Probationary Period: Periods of time for which the employee is on parental leave may extend the employee's probationary period pursuant to Minnesota Statute (122A.41, Subdivision 1).

#### Section 4. Civic Duty/Military Leave:

Subd. 1. Jury Duty: An employee summoned to serve on a jury shall request to be excused from such jury service. Employees who are not excused will be permitted time off without the loss of pay contingent upon the employee reimbursing the School District any fees / per diem received from the court for said jury duty. Any allowable expenses reimbursed by the court, such as mileage, parking, and meals, may be retained and are the sole responsibility of the employee to seek through the court. The District shall assume no responsibility to seek reimbursement, nor pay reimbursement for said expenses.

Subd. 2. Subpoenaed Witness: An employee subpoenaed in cases involving the School District or students (e.g., a parent custody case) served within the School District, will be permitted time off without the loss of pay and will be allowed to retain any allowable expenses reimbursed by the court. An employee subpoenaed in cases unrelated to the School District, will be permitted time off and use of paid or unpaid leave will be at the discretion of the Superintendent. Any allowable expenses reimbursed by the court, such as mileage, parking, and meals, may be retained and are the sole responsibility of the employee to seek through the court. The District shall assume no responsibility to seek reimbursement, nor pay reimbursement for said expenses.

Subd. 3. Military: Military leave shall be granted pursuant to State and Federal laws.

#### Section 5. General Unpaid Personal Leave:

Subd. 1. An employee shall be afforded a general unpaid personal leave of absence, subject to the provisions in this section and District policy 464, through written request from the employee to the Superintendent. Any leave within this section must also be approved by the School Board if it extends beyond five (5) days. The granting of such leave shall be at the sole discretion of the School Board.

A general leave may be granted by the School Board for extended personal illness, extended illness of the employee's immediate family member, additional educational requirements, or other reasons acceptable to the School Board.

Subd. 2. A general leave of absence pursuant to this section shall be leave without pay and the employee will not be permitted to use accrued leave to subsidize his/her general leave of absence.

Subd. 3. An employee on an approved general leave of absence for a full school year or the spring semester of the school year, shall notify the Superintendent in writing of his/her intention to return for the upcoming fiscal year no later than April 1 of the leave fiscal year. For partial school year leaves, an employee on a general leave of absence under this Section must notify the Superintendent in writing, of his/her intention to return from general leave at least one (1) month prior to his/her approved leave end date.

#### Section 6. Insurance Implications:

Subd. 1. Qualified FMLA Leaves: An employee on a leave under this article that qualifies per the Family Medical Leave Act (FMLA) is eligible to continue to participate in group insurance programs, if permitted under the insurance policy provisions, and shall continue to pay the employee contribution to the insurance premium for any month during which the FMLA-qualified leave falls.

Subd. 2. Other Leaves: For leaves under this article that do not qualify per the FMLA, the employee shall pay the full insurance premium (School District and employee contributions) for any month in which the employee does not work at least one (1) day.

Subd. 3. Payment: The employee is responsible for paying the School District business office the monthly amounts due for any insurance programs the employee wishes to retain in advance of the end of the corresponding month on such a date determined by the School District. However, the employee may elect to discontinue insurance programs. The right to continue participation in such group insurance programs shall automatically discontinue upon termination of employment, except as otherwise provided by law.

#### Section 7. Accrued Benefits:

Subd. 1. Employees on Medical or Parental Leaves: An employee on a medical or parental leave under this article shall retain his/her number of personal and sick leave days, and other accrued benefits, if any, up to the date that the employee went on leave for use during the employee's leave of absence, as noted in sections two (2) and three (3) of this article, and accrual will continue so long as the employee is using paid leave. No additional paid leave days, or other benefits shall accrue for the period of time that the employee is on unpaid leave.

Subd. 2. Employees on General Leaves: An employee on a general leave under this article shall retain his/her number of personal and sick leave days, and other accrued benefits, if any, up to the date that the employee went on leave for use upon the

employee's return from leave. No additional paid leave days or other benefits shall accrue for the period that the employee is on unpaid leave.

Section 8. Failure to Return to Work from a Leave of Absence: Failure of the employee to return to work from a leave of absence pursuant to this Article shall constitute grounds for termination by the school district.

Section 9. Death and Illness:

Subd. 1: An employee may be granted up to five (5) days absence with pay due to the death of the employee's spouse, child, step-child, parent, brother, sister, parent-in-law, son-in-law, daughter-in-law, or grandchild. Up to three (3) days absence may be granted with pay for the death of the employee's grandparent, brother-in-law, sister-in-law, or a significant person of the immediate household. The leave set forth in this section is non-accumulative and shall not be deducted from sick leave.

Subd. 2. Upon approval of the superintendent or his/her designee, up to twenty (20) days sick leave per year will be granted for the illness or injury of the following: employee's spouse or parent or spouse's parent, or child over 18, or grandchild or sibling and/or grandparent and/or step-parent. An employee may use one (1) day of accumulated sick leave for each day of illness or disability of the employee's child who is less than eighteen (18) years old, for such reasonable periods as the employee's attendance with the child may be necessary, on the same terms the employee is able to use sick leave benefits for the employee's own illness (Minn. Stat. § 181.9413).

Subd. 3. Additional absence for severe illness or death may be granted at the sole discretion of the Superintendent, whose decision is final and binding.

Section 5: Personal Leave

Subd. 1. Personal leave shall be allowed to accumulate to a total of five (5) days. Employees will receive personal leave days per the following schedule:

|   |        |
|---|--------|
| In year one (1) and two (2) of continuous employment  | 2 days |
| In year three (3) and beyond of continuous employment | 3 days |

Subd. 2. The use of a personal leave day is subject to the approval of the school district to ensure a minimum disruption for the educational program. Accordingly, the following limitations apply:

- a) A personal leave day normally shall not be granted for the day preceding or the day following holidays or vacation periods and the first ten (10) duty days and the last ten (10) duty days of the school year. Exceptions may be made with the approval of the superintendent or their designee.
- b) Personal leaves shall not be granted during parent conference days, in-service days or other days when it is critical that the employee be in attendance.

- c) Personal leave requests may be denied on a particular day if other employees in the same unit/department have already been granted personal leave which would be disruptive of the functioning of the particular program/department.

Subd. 3. At the beginning of each employment year, employees will be credited with the number of days of personal leave specified in Subd. 1 herein. Those employees who, at the beginning of any year, have accumulated more than the five (5) allotted days listed in Subd. 1 of this article shall receive a lump sum payment of \$80 for each day beyond five (5) for which they become eligible in lieu of being granted additional days.

Subd. 4. Usage of personal leave shall be requested as early as practicable and normally at least two (2) weeks in advance. For instances where requests are submitted less than two weeks in advance, a reason may be requested by administration.

Subd. 5. The first year of employment shall be defined as any days of employment prior to the last student day of the regular school calendar in the first employment agreement. The next regular school calendar becomes the second year of employment.

**ARTICLE III  
403B MATCHING CONTRIBUTION**

Section 1. Eligibility: To be eligible for this contribution, an employee must be regularly employed at least 1110 hours during the fiscal year, and such benefits shall not apply to employees employed for a lesser time or substitute employees.

Section 2. Contribution: The School District will match eligible employee contributions up to a maximum as listed in the following schedule, according to year of continuous employment in the District.

| <u>Year of Continuous Employment in District</u> | <u>2022-2024</u> |
|--|------------------|
| 1-4  | \$450            |
| 5-9  | \$550            |
| 10 – 14  | \$700            |
| 15 – 19  | \$850            |
| 20+  | \$1000           |

Section 3. Authorization: A salary reduction authorization agreement must be completed by the eligible employee by October 1 and each year thereafter for the employee to participate in the 403B matching contribution plan.

Section 4. Unpaid Leaves: Employees on unpaid leaves may not participate in the matching program while on leave.

Section 5. Matching Requirement: The School District’s contribution, in any event, shall not exceed the employee’s matching contribution within the limitations of this Article.

**ARTICLE IV  
INSURANCE BENEFITS**

Section 1. Health and Hospitalization Insurance:

Subd. 1: Individual Coverage. Effective July 1, 2022, the School District shall contribute a sum not to exceed \$750 per month for individual coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. Effective January 1, 2023, the School District shall contribute a sum not to exceed \$757 per month for individual coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. Effective January 1, 2024, the School District shall contribute a sum not to exceed \$776 per month for individual coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. The cost of the premium not contributed by the School District shall be borne by the employee and paid by payroll deduction. This subdivision shall not apply to those eligible employees who select coverage under the high deductible health plan described in Subdivision 3.

Subd. 2: Family Coverage. Effective July 1, 2022, the School District shall contribute a sum not to exceed \$1675 per month for family coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. Effective, January 1, 2023, the School District shall contribute a sum not to exceed \$1775 per month for family coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. Effective, January 1, 2024, the School District shall contribute a sum not to exceed \$1860 per month for family coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. The cost of the premium not contributed by the School District shall be borne by the employee and paid by payroll deduction. This subdivision shall not apply to those eligible employees who select coverage under the high deductible health plan described in Subdivision 4.

Subd. 3. Individual High Deductible Coverage:

- a) Eligible employees shall have the option of enrolling in a high deductible coverage option of the school district's health and hospitalization plan. The high deductible coverage shall be a qualified high deductible health plan within the meaning of Section 223 of the Internal Revenue Code of 1986, as amended from time to time. Each eligible employee enrolled in the high deductible coverage shall be eligible for a contribution to a health savings account ("HSA") of such employee in accordance with the Intermediate School District No. 917 Flex Choice Plan (the "Flex Choice Plan"). The total monthly contribution by the school district toward the cost of the premium of the high deductible coverage, the HSA contribution, and the HSA administrative fees attributable to such eligible employee shall not exceed \$750 per month starting July 1, 2022, shall not exceed

\$757 starting January 1, 2023, and shall not exceed \$776 per month starting January 1, 2024.

- b) The school district shall contribute toward the cost of the premium for each eligible employee employed by the school district who qualifies for and is enrolled in individual coverage under the high deductible coverage option of the school district's health and hospitalization plan a monthly amount equal to the total monthly contribution identified in subsection (a) minus the monthly HSA contribution identified in subsection (c) and the monthly HSA administrative fees.
- c) The school district shall contribute an amount equal to one-half of the applicable deductible to the HSA of each eligible employee employed by the school district who qualifies for and is enrolled in individual coverage under the plan. Such contributions shall be made monthly on a pro rata basis. Such employees shall also be eligible, through the Flex Choice Plan, to make pre-tax contributions to the HSA via salary reduction. The school district shall select the vendor of the HSA to which such contributions shall be made. Once deposited in an employee's HSA, such contributions, whether made by the school district or via salary reduction, shall not be subject to restriction by the school district and the employee may access and/or transfer such funds to a different HSA to the fullest extent permitted by law. Such employees also shall be eligible to participate in a Limited Scope Health Care Reimbursement Plan through the Flex Choice Plan, which shall allow reimbursement of medical expenses to the fullest extent permitted by law for an individual receiving contributions to an HSA.

Subd. 4. Family High Deductible Coverage:

- a) Eligible employees shall have the option of enrolling in a high deductible coverage option of the school district's health and hospitalization plan. The high deductible coverage shall be a qualified high deductible health plan within the meaning of Section 223 of the Internal Revenue Code of 1986, as amended from time to time. Each eligible employee enrolled in the high deductible coverage shall be eligible for a contribution to a health savings account ("HSA") of such employee in accordance with the Intermediate School District No. 917 Flex Choice Plan (the "Flex Choice Plan"). The total monthly contribution by the school district toward the cost of the premium of the high deductible coverage, the HSA contribution, and the HSA administrative fees attributable to such eligible employee shall not exceed \$1675 per month starting July 1, 2022, shall not exceed \$1775 starting January 1, 2023, and shall not exceed \$1860 per month starting January 1, 2024.
- b) The school district shall contribute toward the cost of the premium for each eligible employee employed by the school district who qualifies for and is enrolled in individual coverage under the high deductible coverage option of the school district's health and hospitalization plan a monthly amount equal to the total monthly contribution identified in subsection (a) minus the monthly HSA contribution identified in subsection (c) and the monthly HSA administrative fees.

- c) The school district shall contribute an amount equal to one-half of the applicable deductible to the HSA of each eligible employee enrolled in the family high deductible coverage. Such contributions shall be made monthly on a pro rata basis. Such employees shall also be eligible, through the Flex Choice Plan, to make pre-tax contributions to the HSA via salary reduction. The school district shall select the vendor of the HSA to which such contributions shall be made. Once deposited in an employee's HSA, such contributions, whether made by the school district or via salary reduction, shall not be subject to restriction by the school district and the employee may access and/or transfer such funds to a different HSA to the fullest extent permitted by law. Such employees also shall be eligible to participate in a Limited Scope Health Care Reimbursement Plan through the Flex Choice Plan, which shall allow reimbursement of medical expenses to the fullest extent permitted by law for an individual receiving contributions to an HSA.

Section 2. Group Income Protection: The School District will pay each month 100 percent of the premium for income protection insurance for each eligible employee. The income protection plan shall include the following:

- a) Benefits begin after ninety (90) calendar days of total disability.
- b) The monthly income benefit shall be 66-2/3 percent of basic monthly earnings (exclusive of any additional compensation from this district or any other source).

Section 3. Life Insurance: The School District will pay each month all of the life insurance premium for a \$50,000 term life insurance policy for each eligible employee.

Section 4. Dental Insurance:

Subd. 1. Individual Coverage: Effective July 1, 2022, the School District shall contribute a sum not to exceed \$60 per month toward the cost of the premium for individual coverage for each eligible employee employed by the School District who qualifies for and is enrolled in the School District's dental insurance plan. Additional cost of the premium, if any, shall be borne by the employee and paid by payroll deduction.

Subd. 2. Family Coverage: Effective July 1, 2022, the School District shall contribute a sum not to exceed \$124 per month toward the cost of the premium for family coverage for each eligible employee employed by the School District who qualifies for and is enrolled in the School District's dental insurance plan. Effective January 1, 2024, the School District shall contribute a sum not to exceed \$138 per month toward the cost of the premium for family coverage for each eligible employee employed by the School District who qualified for and is enrolled in the School District's dental insurance plan. Additional cost of the premium, if any, shall be borne by the employee and paid by payroll deduction.

**ARTICLE V  
OTHER BENEFITS**

Section 1. Professional Development: The School Board agrees to reimburse tuition and fees and membership/association fees for courses and memberships which are approved in accordance with district policy.

Section 2. Mileage: Employees required to use their personal vehicle in the performance of employment responsibilities shall be reimbursed for such travel pursuant to School District policy.

**ARTICLE VI  
MISCELLANEOUS**

Section 1: Probationary Period Employees, under the provisions of this Agreement, who have assignments that primarily entail student contact, shall serve a probationary period of two (2) calendar years from the date of continuous employment, during which time the School District shall have the unqualified right to suspend without pay, discharge or otherwise discipline such employee.

Section 2. Duty Days and Schedule

Subd. 1. Calendar: The employees in this group are contracted to work an extended duty calendar beyond the student days. A full-time Brailist works 200 contracted duty days. A full-time Captionist works three (3) additional professional development days beyond the number of students days at the employee's assigned work location. A full-time Technology Tutor works 185 contracted duty days. The duty calendar for Technology Tutors includes extended day duties for three (3) evening events each school year. The details of the calendar are to be determined by the supervising program administrator.

Subd. 2. Paid Breaks or Lunch: Employees working six (6) or more hours per day shall receive a fifteen (15) minute break in the morning and a fifteen (15) minute break in the afternoon, or one 30-minute lunch at a time determined by the supervisor. Employees working at least four (4) hours, but less than six (6) hours shall receive one 15-minute break, at a time determined by the supervisor.

Section 3. Evaluation: Employees covered under this agreement will be evaluated by their supervisor on an annual basis, through a tool selected by the district.

Section 4. Duration of Employment: This agreement provides for an "at will" employment relationship. Either party may terminate this agreement at any time for any reason upon written notice to the other party. Other provisions of this agreement apply in terms of pay and benefits when the employment relationship ends.

## **ARTICLE VII SEVERANCE/RETIREMENT**

Section 1. Retiree Health Coverage: Health coverage following the termination of employment shall be made available to the extent required under, and in accordance with, Minnesota Statutes Section 471.61, subd. 2b. The District makes no contribution towards the premium cost of such coverage.

Section 2. Cut-off Date: The benefits of this article shall not apply to a member of this group hired after July 1, 2018.

Section 3. Eligibility: Full-time employees who have completed at least fifteen (15) years of continuous employment with the School District, and who are at least fifty-five (55) years of age, shall be eligible for severance pay pursuant to the provisions of this Article upon submission of a written resignation accepted by the School Board. Severance pay shall not be granted to any employee who is discharged for cause by the School District. This Article shall apply only to employees who retire after the execution of this contract and shall not be retroactive to any employee who retired prior to said execution date.

Section 4. Amount of Severance: Eligible employees, upon retirement, shall receive as severance pay unused sick leave days, not to exceed thirty-five (35) days.

Section 5. Method of Pay-out:

- a) Subject to the limitations listed below, the school district will contribute an amount equal to the value of the employee's severance pay directly into the School Board approved 403b vendor account. The retiree will not receive any direct payment from the school district for the severance pay.
- b) The school district's annual contribution into the School Board approved 403b vendor account must not exceed the IRS contribution limit. If the amount calculated in A exceeds the available limits in the year of separation, the excess amount will be paid out in cash and not be tax sheltered.
- c) The school district contribution(s) (into the approved 403b vendor account) will be made according to the same timeline as was provided for the direct payment of the severance pay.
- d) The school district will make the severance pay contributions to the School Board approved 403b vendor. For purposes of calculating the maximum deferral limit, the school district will provide the retiree or approved vendor with contribution information for the previous twelve (12) months of employment. The vendor has agreed to calculate the maximum deferral limit.

Section 6. Notice: To be eligible for the benefits of this section, unless waived by the School District, an employee must notify the School District not less than ninety (90) calendar days prior to the proposed retirement date.

**ARTICLE VIII  
SALARIES**

Section 1. Salary Increases for New Employees: A new employee shall be given a salary as agreed between the School District and the employee. An employee hired prior to January 1 shall be eligible for a step increase effective the following July 1. An employee hired after January 1 shall not be eligible for a salary increase until the second following July 1. (Example: An employee hired prior to January 1, 2023, shall be eligible for a salary increase effective on July 1, 2023. An employee hired on or after January 1, 2023, shall not be eligible for a salary increase until July 1, 2024. These salary terms may only be modified by mutual agreement in writing between the School District and the Employee at the time of initial employment.

Section 2. Basic Salaries

Subd. 1. The wages and salaries set forth in Schedule A attached hereto shall be a part of this agreement for the period July 1, 2022, through June 30, 2023. The wages and salaries set forth in Schedule B attached hereto shall be a part of this agreement for the period July 1, 2023, through June 30, 2024.

Subd. 2. Effective July 1, 2022, eligible employees will advance one (1) step on Salary Schedule A from their previous on the salary schedule for 2021-2022, noting that steps one (1) and two (2) of the 2021-2022 salary schedule were removed on the 2022-2023 schedule, which was then renumbered, and an additional step (step thirteen) was added. Effective July 1, 2023, eligible employees will advance one (1) step on Salary Schedule B from their placement the previous year. Exceptions for both years will be made for those employees subject to Section 1 of this Article. The School District reserves the right to withhold step advancement or other salary increase in individual cases for just cause.

Subd. 3. In the event the School Board has not acted on Terms and Conditions of Employment prior to July 1 in any year in which the Terms and Conditions Agreement expires, an employee shall remain at the same step as compensated during the last year of the expired Terms and Conditions Agreement until School Board action occurs. Moreover, the School District reserves the right to withhold step advancement or other salary increase in individual cases for cause.

Section 3. Longevity: Employees shall receive a longevity salary increase beyond the rates delineated in Schedules A and B of the agreement as follows; years of continuous employment refer to years in the District.

|  |                  |
|--|------------------|
|  | <u>2022-2024</u> |
| In their 11-14 year of continuous employment | \$2.00/hour      |
| In their 15-18 year of continuous employment | \$2.50/hour      |
| In their 19+ year of continuous employment   | \$2.75/hour      |

Section 4. Absence of Regular Teacher: In the event the regular teacher is absent from school one and a half or more consecutive hours per day during student contact time and a substitute is not hired, one School District designated technical tutor shall receive his/her current rate of pay

plus an additional \$7.00 per hour for student contact hours that neither the regular teacher nor a substitute teacher is in attendance at school. The School District will designate the responsible technical tutor who will receive the override. When the teacher's absence is for one and a half or more hours, all consecutive hours will qualify for the override. In all cases when a technical tutor is acting in lieu of the regular teacher, the Principal of the Secondary Technical Center shall designate another licensed teacher to provide emergency assistance and guidance to the technical tutor who is designated to teach the class.

On days when the technical tutor has a full-time teaching assignment, in addition to the increase per hour, they will receive payment for an extra half hour (10 minutes per shift) for preparation time, to be documented in accordance with district operating procedures. The Tech Tutor will be paid an additional half hour on days when they are covering the classroom assignment for the entire day.

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School Board Chair  
Dated: December 6, 2022

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Employee Representative  
Dated: December 6, 2022

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School Board Clerk  
Dated: December 6, 2022

| Salary Schedule A: 2022-2023 Hourly Rates |                  |                   |                           |
|---|------------------|-------------------|---------------------------|
| Previous Step from 2021-22                | 2022-23 New Step | Technology Tutors | Brailleists & Captionists |
| 3   | 1                | <b>18.81</b>      | <b>19.97</b>              |
| 4   | 2                | <b>19.39</b>      | <b>20.65</b>              |
| 5   | 3                | <b>20.01</b>      | <b>21.33</b>              |
| 6   | 4                | <b>20.62</b>      | <b>21.99</b>              |
| 7   | 5                | <b>21.24</b>      | <b>22.64</b>              |
| 8   | 6                | <b>21.83</b>      | <b>23.32</b>              |
| 9   | 7                | <b>22.46</b>      | <b>23.98</b>              |
| 10  | 8                | <b>23.03</b>      | <b>24.62</b>              |
| 11  | 9                | <b>23.64</b>      | <b>25.3</b>               |
| 12  | 10               | <b>24.25</b>      | <b>25.97</b>              |
| 13  | 11               | <b>24.84</b>      | <b>26.6</b>               |
| 14  | 12               | <b>25.47</b>      | <b>27.26</b>              |
|   | 13               | <b>26.23</b>      | <b>28.07</b>              |

| Salary Schedule B: 2023-2024<br>Hourly Rates |                      |                             |
|--|----------------------|-----------------------------|
| Step   | Technology<br>Tutors | Braillists &<br>Captionists |
| 1  | <b>19.00</b>         | <b>20.17</b>                |
| 2  | <b>19.58</b>         | <b>20.86</b>                |
| 3  | <b>20.21</b>         | <b>21.54</b>                |
| 4  | <b>20.83</b>         | <b>22.21</b>                |
| 5  | <b>21.45</b>         | <b>22.87</b>                |
| 6  | <b>22.04</b>         | <b>23.55</b>                |
| 7  | <b>22.68</b>         | <b>24.22</b>                |
| 8  | <b>23.26</b>         | <b>24.87</b>                |
| 9  | <b>23.88</b>         | <b>25.55</b>                |
| 10   | <b>24.49</b>         | <b>26.23</b>                |
| 11   | <b>25.09</b>         | <b>26.87</b>                |
| 12   | <b>25.73</b>         | <b>27.53</b>                |
| 13   | <b>26.49</b>         | <b>28.35</b>                |

INTERMEDIATE SCHOOL DISTRICT 917

TERMS AND CONDITIONS OF EMPLOYMENT FOR DISTRICT  
CLASSIFIED SCHOOL YEAR EMPLOYEES

Effective July 1, ~~2020-2022~~ – June 30, ~~2022~~2024

APPROVED BY THE SCHOOL BOARD

~~July 7, 2020~~December 6, 2022

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**ARTICLE I  
DEFINITION OF ELIGIBLE EMPLOYEES**

These terms and conditions of employment cover those employees of Intermediate School District 917 who are not included in any bargaining unit with an exclusive bargaining representative under the Minnesota Public Employment Labor Relations Act and who meet the following conditions:

- a) Are full-time or regular part-time school year employees in a position approved by the school board, and
- b) Are employed in that position at least 30 hours per week during the school year.

The first year of employment shall be defined as any days of employment prior to the last student day of the regular school calendar in the first employment agreement. The next regular school calendar becomes the second year of employment with each successive school calendar adding to the years of employment.

**ARTICLE II  
LEAVES**

Section 1. Sick Leave: All eligible employees as defined in Article I in their first or second year of continuous employment shall earn sick leave at the rate of one day for each month of service in the employment of the school district, which is equivalent to nine (9) days in each school year.

Subd. 1: All eligible employees as defined in Article I beginning with their third year of continuous employment shall earn sick leave at the rate of one and one-ninth (1-1/9) days for each month of service in the employ of the School District, which is equivalent to ten (10) days for each school year. Each employee shall be given a credit of nine (9) or ten (10) sick days at the beginning of each school year depending on their year of continuous employment.

Subd. 2: An employee may use one (1) day of accumulated sick leave for each day of illness or disability of the employee's child who is less than eighteen (18) years old, for such reasonable periods as the employee's attendance with the child may be necessary, on the same terms the employee is able to use sick leave benefits for the employee's own illness (Minn. Stat. § 181.9413).

Subd. 3: Unused sick leave days may accumulate without limit.

## Section 2. Medical Leave:

Subd. 1. Personal Medical Leave of Absence: An employee who is unable to work because of a personal illness or disability may, upon written request to human resources per procedure outlined on the School District's website, be granted a medical leave of absence. Such leave shall run concurrently, that is at the same time, with Family Medical Leave Act (FMLA) provisions, if the employee is eligible under FMLA as noted in subdivision two (2) of this section. The employee's accrued paid leave must be exhausted before the employee transitions to an unpaid personal medical leave of absence.

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Maternity Leave: The start of a personal physical disability absence for prenatal care, pregnancy, delivery, and recovery from childbirth shall be determined by the employee's physician. The end of a personal physical disability absence for childbirth shall also be determined by the employee's physician. This must be communicated to the School District in writing. Leaves extending beyond the physician's documentation shall fall under parental leave and may be eligible under the Family Medical Leave Act as noted in subdivision two (2) of this section.

Subd. 2. Family Medical Leave of Absence: In accordance with the Family Medical Leave Act (FMLA), eligible employees are entitled to twelve (12) workweeks of unpaid leave within a rolling twelve (12)-month period. Non-contract days, such as non-duty days, shall not count toward the twelve (12) workweeks and accrued paid leave shall not be deducted.

- a) FMLA Eligibility: Over the twelve (12) months prior to leave, employees must have been employed with the School District for at least twelve (12) months and worked 1,250 hours within the twelve (12)-month period preceding the leave. Any use of vacation, sick leave, or unpaid time off (non-duty days) are not be counted toward the 1,250-hour benchmark.
- b) Pursuant to law, FMLA Leave shall be granted for any of the following reasons: i. The employee's own serious health condition, as defined by the FMLA. ii. The employee's need to care for an immediate family member (spouse, child, parent) with a serious health condition, as defined by the FMLA. iii. The placement (adoption or foster care) or birth of a child up to one year after the child's birth or placement.
- c) FMLA Leave will run concurrently, that is at the same time, with any paid leave and any and all of the employee's accrued paid leave must be exhausted before the employee transitions to an unpaid leave of absence.
- d) Spouses who work for the School District shall be allowed a combined total of twelve (12) weeks unpaid FMLA leave during any twelve (12)-month period for the birth or adoption of a child, or to care for a parent's serious health condition. However, the combined limitation does not apply to FMLA leave taken by one spouse in the School District to care for the other spouse in the School District.

Subd. 3. Notification and Request for Medical Leave: An employee must give written notice to human resources requesting a medical leave of absence at least three (3) calendar months before the beginning of the requested medical leave or within 24 hours of receipt of notice of arrival of an adopted child, if notice is received less than three (3) calendar months before the leave start date, or as soon as possible following the onset of a serious health condition. The request for medical leave shall adhere to procedure outlined on the School District's website.

Subd. 4. Medical Verification: The employee shall be required to provide the School District with medical verification from a qualified healthcare provider for their own or the family member's serious health condition when requesting the leave of absence.

Subd. 5. Returning from Medical Leave: An employee on a medical leave of absence under this Section must notify human resources or his/her administrative designee in writing, at least one (1) week prior to his/her intention to return from leave.

- a) If the employee is returning from a personal medical leave of absence, the employee must also provide medical verification from a qualified healthcare provider of the employee's release from medical restrictions allowing them to return to full capacity at work.

The employee may provide medical verification from a qualified healthcare provider of the employee's work restrictions due to the employee's serious medical condition, and the School District will attempt to accommodate those restrictions if possible.

- b) Upon return from a medical leave, the employee shall be returned to the former position held from which the employee was granted the leave, or an equivalent position should that position no longer be available or the School District determines the timing of the employee's return would interfere with student achievement.

Subd. 6. Probationary Period: Periods of time for which the employee is on medical leave may extend the employee's probationary period pursuant to Minnesota Statute (122A.41, Subdivision 1).

### Section 3. Parental Leave:

Subd. 1. An employee shall be afforded a parental leave of absence of no more than twelve (12) months in duration for the care of a newborn child or an adopted child, provided that the employee is caring for the child on a full-time basis. The parental leave will run concurrently, that is at the same time, as family medical leave should the leave be an FMLA-qualified leave of absence.

Subd. 2. Notification and Request for Parental Leave: An employee shall give written notice to human resources, per procedure outlined on the School District's website, requesting a parental leave of absence at least three (3) calendar months before the beginning of the requested leave or within 24 hours of receipt of notice of the arrival of an adopted child, if notice is received less than three (3) calendar months before the leave start date.

Subd. 3. Returning from Parental Leave: For partial school year leaves, an employee on a parental leave of absence under this Section must confirm with human resources his/her intention to return from parental leave at least two (2) weeks prior to his/her approved leave end date. For full school-year leaves, an employee on a parental leave of absence under this Section must confirm with human resources or his/her administrative designee

in writing, his/her intention to return from parental leave in July of the next fiscal year by April 1 of the leave fiscal year.

Upon return from a parental leave, the employee shall be returned to the former position held from which the employee was granted the leave, or an equivalent position should that position no longer be available or the School District determines the timing of the employee's return would interfere with student achievement.

Subd. 4. Failure of the employee to return from a parental leave pursuant to the agreed upon return date with the School District, may constitute job abandonment and be grounds for termination.

Subd. 5. The School District may adjust the proposed beginning or end date of a parental leave to coincide with a natural break in the school year.

Subd. 6. Probationary Period: Periods of time for which the employee is on parental leave may extend the employee's probationary period pursuant to Minnesota Statute (122A.41, Subdivision 1).

#### Section 4. Civic Duty/Military Leave:

Subd. 1. Jury Duty: An employee summoned to serve on a jury shall request to be excused from such jury service. Employees who are not excused will be permitted time off without the loss of pay contingent upon the employee reimbursing the School District any fees / per diem received from the court for said jury duty. Any allowable expenses reimbursed by the court, such as mileage, parking, and meals, may be retained and are the sole responsibility of the employee to seek through the court. The District shall assume no responsibility to seek reimbursement, nor pay reimbursement for said expenses.

Subd. 2. Subpoenaed Witness: An employee subpoenaed in cases involving the School District or students (e.g., a parent custody case) served within the School District, will be permitted time off without the loss of pay and will be allowed to retain any allowable expenses reimbursed by the court. An employee subpoenaed in cases unrelated to the School District, will be permitted time off and use of paid or unpaid leave will be at the discretion of the Superintendent. Any allowable expenses reimbursed by the court, such as mileage, parking, and meals, may be retained and are the sole responsibility of the employee to seek through the court. The District shall assume no responsibility to seek reimbursement, nor pay reimbursement for said expenses.

Subd. 3. Military: Military leave shall be granted pursuant to State and Federal

#### laws. Section 5. General Unpaid Personal Leave:

Subd. 1. An employee shall be afforded a general unpaid personal leave of absence, subject to the provisions in this section and District policy 464, through written request from the employee to the Superintendent. Any leave within this section must also be approved by the School Board if it extends beyond five (5) days. The granting of such leave shall be at the sole discretion of the School Board.

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A general leave may be granted by the School Board for extended personal illness, extended illness of the employee's immediate family member, additional educational requirements, or other reasons acceptable to the School Board.

Subd. 2. A general leave of absence pursuant to this section shall be leave without pay and the employee will not be permitted to use accrued leave to subsidize his/her general leave of absence.

Subd. 3. An employee on an approved general leave of absence for a full school year or the spring semester of the school year, shall notify the Superintendent in writing of

his/her intention to return for the upcoming fiscal year no later than April 1 of the leave fiscal year. For partial school year leaves, an employee on a general leave of absence under this Section must notify the Superintendent in writing, of his/her intention to return from general leave at least one (1) month prior to his/her approved leave end date.

#### Section 6. Insurance Implications:

Subd. 1. Qualified FMLA Leaves: An employee on a leave under this article that qualifies per the Family Medical Leave Act (FMLA) is eligible to continue to participate in group insurance programs, if permitted under the insurance policy provisions, and shall continue to pay the employee contribution to the insurance premium for any month during which the FMLA-qualified leave falls.

Subd. 2. Other Leaves: For leaves under this article that do not qualify per the FMLA, the employee shall pay the full insurance premium (School District and employee contributions) for any month in which the employee does not work at least one (1) day.

Subd. 3. Payment: The employee is responsible for paying the School District business office the monthly amounts due for any insurance programs the employee wishes to retain in advance of the end of the corresponding month on such a date determined by the School District. However, the employee may elect to discontinue insurance programs. The right to continue participation in such group insurance programs shall automatically discontinue upon termination of employment, except as otherwise provided by law.

#### Section 7. Accrued Benefits:

Subd. 1. Employees on Medical or Parental Leaves: An employee on a medical or parental leave under this article shall retain his/her number of personal and sick leave days, and other accrued benefits, if any, up to the date that the employee went on leave for use during the employee's leave of absence, as noted in sections two (2) and three (3) of this article, and accrual will continue so long as the employee is using paid leave. No additional paid leave days, or other benefits shall accrue for the period of time that the employee is on unpaid leave.

Subd. 2. Employees on General Leaves: An employee on a general leave under this article shall retain his/her number of personal and sick leave days, and other accrued benefits, if any, up to the date that the employee went on leave for use upon the

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employee's return from leave. No additional paid leave days or other benefits shall accrue for the period that the employee is on unpaid leave.

Section 8. Failure to Return to Work from a Leave of Absence: Failure of the employee to return to work from a leave of absence pursuant to this Article shall constitute grounds for termination by the school district.

#### Section 9. Death and Illness:

Subd. 1: An employee may be granted up to five (5) days absence with pay due to the death of the employee's spouse, child, step-child, parent, brother, sister, parent-in-law, son-in-law, daughter-in-law, or grandchild. Up to three (3) days absence may be granted with pay for the death of the employee's grandparent, brother-in-law, sister-in-law, or a significant person of the immediate household. The leave set forth in this section is non accumulative and shall not be deducted from sick leave.

Subd. 2. Upon approval of the superintendent or his/her designee, up to twenty (20) days sick leave per year will be granted for the illness or injury of the following: employee's spouse or parent or spouse's parent, or child over 18, or grandchild or sibling and/or

grandparent and/or step-parent. An employee may use one (1) day of accumulated sick leave for each day of illness or disability of the employee's child who is less than eighteen (18) years old, for such reasonable periods as the employee's attendance with the child may be necessary, on the same terms the employee is able to use sick leave benefits for the employee's own illness (Minn. Stat. § 181.9413).

Subd. 3: Additional absence for severe illness or death may be granted at the sole discretion of the Superintendent, whose decision is final and binding.

#### Section 5: Personal Leave

Subd. 1: Personal leave shall be allowed to accumulate to a total of ~~four (4)~~ five (5) days. Employees will receive personal leave days per the following schedule:

In year one (1) and two (2) of continuous employment ~~+2~~ days In year three (3) and beyond of continuous employment ~~2-3~~ days

Subd. 2: The use of a personal leave day is subject to the approval of the school district to ensure a minimum disruption for the educational program. Accordingly, the following limitations apply:

a) A personal leave day normally shall not be granted for the day preceding or the day following holidays or vacation periods and the first ten (10) duty days and the last ten (10) duty days of the school year. Exceptions may be made with the approval of the superintendent or their designee.

b) Personal leaves shall not be granted during parent conference days, in-service days or other days when it is critical that the employee be in attendance.

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c) Personal leave requests may be denied on a particular day if other employees in the same unit/department have already been granted personal leave which would be disruptive of the functioning of the particular program/department.

Subd. 3: At the beginning of each employment year, employees will be credited with the number of days of personal leave specified in Subd. 1 herein. Those employees who at the beginning of any year have accumulated ~~three (3) days of personal leave or more prior to the more than the five (5) allotted days listed in Subd. 1 of this article beginning of any year~~ shall receive a lump sum payment of \$80 for each day beyond ~~four (4)~~ five (5) for which they become eligible in lieu of being granted additional days ~~beyond four~~.

Subd. 4: Usage of personal leave shall be requested as early as practicable and normally at least two (2) weeks in advance. For instances where requests are submitted less than two weeks in advance, a reason may be requested by administration.

Sub. 5: The first year of employment shall be defined as any days of employment prior to the last student day of the regular school calendar in the first employment agreement. The next regular school calendar becomes the second year of employment.

### **ARTICLE III 403B MATCHING CONTRIBUTION**

Section 1. Eligibility: ~~To be eligible for contribution under this Article, an employee must have completed two (2) years of continuous employment in the District and thus will be eligible for contribution in the employee's third year of continuous employment in the District.~~ To be eligible for this contribution, an employee must be regularly employed at least 1110 hours during

the fiscal year, and such benefits shall not apply to employees employed for a lesser time or substitute employees.

Section 2. Contribution: The School District will match eligible employee contributions up to a maximum as listed in the following schedule, according to year of continuous employment in the District.

|  |                      |                      |                      |                   |                         |
|--|----------------------|----------------------|----------------------|-------------------|-------------------------|
| <u>Year of Continuous Employment in District</u> | <del>2020-2021</del> | <del>2021-2022</del> | <del>2022-2024</del> | <del>3-51-4</del> | <del>\$425</del>        |
|  |                      |                      |                      |                   | \$450                   |
|  |                      |                      |                      | <del>65-9</del>   | <del>\$525</del> \$550  |
|  |                      |                      |                      | 10 – 14           | <del>\$675</del> \$700  |
|  |                      |                      |                      | 15 – 19           | <del>\$825</del> \$850  |
|  |                      |                      |                      | 20+               | <del>\$975</del> \$1000 |

Section 3. Authorization: A salary reduction authorization agreement must be completed by the eligible employee by October 1 and each year thereafter for the employee to participate in the 403B matching contribution plan.

Section 4. Unpaid Leaves: Employees on unpaid leaves may not participate in the matching program while on leave.

Section 5. Matching Requirement: The School District’s contribution, in any event, shall not exceed the employee’s matching contribution within the limitations of this Article.

## ARTICLE IV INSURANCE BENEFITS

### Section 1. Health and Hospitalization Insurance:

Subd. 1: Individual Coverage. Effective July 1, ~~2020~~2022, the School District shall contribute a sum not to exceed ~~\$650-750~~ per month for individual coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. Effective January 1, ~~2021~~2023, the School District shall contribute a sum not to exceed ~~\$700-757~~ per month for individual coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. Effective January 1, ~~2022~~2024, the School District shall contribute a sum not to exceed ~~\$750-776~~ per month for individual coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. The cost of the premium not contributed by the School District shall be borne by the employee and paid by payroll deduction. This subdivision shall not apply to those eligible employees who select coverage under the high deductible health plan described in Subdivision 3.

Subd. 2: Family Coverage. Effective July 1, ~~2020~~2022, the School District shall contribute a sum not to exceed ~~\$1,575-1675~~ per month for family coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. Effective; January 1, ~~2021~~2023, the School District shall contribute a sum not to exceed ~~\$1625-1775~~ per month for family coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. Effective; January 1, ~~2022~~2024, the School District shall contribute a sum not to exceed ~~\$1675-1860~~ per month for family coverage of each eligible employee employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan. The cost of the premium not contributed by the School District shall be borne by the employee and paid by payroll deduction. This subdivision shall not apply to those eligible

employees who select coverage under the high deductible health plan described in Subdivision 4.

Subd. 3. Individual High Deductible Coverage:

- a) Eligible employees shall have the option of enrolling in a high deductible coverage option of the school district's health and hospitalization plan. The high deductible coverage shall be a qualified high deductible health plan within the meaning of Section 223 of the Internal Revenue Code of 1986, as amended from time to time. Each eligible employee enrolled in the high deductible coverage shall be eligible for a contribution to a health savings account ("HSA") of such employee in accordance with the Intermediate School District No. 917 Flex Choice Plan (the "Flex Choice Plan"). The total monthly contribution by the

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school district toward the cost of the premium of the high deductible coverage, the HSA contribution, and the HSA administrative fees attributable to such eligible employee shall not exceed ~~\$650-750~~ per month starting July 1, ~~2020~~2022, shall not exceed ~~\$700-757~~ starting January 1, ~~2021~~2023, and shall not exceed ~~\$750-776~~ per month starting January 1, ~~2022~~2024.

- b) The school district shall contribute toward the cost of the premium for each eligible employee employed by the school district who qualifies for and is enrolled in individual coverage under the high deductible coverage option of the school district's health and hospitalization plan a monthly amount equal to the total monthly contribution identified in subsection (a) minus the monthly HSA contribution identified in subsection (c) and the monthly HSA administrative fees.
- c) The school district shall contribute an amount equal to one-half of the applicable deductible to the HSA of each eligible employee employed by the school district who qualifies for and is enrolled in individual coverage under the plan. Such contributions shall be made monthly on a pro rata basis. Such employees shall also be eligible, through the Flex Choice Plan, to make pre-tax contributions to the HSA via salary reduction. The school district shall select the vendor of the HSA to which such contributions shall be made. Once deposited in an employee's HSA, such contributions, whether made by the school district or via salary reduction, shall not be subject to restriction by the school district and the employee may access and/or transfer such funds to a different HSA to the fullest extent permitted by law. Such employees also shall be eligible to participate in a Limited Scope Health Care Reimbursement Plan through the Flex Choice Plan, which shall allow reimbursement of medical expenses to the fullest extent permitted by law for an individual receiving contributions to an HSA.

Subd. 4. Family High Deductible Coverage:

- a) Eligible employees shall have the option of enrolling in a high deductible coverage option of the school district's health and hospitalization plan. The high deductible coverage shall be a qualified high deductible health plan within the meaning of Section 223 of the Internal Revenue Code of 1986, as amended from time to time. Each eligible employee enrolled in the high deductible coverage shall be eligible for a contribution to a health savings account ("HSA") of such employee in accordance with the Intermediate School District No. 917 Flex Choice Plan (the "Flex Choice Plan"). The total monthly contribution by the school district toward the cost of the premium of the high deductible coverage, the HSA contribution, and the HSA administrative fees attributable to such eligible employee shall not exceed ~~\$1,575-1675~~ per month starting July 1, ~~2020~~2022, shall not exceed ~~\$1625~~ ~~1775~~ starting January 1, ~~2021~~2023, and shall not exceed ~~\$1675~~ ~~1860~~ per month starting January 1, ~~2022~~2024.

- b) The school district shall contribute toward the cost of the premium for each eligible employee employed by the school district who qualifies for and is enrolled in individual coverage under the high deductible coverage option of the school district's health and hospitalization plan a monthly amount equal to the

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total monthly contribution identified in subsection (a) minus the monthly HSA contribution identified in subsection (c) and the monthly HSA administrative fees.

- c) The school district shall contribute an amount equal to one-half of the applicable deductible to the HSA of each eligible employee enrolled in the family high deductible coverage. Such contributions shall be made monthly on a pro rata basis. Such employees shall also be eligible, through the Flex Choice Plan, to make pre-tax contributions to the HSA via salary reduction. The school district shall select the vendor of the HSA to which such contributions shall be made. Once deposited in an employee's HSA, such contributions, whether made by the school district or via salary reduction, shall not be subject to restriction by the school district and the employee may access and/or transfer such funds to a different HSA to the fullest extent permitted by law. Such employees also shall be eligible to participate in a Limited Scope Health Care Reimbursement Plan through the Flex Choice Plan, which shall allow reimbursement of medical expenses to the fullest extent permitted by law for an individual receiving contributions to an HSA.

Section 2. Group Income Protection: The School District will pay each month 100 percent of the premium for income protection insurance for each eligible employee. The income protection plan shall include the following:

- a) Benefits begin after ninety (90) calendar days of total disability.
- b) The monthly income benefit shall be 66-2/3 percent of basic monthly earnings (exclusive of any additional compensation from this district or any other source).

Section 3. Life Insurance: The School District will pay each month all of the life insurance premium for a \$50,000 term life insurance policy for each eligible employee.

Section 4. Dental Insurance:

Subd. 1. Individual Coverage: Effective July 1, ~~2020~~2022, the School District shall contribute a sum not to exceed \$60 per month toward the cost of the premium for individual coverage for each eligible employee employed by the School District who qualifies for and is enrolled in the School District's dental insurance plan. Additional cost of the premium, if any, shall be borne by the employee and paid by payroll deduction.

Subd. 2. Family Coverage: Effective July 1, ~~2020~~2022, the School District shall contribute a sum not to exceed \$124 per month toward the cost of the premium for family coverage for each eligible employee employed by the School District who qualifies for and is enrolled in the School District's dental insurance plan. Effective January 1, 2024, the School District shall contribute a sum not to exceed \$138 per month toward the cost of the premium for family coverage for each eligible employee employed by the School District who qualified for and is enrolled in the School District's dental insurance plan. Additional cost of the premium, if any, shall be borne by the employee and paid by payroll deduction.

## OTHER BENEFITS

Section 1. Professional Development: The School Board agrees to reimburse tuition and fees and membership/association fees for courses and memberships which are approved in accordance with district policy.

Section 2. Mileage: Employees required to use their personal vehicle in the performance of employment responsibilities shall be reimbursed for such travel pursuant to School District policy.

## ARTICLE VI MISCELLANEOUS

Section 1: Probationary Period Employees, under the provisions of this Agreement, who have assignments that primarily entail student contact, shall serve a probationary period of two (2) calendar years from the date of continuous employment, during which time the School District shall have the unqualified right to suspend without pay, discharge or otherwise discipline such employee.

### Section 2. Duty Days and Schedule-~~Calendar/Compensation Time~~

Subd. 1. Calendar: The employees in this group are contracted to work an extended duty calendar beyond the student days. A full-time Brailist works 200 contracted duty days. Δ full-time Captionist works three (3) additional professional development days beyond the number of students days at the employee's assigned work location. A full-time Technology Tutor works 185 contracted duty days. The duty calendar for Technology Tutors includes extended day duties for three (3) evening events each school year. The details of the calendar are to be determined by the supervising program administrator.

Subd. 2. Paid Breaks or Lunch: Employees working six (6) or more hours per day shall receive a fifteen (15) minute break in the morning and a fifteen (15) minute break in the afternoon, or one 30-minute lunch at a time determined by the supervisor. Employees working at least four (4) hours, but less than six (6) hours shall receive one 15-minute break, at a time determined by the supervisor.

Section 3. Evaluation: Employees covered under this agreement will be evaluated by their supervisor on an annual basis, through a tool selected by the district.

Section 4. Duration of Employment: This agreement provides for an "at will" employment relationship. Either party may terminate this agreement at any time for any reason upon written notice to the other party. Other provisions of this agreement apply in terms of pay and benefits when the employment relationship ends.

## ARTICLE VII SEVERANCE/RETIREMENT

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Section 1. Retiree Health Coverage: Health coverage following the termination of employment shall be made available to the extent required under, and in accordance with, Minnesota Statutes Section 471.61, subd. 2b. The District makes no contribution towards the premium cost of such coverage.

Section 2. Cut-off Date: The benefits of this article shall not apply to a member of this group hired after July 1, 2018.

Section 43. Eligibility: Full-time employees who have completed at least fifteen (15) years of continuous employment with the School District, and who are at least fifty-five (55) years of age,

shall be eligible for severance pay pursuant to the provisions of this Article upon submission of a written resignation accepted by the School Board. Severance pay shall not be granted to any employee who is discharged for cause by the School District. This Article shall apply only to employees who retire after the execution of this contract and shall not be retroactive to any employee who retired prior to said execution date.

Section 24. Amount of Severance: Eligible employees, upon retirement, shall receive as severance pay unused sick leave days, not to exceed thirty-five (35) days.

Section 35. Method of Pay-out:

- a) Subject to the limitations listed below, the school district will contribute an amount equal to the value of the employee's severance pay directly into the School Board approved 403b vendor account. The retiree will not receive any direct payment from the school district for the severance pay.
- b) The school district's annual contribution into the School Board approved 403b vendor account must not exceed the IRS contribution limit. If the amount calculated in A exceeds the available limits in the year of separation, the excess amount will be paid out in cash and not be tax sheltered.
- c) The school district contribution(s) (into the approved 403b vendor account) will be made according to the same timeline as was provided for the direct payment of the severance pay.
- d) The school district will make the severance pay contributions to the School Board approved 403b vendor. For purposes of calculating the maximum deferral limit, the school district will provide the retiree or approved vendor with contribution information for the previous twelve (12) months of employment. The vendor has agreed to calculate the maximum deferral limit.

Section 46. Notice: To be eligible for the benefits of this section, unless waived by the School District, an employee must notify the School District not less than ninety (90) calendar days prior to the proposed retirement date.

~~Section 5. Cut-off Date: The benefits of this article shall not apply to a member of this group hired after July 1, 2018.~~

## ARTICLE VIII SALARIES

Section 1. Salary Increases for New Employees: A new employee shall be given a salary as agreed between the School District and the employee. An employee hired prior to January 1 shall be eligible for a step increase effective the following July 1. An employee hired after January 1 shall not be eligible for a salary increase until the second following July 1. (Example: An employee hired prior to January 1, ~~2021~~2023, shall be eligible for a salary increase effective on July 1, ~~2022~~2023. An employee hired on or after January 1, ~~2021~~2023, shall not be eligible for a salary increase until July 1, ~~2022~~2024. These salary terms may only be modified by mutual agreement in writing between the School District and the Employee at the time of initial employment.

Section 2. Basic Salaries

Subd. 1: The wages and salaries set forth in Schedule A attached hereto shall be a part of this agreement for the period July 1, ~~2020~~2022, through June 30, ~~2021~~2023. The wages and salaries set forth in Schedule B attached hereto shall be a part of this agreement for

the period July 1, ~~2021~~2023, through June 30, ~~2022~~2024.

Subd. 2: Effective July 1, 2022, eligible employees will advance one (1) step on Salary Schedule A from their previous on the salary schedule for 2021-2022, noting that steps one (1) and two (2) of the 2021-2022 salary schedule were removed on the 2022-2023 schedule, which was then renumbered, and an additional step (step thirteen) was added. Effective July 1, 2023, eligible employees will advance one (1) step on Salary Schedule B from their placement the previous year. Exceptions for both years will be made for those employees subject to Section 1 of this Article. The School District reserves the right to withhold step advancement or other salary increase in individual cases for just cause.

Subd. 23: In the event the School Board has not acted on Terms and Conditions of Employment prior to July 1 in any year in which the Terms and Conditions Agreement expires, an employee shall remain at the same step as compensated during the last year of the expired Terms and Conditions Agreement until School Board action occurs. Moreover, the School District reserves the right to withhold step advancement or other salary increase in individual cases for cause.

Section 3. Longevity: Employees shall receive a longevity salary increase beyond the rates delineated in Schedules A and B of the agreement as follows; years of continuous employment refer to years in the District.

~~2020~~2022-~~2022~~2024

In their 11-14 year of continuous employment \$2.00/hour In their 15-18 year of continuous employment \$2.50/hour In their 19+ year of continuous employment \$2.75/hour

Section 4. Absence of Regular Teacher: In the event the regular teacher is absent from school one and a half or more consecutive hours per day during student contact time and a substitute is

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not hired, one School District designated technical tutor shall receive his/her current rate of pay plus an additional \$7.00 per hour for student contact hours that neither the regular teacher nor a substitute teacher is in attendance at school. The School District will designate the responsible technical tutor who will receive the override. When the teacher's absence is for one and a half or more hours, all consecutive hours will qualify for the override. In all cases when a technical tutor is acting in lieu of the regular teacher, the Principal of the Secondary Technical Center shall designate another licensed teacher to provide emergency assistance and guidance to the technical tutor who is designated to teach the class.

On days when the technical tutor has a full-time teaching assignment, in addition to the increase per hour, they will receive payment for an extra half hour (10 minutes per shift) for preparation time, to be documented in accordance with district operating procedures. The Tech Tutor will be paid an additional half hour on days when they are covering the classroom assignment for the entire day.

School Board Chair

Employee Representative Dated: ~~July 7, 2020~~December 6, 2022 Dated: ~~July 7, 2020~~December 6, 2022

School Board Clerk

Dated: ~~July 7, 2020~~ December 6, 2022

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**SCHEDULE A**

**2020-2021 SALARY SCHEDULE**

2020-2021 SALARY SCHEDULE 102.000%  
EDUCATIONAL TECHNICAL  
TRANSCRIBER TUTOR BRAILLIST  
steps

|    |       |  |       |  |       |
|----|-------|--|-------|--|-------|
|    |       |  |       |  |       |
| 1  | 17.19 |  | 18.11 |  | 15.03 |
| 2  | 17.66 |  | 18.74 |  | 15.46 |
| 3  | 18.26 |  | 19.38 |  | 15.88 |
| 4  | 18.82 |  | 20.04 |  | 16.30 |
| 5  | 19.42 |  | 20.71 |  | 16.75 |
| 6  | 20.02 |  | 21.34 |  | 17.19 |
| 7  | 20.62 |  | 21.98 |  | 17.60 |
| 8  | 21.19 |  | 22.63 |  | 18.04 |
| 9  | 21.80 |  | 23.27 |  | 18.46 |
| 10 | 22.35 |  | 23.90 |  | 18.88 |
| 11 | 22.95 |  | 24.56 |  | 19.32 |
| 12 | 23.54 |  | 25.21 |  | 19.74 |
| 13 | 24.11 |  | 25.83 |  | 20.19 |
| 14 | 24.73 |  | 26.46 |  | 20.62 |

| Salary Schedule A: 2022-2023 Hourly Rates |                 |                          |                                      |
|---|-----------------|--------------------------|--------------------------------------|
| <u>Previous Step from 2021-22</u>         | <u>New Step</u> | <u>Technology Tutors</u> | <u>Brailleists &amp; Captionists</u> |
| 3   | 1               | 18.81                    | 19.97                                |
| 4   | 2               | 19.39                    | 20.65                                |
| 5   | 3               | 20.01                    | 21.33                                |
| 6   | 4               | 20.62                    | 21.99                                |
| 7   | 5               | 21.24                    | 22.64                                |
| 8   | 6               | 21.83                    | 23.32                                |
| 9   | 7               | 22.46                    | 23.98                                |
| 10  | 8               | 23.03                    | 24.62                                |
| 11  | 9               | 23.64                    | 25.3                                 |

16

|    |    |       |       |
|----|----|-------|-------|
| 12 | 10 | 24.25 | 25.97 |
| 13 | 11 | 24.84 | 26.6  |
| 14 | 12 | 25.47 | 27.26 |
|    | 13 | 26.23 | 28.07 |

17

**SCHEDULE B**

**2021-2022 SALARY SCHEDULE**

2021-2022 SALARY SCHEDULE 102.000%

TECHNICAL

EDUCATIONAL

TUTOR BRAILLIST

TRANSCRIBER

| <u>steps</u> |       |  |       |  |       |
|--------------|-------|--|-------|--|-------|
| +            | 17.53 |  | 18.47 |  | 15.33 |

|    |                  |  |                  |  |                  |
|----|------------------|--|------------------|--|------------------|
| 2  | <del>18.81</del> |  | <del>19.12</del> |  | <del>15.77</del> |
| 3  | <del>18.63</del> |  | <del>19.77</del> |  | <del>16.19</del> |
| 4  | <del>19.20</del> |  | <del>20.45</del> |  | <del>16.63</del> |
| 5  | <del>19.81</del> |  | <del>21.12</del> |  | <del>17.09</del> |
| 6  | <del>20.42</del> |  | <del>21.77</del> |  | <del>17.53</del> |
| 7  | <del>21.03</del> |  | <del>22.42</del> |  | <del>17.95</del> |
| 8  | <del>21.61</del> |  | <del>23.09</del> |  | <del>18.40</del> |
| 9  | <del>22.24</del> |  | <del>23.74</del> |  | <del>18.83</del> |
| 10 | <del>22.80</del> |  | <del>24.38</del> |  | <del>19.26</del> |
| 11 | <del>23.41</del> |  | <del>25.05</del> |  | <del>19.70</del> |
| 12 | <del>24.01</del> |  | <del>25.71</del> |  | <del>20.14</del> |
| 13 | <del>24.59</del> |  | <del>26.34</del> |  | <del>20.59</del> |
| 14 | <del>25.22</del> |  | <del>26.99</del> |  | <del>21.03</del> |

| <u>Salary Schedule B: 2023-2024</u> |                   |       |   |
|-------------------------------------|-------------------|-------|---|
| Hourly Rates                        |                   |       |   |
| Step                                | <u>Technology</u> |       | <u>Braillists &amp;<br/>Captionists</u> |
|                                     | Tutors            |       |   |
| 1                                   | 19                | 20.17 |   |
| 2                                   | 19.58             | 20.86 |   |
| 3                                   | 20.21             | 21.54 |   |
| 4                                   | 20.83             | 22.21 |   |
| 5                                   | 21.45             | 22.87 |   |
| 6                                   | 22.04             | 23.55 |   |
| 7                                   | 22.68             | 24.22 |   |
| 8                                   | 23.26             | 24.87 |   |
| 9                                   | 23.88             | 25.55 |   |
| 10                                  | 24.49             | 26.23 |   |

18

|  |        |       |       |
|--|--------|-------|-------|
|  | 1<br>1 | 25.09 | 26.87 |
|  | 1<br>2 | 25.73 | 27.53 |
|  | 1<br>3 | 26.49 | 28.35 |

19

**STATE OF MINNESOTA  
MINNESOTA STATE COLLEGES AND UNIVERSITIES  
Dakota County Technical College  
and  
Intermediate School District No. 917**

**2022 Memorandum of Understanding No.2  
to  
JOINT POWERS AGREEMENT**

This Memorandum of Understanding No.2 is entered into by and between the State of Minnesota, acting through its Board of Trustees of the Minnesota State Colleges and Universities, on behalf of **Dakota County Technical College**, 1300 145<sup>th</sup> Street East, Rosemount, MN 55068 ("Minnesota State") and **Intermediate School District No. 917**, 1300 145th Street East, Rosemount, MN 55068 ("Intermediate District") collectively known as the "parties,"

**WHEREAS**, Minnesota State and Intermediate District are parties to a Joint Powers Agreement ("Agreement") entered into effective July 1, 1995 and fully executed August 30, 1995;

**WHEREAS**, the termination date of the Agreement was generally extended from June 30, 2005 to June 30, 2010;

**WHEREAS**, the current Agreement by way of Amendment to the Agreement and expires November 30, 2022;

**WHEREAS**, Intermediate District last met with representatives from Minnesota State on September 20, 2021 in accordance with the Agreement;

**WHEREAS**, Minnesota State is on notice of the intent to renew the Agreement;

**WHEREAS**, the parties are mutually desirous to continue the Agreement and jointly agreed to enter into a restated Agreement;

**WHEREAS**, the restated agreement will not be completed and fully executed prior to the expiration of the Agreement;

**WHEREAS**, the parties are mutually desirous to continue to operate under the current terms and conditions of the Agreement and all incorporated Amendments to the

Agreement until such time as a restated Joint Powers Agreement is fully adopted.

NOW, THEREFORE IN CONSIDERATION OF the mutual promises contained in this Memorandum of Understanding, Minnesota State and Intermediate District agree as follows:

1. Minnesota State and Intermediate District will operate under the current terms and conditions of the above-stated Agreement and all incorporated Amendments to the Agreement until such time as a fully executed restated Joint Powers Agreement is fully adopted and in effect. The parties agree that the separate, but related, Lease Agreement payment terms will take effect July 1, 2022.
2. In the event either party asserts that a provision of this Memorandum of Understanding is ambiguous, this Memorandum must be construed to have been drafted equally by the parties. A copy of this Memorandum has the same legal effect as the original.
3. The parties agree that the Agreement contains several amendments and that together with the amendments consists of the entire Agreement.
4. In the event of a dispute or modification of the Agreement is necessary prior to the restatement, the parties agree to follow the dispute resolution terms and conditions as contained in the Agreement.
5. This Memorandum of Understanding will expire March 31, 2023.

*The rest of this page intentionally left blank. Signature page to follow.*

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be duly executed intending to be bound thereby.

**APPROVED:**

**1. Intermediate School District No. 917**

|   |                             |
|---|-----------------------------|
| DocuSigned by:                                    |                             |
| By (authorized signature)<br><i>Michael Favor</i> | Michael Favor               |
| E5D66682D928409...                                |                             |
| Title   | Superintendent              |
| Date  | 11/28/2022   2:34:06 PM CST |

|   |                             |
|---|-----------------------------|
| DocuSigned by:                                    |                             |
| By (authorized signature)<br><i>Nicolle Roush</i> | Nicolle Roush               |
| E8F4A30616094C3...                                |                             |
| Title   | Executive Director          |
| Date  | 11/28/2022   3:48:03 PM EST |

**2. Dakota County Technical College**

|                                  |
|----------------------------------|
| By (Program authorized Designee) |
| Date                             |

|   |                             |
|---|-----------------------------|
| By (College President or Other Authorized Designee) |                             |
| DocuSigned by:                                      |                             |
| <i>Michael Berndt</i>                               | Michael Berndt              |
| 570D3E9B1A10440...                                  |                             |
| Title   | President                   |
| Date  | 11/28/2022   2:52:00 PM CST |

**3. AS TO FORM AND EXECUTION:**

|  |                              |
|--|------------------------------|
| DocuSigned by:   |                              |
| By (authorized college signature)<br><i>Heather Agesen-Huebner</i> | Heather Agesen-Huebner       |
| 515C1EBEACA640E...   |                              |
| Title  | VP of Finance and Operations |
| Date   | 11/30/2022   9:14:33 AM CST  |

**STATE OF MINNESOTA  
MINNESOTA STATE COLLEGES AND UNIVERSITIES  
Dakota County Technical College  
and  
Intermediate School District No. 917**

**2022 Memorandum of Understanding to  
JOINT POWERS AGREEMENT**

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3. The parties agree that the Agreement contains several amendments and that together with the amendments consists of the entire Agreement.
4. In the event of a dispute or modification of the Agreement is necessary prior to the restatement, the parties agree to follow the dispute resolution terms and conditions as contained in the Agreement.
5. This Memorandum of Understanding will expire November 30, 2022.

*The rest of this page intentionally left blank. Signature page to follow.*

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be duly executed intending to be bound thereby.

**APPROVED:**

**1. Intermediate School District No. 917**

|  |
|--|
| By (authorized signature)<br><i>DocuSigned by:<br/>Nedde Roush</i> |
| Title<br>E8F4A30616094C3...<br>Executive Director                  |
| Date<br>6/23/2022   3:38:18 PM EDT                                 |

|   |
|---|
| By (authorized signature)<br><i>DocuSigned by:<br/>Melissa Schaller</i> |
| Title<br>5C7DF3FD1CF748C...<br>Executive Director of Student Services   |
| Date<br>6/23/2022   12:54:27 PM PDT                                     |

**2. Dakota County Technical College**

|                                  |
|----------------------------------|
| By (Program authorized Designee) |
| Date                             |

|   |
|---|
| By (College President or Other Authorized Designee)<br><i>DocuSigned by:<br/>Michael Berndt</i> |
| Title<br>F79D3E9B1A10440...<br>President  |
| Date<br>6/23/2022   3:42:58 PM CDT  |

**3. AS TO FORM AND EXECUTION:**

|  |
|--|
| By (authorized college signature)<br><i>DocuSigned by:<br/>Mark Farnog</i> |
| Title<br>CFBD77E0A45468...<br>Business Office Manager IHCC/DCTC            |
| Date<br>6/27/2022   3:09:50 PM CDT   |

**Certificate Of Completion**

Envelope Id: B2E7829C6B5C4D6A9DDA5B01F3C4BEB8

Status: Completed

Subject: DCTC and ISD 917 Memo of Understanding

Department: Office of the President

College: DCTC

Source Envelope: 18373CF39AC043FFB020DA44646E50A5

Document Pages: 3

Signatures: 1

Envelope Originator:

Certificate Pages: 4

Initials: 0

Peter Moua

AutoNav: Enabled

314 10th Ave. S.

Envelopeld Stamping: Enabled

Waite Park, MN 56387

Time Zone: (UTC-06:00) Central Time (US &amp; Canada)

peter.moua@inverhills.edu

IP Address: 134.29.155.253

**Record Tracking**

Status: Original

Holder: Peter Moua

Location: DocuSign

6/27/2022 11:47:07 AM

peter.moua@inverhills.edu

**Signer Events**

Mark Faxvog

mark.faxvog@inverhills.edu

Business Office Manager IHCC/DCTC

d

Security Level: Email, Account Authentication (None), Access Code

**Signature**

DocuSigned by:



DCFB077E0A45468...

Signature Adoption: Pre-selected Style

Signed by link sent to mark.faxvog@inverhills.edu

Using IP Address: 134.29.155.253

**Timestamp**

Sent: 6/27/2022 1:21:23 PM

Viewed: 6/27/2022 3:09:30 PM

Signed: 6/27/2022 3:09:50 PM

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Accepted: 6/27/2022 3:09:30 PM

ID: 57c505f5-4b28-40ba-a658-e68a3be99c3c

**In Person Signer Events****Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp****Witness Events****Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent

Hashed/Encrypted

6/27/2022 1:21:23 PM

Certified Delivered

Security Checked

6/27/2022 3:09:30 PM

Signing Complete

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6/27/2022 3:09:50 PM

Completed

Security Checked

6/27/2022 3:09:50 PM

**Payment Events****Status****Timestamps****Electronic Record and Signature Disclosure**

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At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

**How to contact Minnesota State Colleges and Universities:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: michael.noble-olson@minnstate.edu

**To advise Minnesota State Colleges and Universities of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at michael.noble-olson@minnstate.edu and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

**To request paper copies from Minnesota State Colleges and Universities**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to michael.noble-olson@minnstate.edu and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

**To withdraw your consent with Minnesota State Colleges and Universities**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to michael.noble-olson@minnstate.edu and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

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### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Minnesota State Colleges and Universities as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Minnesota State Colleges and Universities during the course of your relationship with Minnesota State Colleges and Universities.

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|---|----------------------------|
| Envelope Id: EDD2490F3D2941678ECE94217AFD8E53   | Status: Completed          |
| Subject: Complete with DocuSign: DCTC_and_ISD917_2022_Memorandum_of_Understanding_to_Joint_Power_Agreeme... |                            |
| Department: Business Office   |                            |
| College: DCTC   |                            |
| Source Envelope:  |                            |
| Document Pages: 10  | Signatures: 4              |
| Certificate Pages: 5  | Initials: 0                |
| AutoNav: Enabled  | Envelope Originator:       |
| Enveloped Stamping: Enabled   | Jamie R Eschbach           |
| Time Zone: (UTC-06:00) Central Time (US & Canada)   | 314 10th Ave. S.           |
|   | Waite Park, MN 56387       |
|   | jamie.eschbach@dctc.edu    |
|   | IP Address: 134.29.155.253 |

**Record Tracking**

|   |   |                    |
|---|---|--------------------|
| Status: Original<br>11/28/2022 2:06:27 PM | Holder: Jamie R Eschbach<br>jamie.eschbach@dctc.edu | Location: DocuSign |
|---|---|--------------------|

**Signer Events**

Michael Favor  
Michael.Favor@isd917.org  
Superintendent  
Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
*Michael Favor*  
E5D66682D928409...  
Signature Adoption: Pre-selected Style  
Using IP Address: 206.188.226.194

**Timestamp**

Sent: 11/28/2022 2:11:02 PM  
Viewed: 11/28/2022 2:27:39 PM  
Signed: 11/28/2022 2:34:06 PM

**Electronic Record and Signature Disclosure:**  
Accepted: 11/28/2022 2:27:39 PM  
ID: 601a3a95-1fbd-4dc7-95d2-144bc9df1a75

Nicolle Roush  
Nicolle.Roush@isd917.org  
Executive Director  
Intermediate School District 917  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
*Nicolle Roush*  
E8F4A30616094C3...  
Signature Adoption: Pre-selected Style  
Using IP Address: 206.188.226.194

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Viewed: 11/28/2022 2:47:49 PM  
Signed: 11/28/2022 2:48:03 PM

**Electronic Record and Signature Disclosure:**  
Accepted: 11/28/2022 2:47:49 PM  
ID: 959631af-3f0f-4434-9ee9-db5926e02aa2

Michael Berndt  
Michael.Berndt@minnstate.edu  
President  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
*Michael Berndt*  
570D3E9B1A10440...  
Signature Adoption: Pre-selected Style  
Using IP Address: 134.29.155.253

Sent: 11/28/2022 2:48:05 PM  
Viewed: 11/28/2022 2:51:49 PM  
Signed: 11/28/2022 2:52:00 PM

**Electronic Record and Signature Disclosure:**  
Accepted: 6/23/2022 3:42:47 PM  
ID: de392e32-bb7e-4019-8805-b80686ac89be

Heather Aagesen-Huebner  
Heather.Aagesen-huebner@inverhills.edu  
VP of Finance and Operations  
Inver Hills Community College - Inver Grove Heights, MN  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
*Heather Aagesen-Huebner*  
515C1EBEACA640E...  
Signature Adoption: Pre-selected Style  
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Viewed: 11/30/2022 9:14:11 AM  
Signed: 11/30/2022 9:14:33 AM

**Electronic Record and Signature Disclosure:**

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|---|------------------|-----------------------|
| Not Offered via DocuSign                          |                  |                       |
| <b>In Person Signer Events</b>                    | <b>Signature</b> | <b>Timestamp</b>      |
| <b>Editor Delivery Events</b>                     | <b>Status</b>    | <b>Timestamp</b>      |
| <b>Agent Delivery Events</b>                      | <b>Status</b>    | <b>Timestamp</b>      |
| <b>Intermediary Delivery Events</b>               | <b>Status</b>    | <b>Timestamp</b>      |
| <b>Certified Delivery Events</b>                  | <b>Status</b>    | <b>Timestamp</b>      |
| <b>Carbon Copy Events</b>                         | <b>Status</b>    | <b>Timestamp</b>      |
| <b>Witness Events</b>                             | <b>Signature</b> | <b>Timestamp</b>      |
| <b>Notary Events</b>                              | <b>Signature</b> | <b>Timestamp</b>      |
| <b>Envelope Summary Events</b>                    | <b>Status</b>    | <b>Timestamps</b>     |
| Envelope Sent                                     | Hashed/Encrypted | 11/28/2022 2:11:02 PM |
| Certified Delivered                               | Security Checked | 11/30/2022 9:14:11 AM |
| Signing Complete                                  | Security Checked | 11/30/2022 9:14:33 AM |
| Completed   | Security Checked | 11/30/2022 9:14:33 AM |
| <b>Payment Events</b>                             | <b>Status</b>    | <b>Timestamps</b>     |
| <b>Electronic Record and Signature Disclosure</b> |                  |                       |

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If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact Minnesota State Colleges and Universities:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [michael.noble-olson@minnstate.edu](mailto:michael.noble-olson@minnstate.edu)

### **To advise Minnesota State Colleges and Universities of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [michael.noble-olson@minnstate.edu](mailto:michael.noble-olson@minnstate.edu) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from Minnesota State Colleges and Universities**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [michael.noble-olson@minnstate.edu](mailto:michael.noble-olson@minnstate.edu) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with Minnesota State Colleges and Universities**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to michael.noble-olson@minnstate.edu and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Minnesota State Colleges and Universities as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Minnesota State Colleges and Universities during the course of your relationship with Minnesota State Colleges and Universities.

Management Report

for

Intermediate School District No. 91  
Rosemount, Minnesota

June 30, 2020

Preliminary Draft

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, 2022. We have organized this report into the following sections:

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

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

The purpose of this report is solely to provide those charged with governance of the District, management, and those 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.

Minneapolis, Minnesota  
INSERT DATE

## 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, 2022. 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, 2022:

- 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. 87, *Leases*, 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.

## 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, 2022. However, the District implemented the following governmental accounting standard during the year:

As described in Note 1 of the notes to the basic financial statements, the District implemented GASB Statement No. 87, *Leases*, during fiscal year ended June 30, 2022. As described in Note 1 of the basic financial statements, this standard changed the way lease transactions are reported by the District, but did not result in a restatement of net position in the current year.

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

## ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

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

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

The 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 INSERT DATE.

#### **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 Compliance Table, which accompany the financial statements, but are not RSI. With respect to this supplemental 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 supplemental 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.

## 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. 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.

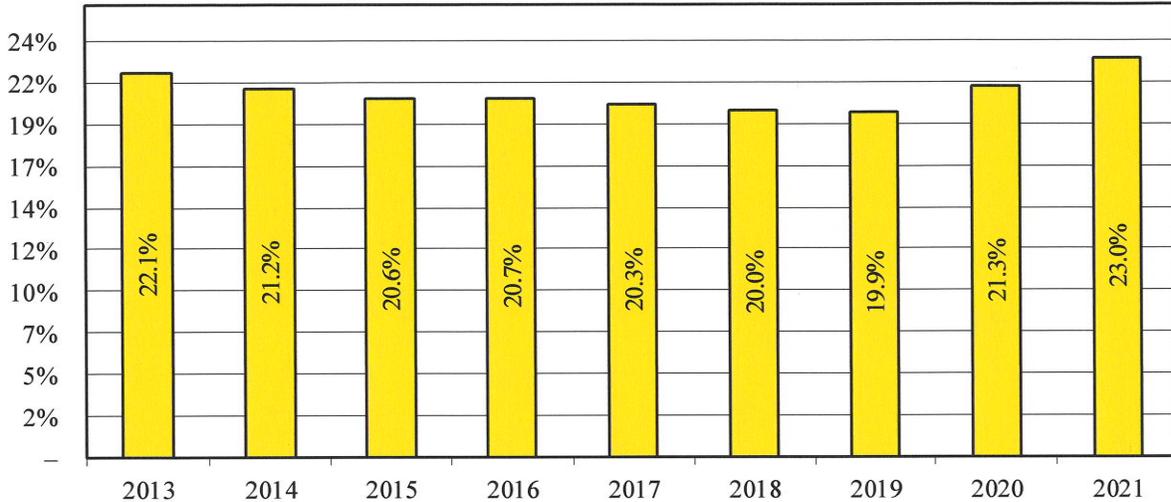
The table below presents a summary of the formula allowance for the past decade and as approved for the current audit period and the next fiscal year. The Legislature approved a per pupil increase of \$135 for fiscal 2023. The amount of the formula allowance and the percentage change from year-to-year 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 2.00 percent, state-wide.

| Fiscal Year<br>Ended June 30, | Formula Allowance |                     |
|-------------------------------|-------------------|---------------------|
|                               | Amount            | Percent<br>Increase |
| 2013                          | \$ 5,224          | 1.00 %              |
| 2014                          | \$ 5,302          | 1.50 %              |
| 2015                          | \$ 5,831          | 2.00 %              |
| 2016                          | \$ 5,948          | 2.00 %              |
| 2017                          | \$ 6,067          | 2.00 %              |
| 2018                          | \$ 6,188          | 2.00 %              |
| 2019                          | \$ 6,312          | 2.00 %              |
| 2020                          | \$ 6,438          | 2.00 %              |
| 2021                          | \$ 6,567          | 2.00 %              |
| 2022                          | \$ 6,728          | 2.45 %              |
| 2023                          | \$ 6,863          | 2.00 %              |

## 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 2022.

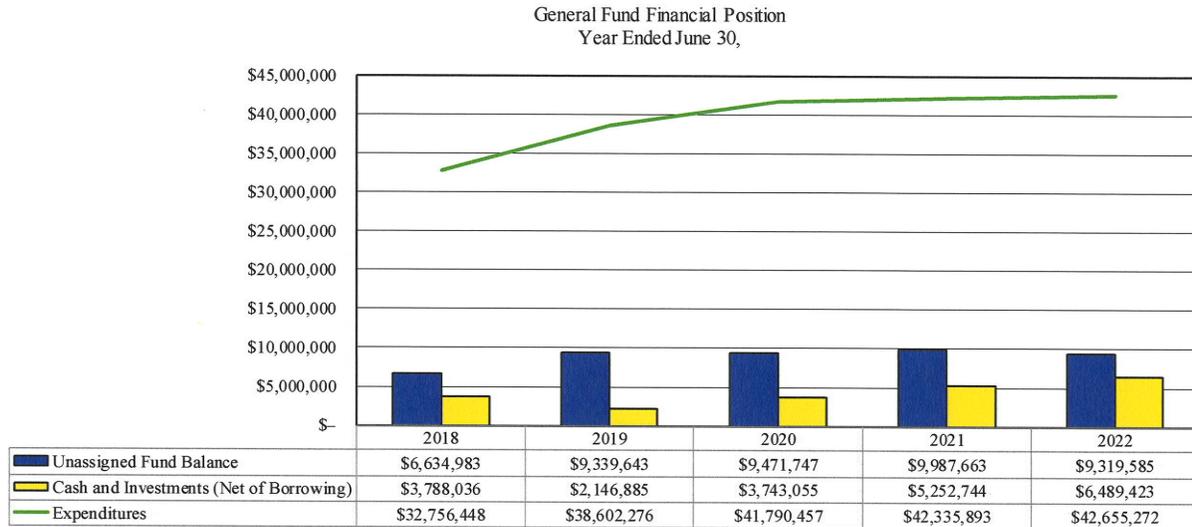
The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt.

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts decreased gradually from 22.1 percent at the end of fiscal 2013 to 19.9 percent at the end of fiscal 2019, a period of relative stability in the state's economic condition and school funding. This ratio began rising again during the fiscal years impacted by the COVID-19 pandemic increasing to 23.0 percent at the end of fiscal 2021.

## 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 2022 with a General Fund cash and investments balance of \$6,489,423 (net of borrowing and interfund receivables and payables), an increase of \$1,236,679 from the previous year. This was mainly due to the decrease in amounts due from the MDE from special education state aids.

Unassigned fund balance at year-end was \$9,319,585, a decrease of \$668,078. This was due to the decrease in the total fund balance and an increase in amounts assigned for subsequent year’s budget deficit.

The District ended the year with a \$134,598 decrease in the General Fund balance. This decrease of \$134,598 is lower than the \$316,814 decrease anticipated in the District’s revised budget. The reason for the variance is mainly due to the District experiencing better than expected results in the Secondary Education Account totaling \$152,404. Expenditures were lower than anticipated in this account by \$151,266, mainly in salaries and purchased services due to the discontinuation of some of the Career and Technical Education (CTE) programs.

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

|   | Year Ended June 30, |                     |                      |                      |                      |
|---|---------------------|---------------------|----------------------|----------------------|----------------------|
|   | 2018                | 2019                | 2020                 | 2021                 | 2022                 |
| Nonspendable fund balances                                  | \$ 622,617          | \$ 129,262          | \$ 131,151           | \$ 109,429           | \$ 123,369           |
| Restricted fund balances                                    | 342,912             | 182,355             | 138,134              | 105,925              | 50,573               |
| Assigned fund balances                                      | 423,420             | 145,942             | 391,088              | 134,029              | 708,921              |
| Unassigned  | 6,634,983           | 9,339,643           | 9,471,747            | 9,987,663            | 9,319,585            |
| <b>Total fund balances</b>                                  | <b>\$ 8,023,932</b> | <b>\$ 9,797,202</b> | <b>\$ 10,132,120</b> | <b>\$ 10,337,046</b> | <b>\$ 10,202,448</b> |
| Unassigned fund balances<br>as a percentage of expenditures | <u>20.3%</u>        | <u>24.2%</u>        | <u>22.7%</u>         | <u>23.6%</u>         | <u>21.8%</u>         |
| Cash and temporary investments<br>(net of borrowing)        | <u>\$ 3,788,036</u> | <u>\$ 2,146,885</u> | <u>\$ 3,743,055</u>  | <u>\$ 5,252,744</u>  | <u>\$ 6,489,423</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.

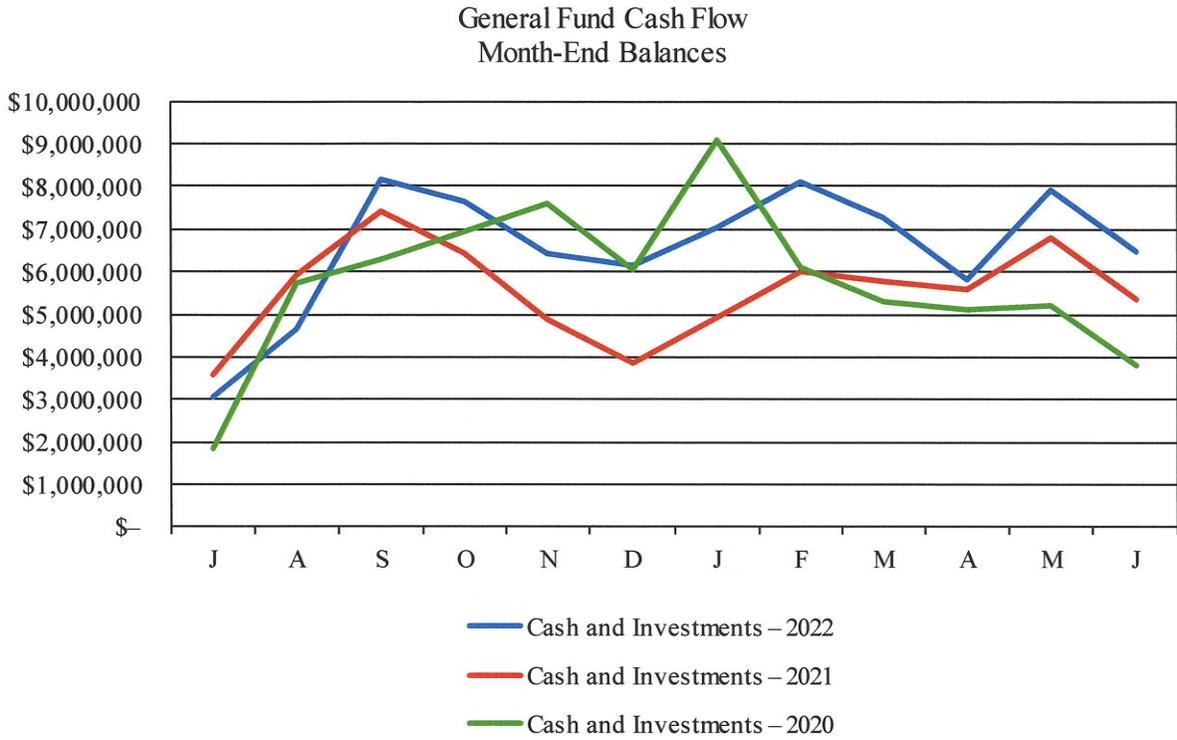
Fund balance as a percentage of expenditures is one key measure in assessing the financial health of the District. Maintaining an adequate fund balance is particularly important because of the limited availability of borrowing for the District and the need for the General Fund to be self-sustaining in 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, 2022, the District has exceeded that policy, with an unassigned fund balance as a percentage of 2022 expenditures of 21.8 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 \$5.1 million for fiscal 2022.

## 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, |                     |                     |                     |                     |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                     | 2018                | 2019                | 2020                | 2021                | 2022                |
| Revenue and other financing sources | \$ 3,891,849        | \$ 4,598,757        | \$ 4,409,692        | \$ 4,211,547        | \$ 4,187,256        |
| Expenditures                        | <u>3,399,214</u>    | <u>3,713,372</u>    | <u>4,101,077</u>    | <u>4,258,342</u>    | <u>3,969,331</u>    |
| Net change in fund balances         | 492,635             | 885,385             | 308,615             | (46,795)            | 217,925             |
| Fund balances                       |                     |                     |                     |                     |                     |
| Beginning of year                   | <u>1,918,774</u>    | <u>2,411,409</u>    | <u>3,296,794</u>    | <u>3,605,409</u>    | <u>3,558,614</u>    |
| End of year                         | <u>\$ 2,411,409</u> | <u>\$ 3,296,794</u> | <u>\$ 3,605,409</u> | <u>\$ 3,558,614</u> | <u>\$ 3,776,539</u> |

This account experienced a net increase in fund balance of \$217,925 during fiscal 2022. This compares to a budgeted increase of \$65,521. Revenues were over budget by \$643, mainly in tuition for the alternative learning (DCALS) program, offset by decreases in state and federal aid sources. Expenditures ended the year lower than budget by \$151,919, mainly in salaries and purchased services, due to the discontinuation of some of the CTE programs.

Total revenue in the Secondary Education Account of the General Fund totaled \$4,186,761 in fiscal 2022, a decrease of \$24,786 from the previous year, due to a decrease in state sources. The decrease in state sources was offset by an increase tuition revenue, mainly due to billing member districts directly for services rendered rather than through MDE's tuition billing. Expenditures in this account decreased \$289,011, mainly in salaries and benefits related the discontinuation of some of the CTE programs as mentioned above.

### Special Education Account

|                                       | Year Ended June 30, |                     |                     |                     |                     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | 2018                | 2019                | 2020                | 2021                | 2022                |
| Revenue and other financing sources   | \$ 28,924,111       | \$ 34,735,955       | \$ 37,131,011       | \$ 37,774,644       | \$ 37,734,212       |
| Expenditures and other financing uses | <u>28,235,178</u>   | <u>33,857,291</u>   | <u>37,119,354</u>   | <u>37,529,096</u>   | <u>38,092,565</u>   |
| Net change in fund balances           | 688,933             | 878,664             | 11,657              | 245,548             | (358,353)           |
| Fund balances                         |                     |                     |                     |                     |                     |
| Beginning of year                     | <u>4,897,479</u>    | <u>5,586,412</u>    | <u>6,465,076</u>    | <u>6,476,733</u>    | <u>6,722,281</u>    |
| End of year                           | <u>\$ 5,586,412</u> | <u>\$ 6,465,076</u> | <u>\$ 6,476,733</u> | <u>\$ 6,722,281</u> | <u>\$ 6,363,928</u> |

This account experienced a net decrease in fund balance of \$358,353 during fiscal 2022, which compares to a budgeted decrease in fund balance of \$378,162 for the year. Special education state aid revenue was \$4,377,755 lower than budget and the related expenditures were also lower than budgeted amounts by \$4,141,726. This was mainly due to lower than anticipated salaries and benefits, purchased services, and capital expenditures. This is due to most expenditure categories being lower as a result of open positions not being filled, the reclassification of lease related expenditures between expenditure categories with the implementation of the new GASB standard on leases, and capital related purchases being delayed due to supply chain shortages, due to the COVID-19 pandemic.

Special Education Account revenues decreased \$40,432 in fiscal 2022. The District experienced an increase in medical assistance billings offset by a decrease in federal sources due to receiving one-time COVID-19-related funding in fiscal 2021. Expenditures and other financing uses increased \$563,469, mainly in debt service payments due to the implementation of the new lease standard under GASB Statement No. 87.

**OTHER FUNDS OF THE DISTRICT**

**Food Service Special Revenue Fund**

The District’s Food Service Special Revenue Fund revenues exceeded expenditures by \$17,670. This was the direct result of receiving federal United States Department of Agriculture Emergency Operational Costs Reimbursement, along with more participation in the program than expected.

**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, |                     |                     |                     |                     |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                        | 2018                | 2019                | 2020                | 2021                | 2022                |
| Revenue                | \$ 3,865,060        | \$ 4,632,933        | \$ 5,066,691        | \$ 5,791,672        | \$ 5,478,147        |
| Expenses               | <u>3,150,658</u>    | <u>4,122,961</u>    | <u>3,831,523</u>    | <u>4,742,075</u>    | <u>4,693,634</u>    |
| Change in net position | 714,402             | 509,972             | 1,235,168           | 1,049,597           | 784,513             |
| Net position           |                     |                     |                     |                     |                     |
| Beginning of year      | <u>406,523</u>      | <u>1,120,925</u>    | <u>1,630,897</u>    | <u>2,866,065</u>    | <u>3,915,662</u>    |
| End of year            | <u>\$ 1,120,925</u> | <u>\$ 1,630,897</u> | <u>\$ 2,866,065</u> | <u>\$ 3,915,662</u> | <u>\$ 4,700,175</u> |

These funds had revenues over expenses of \$784,513 during fiscal 2022. This occurred mostly as a result of the District’s internal service fund for self-insured health insurance, which had an operating income of \$796,551. Revenues were less than fiscal 2021, mainly in the self-insured medical insurance plan, due to a slight decrease in the numbers of employee participants. Expenses decreased slightly due to changes in claims incurred.

## 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            |
|--|------------------------|------------------------|-------------------|
|  | 2021                   | 2022                   |                   |
| Net position – governmental activities                 |                        |                        |                   |
| Total fund balances – governmental funds               | \$ 10,337,046          | \$ 10,220,118          | \$ (116,928)      |
| Total capital assets, net of depreciation/amortization | 8,717,725              | 16,046,151             | 7,328,426         |
| Total long-term debt                                   | (6,940,000)            | (14,376,152)           | (7,436,152)       |
| Net pension-related liabilities                        | (28,163,779)           | (27,851,215)           | 312,564           |
| Internal service funds balance                         | 3,915,662              | 4,700,175              | 784,513           |
| Other items  | (403,518)              | (401,465)              | 2,053             |
| Total net position – governmental activities           | <u>\$ (12,536,864)</u> | <u>\$ (11,662,388)</u> | <u>\$ 874,476</u> |
| Net position   |                        |                        |                   |
| Net investment in capital assets                       | \$ 1,856,227           | \$ 1,738,308           | \$ (117,919)      |
| Restricted   | 61,543                 | 23,849                 | (37,694)          |
| Unrestricted   | <u>(14,454,634)</u>    | <u>(13,424,545)</u>    | <u>1,030,089</u>  |
| Total net position                                     | <u>\$ (12,536,864)</u> | <u>\$ (11,662,388)</u> | <u>\$ 874,476</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 increased by \$874,476 in fiscal 2022. The District's net investment in capital assets decreased \$117,919 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/amortized, 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 increased by \$1,030,089, 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 internal service funds of the District.

## ACCOUNTING AND AUDITING UPDATES

The following is a summary of Governmental Accounting Standards Board (GASB) standards expected to be implemented in the next few years. 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. 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. 99, *OMNIBUS 2022***

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.

- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* to refer to resource flows statements.

The requirements of this statement that are effective are as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

**GASB STATEMENT NO. 100, *ACCOUNTING CHANGES AND ERROR CORRECTIONS – AN AMENDMENT OF GASB STATEMENT NO. 62***

The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The requirements of this statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

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

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

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

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

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

INTERMEDIATE SCHOOL DISTRICT NO. 91  
ROSEMOUNT, MINNESOTA

Financial Statements and  
Supplemental Information

Year Ended  
June 30, 2022

Preliminary Draft

INTERMEDIATE SCHOOL DISTRICT NO. 917

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INTRODUCTORY SECTION

INTERMEDIATE SCHOOL DISTRICT NO. 917

School Board and Administration  
as of June 30, 2022

**SCHOOL BOARD**

| <u>Board of Directors</u> | <u>Member District</u> | <u>Position on Board</u> |
|---------------------------|------------------------|--------------------------|
| Melissa Sauser            | ISD No. 192            | Chairperson              |
| Byron Schwab              | ISD No. 197            | Vice Chairperson         |
| Tom Bennett               | ISD No. 271            | Treasurer                |
| Cindy Nordstrom           | ISD No. 199            | Clerk                    |
| Lesley Chester            | ISD No. 191            | Board Member             |
| Lisa Ehleringer           | ISD No. 195            | Board Member             |
| Wendy Felton              | ISD No. 6              | Board Member             |
| Lisa Hedin                | ISD No. 200            | Board Member             |
| Kathy Lewis               | ISD No. 194            | Board Member             |

**ADMINISTRATION**

|                  |   |
|------------------|---|
| Michael Favor    | Superintendent                          |
| Nicolle Roush    | Executive Director of Business Services |
| Melissa Schaller | Executive Director of Student Services  |

FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

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

### **OPINIONS**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

### **BASIS FOR OPINIONS**

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

### **EMPHASIS OF MATTER**

#### ***Change in Accounting Principle***

As described in Note 1 to the basic financial statements, in 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

(continued)

## RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

(continued)

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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.

## **Supplemental Information**

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

## **Other Information**

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

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

(continued)

### **Prior Year Comparative Information**

We have previously audited the District's 2021 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 November 29, 2021. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2021 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 INSERT DATE 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.

Minneapolis, Minnesota  
INSERT DATE

## INTERMEDIATE SCHOOL DISTRICT NO. 917

### Management's Discussion and Analysis Year Ended June 30, 2022

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, 2022. 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, 2021 by \$11,662,388 (net position deficit). The District's total net position increased by \$874,476 during the fiscal year ended June 30, 2022.
- The District's total General Fund balance at June 30, 2022 is \$10,202,448, a decrease of \$134,598 over the prior year.
- The District's governmental funds Balance Sheet reflects a \$9,319,585 unassigned fund balance.
- As described in Note 1 of the notes to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during fiscal year ended June 30, 2022. As described in Note 1 of the basic financial statements, this standard changed the way lease transactions are reported by the District, but did not result in a restatement of net position in the current year.

#### **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 secondary vocational and special education instruction, 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:

|  | 2022            | 2021            |
|--|-----------------|-----------------|
| <b>Assets</b>  |                 |                 |
| Current and other assets                                     | \$ 21,501,778   | \$ 21,012,786   |
| Capital assets, net of accumulated depreciation/amortization | 16,046,151      | 8,717,725       |
| Total assets   | \$ 37,547,929   | \$ 29,730,511   |
| <b>Deferred outflows of resources</b>                        |                 |                 |
| Pension plan deferments                                      | \$ 14,444,131   | \$ 13,409,603   |
| OPEB plan deferments   | 68,931          | 179,862         |
| Deferred charge on refunding debt                            | 269,107         | 291,532         |
| Total deferred outflows of resources                         | \$ 14,782,169   | \$ 13,880,997   |
| <b>Liabilities</b>   |                 |                 |
| Current and other liabilities                                | \$ 4,367,535    | \$ 4,689,404    |
| Long-term liabilities, including due within one year         | 34,368,063      | 36,216,455      |
| Total liabilities  | \$ 38,735,598   | \$ 40,905,859   |
| <b>Deferred inflows of resources</b>                         |                 |                 |
| Pension plan deferments                                      | \$ 24,663,874   | \$ 14,549,012   |
| OPEB plan deferments   | 593,014         | 693,501         |
| Total deferred inflows of resources                          | \$ 25,256,888   | \$ 15,242,513   |
| <b>Net position</b>  |                 |                 |
| Net investment in capital assets                             | \$ 1,738,308    | \$ 1,856,227    |
| Restricted for food service                                  | 17,670          | -               |
| Restricted for other purposes                                | 6,179           | 61,543          |
| Unrestricted   | (13,424,545)    | (14,454,634)    |
| Total net position   | \$ (11,662,388) | \$ (12,536,864) |

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 and amortization amounts. A conservative versus liberal approach to depreciation and amortization 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, 2022 was \$874,476 more than in the prior year, mainly due to the positive operating results of the District's internal service funds and 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.

The implementation of GASB Statement No. 87, *Leases*, increased the capital asset balance as further described in Note 1 to the basic financial statements.

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

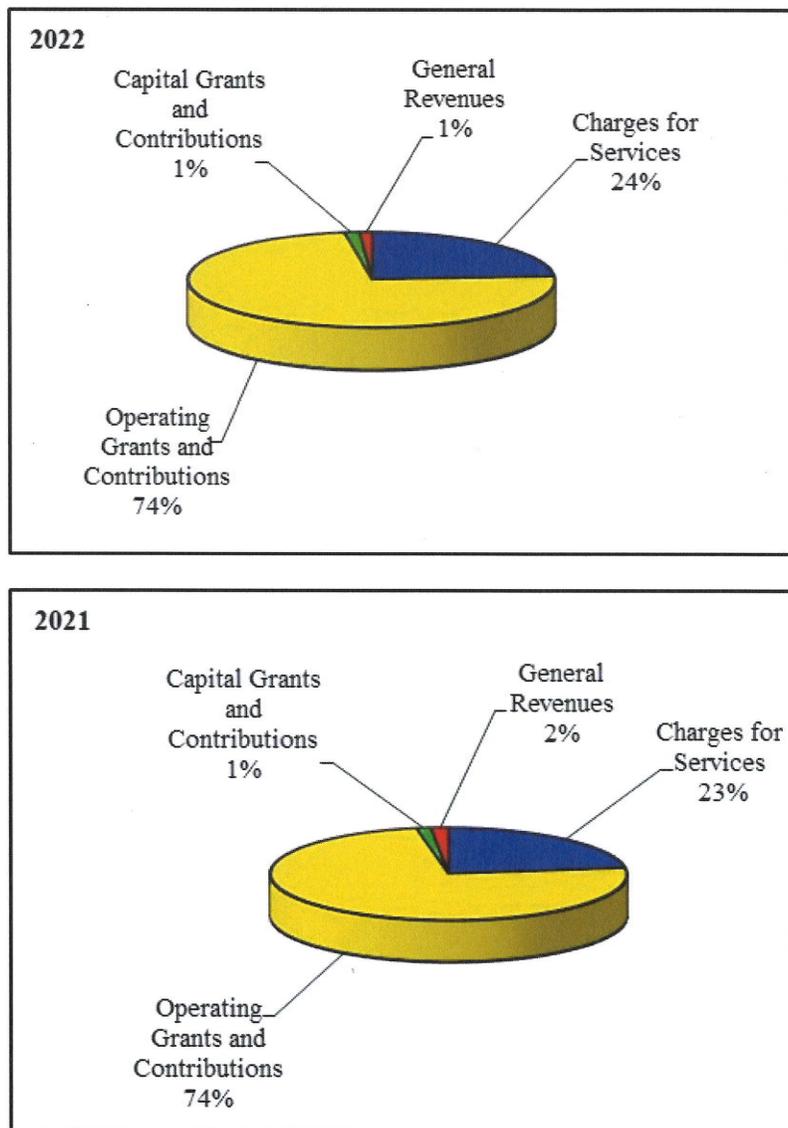
|                                     | <u>2022</u>            | <u>2021</u>            |
|-------------------------------------|------------------------|------------------------|
| <b>Revenues</b>                     |                        |                        |
| Program revenues                    |                        |                        |
| Charges for services                | \$ 10,185,407          | \$ 9,775,850           |
| Operating grants and contributions  | 31,382,042             | 31,662,477             |
| Capital grants and contributions    | 552,753                | 553,065                |
| General revenues                    |                        |                        |
| Other                               | 452,794                | 685,012                |
| Investment earnings                 | 17,896                 | 6,965                  |
| Total revenues                      | <u>42,590,892</u>      | <u>42,683,369</u>      |
| <b>Expenses</b>                     |                        |                        |
| Administrative and support services | 2,285,177              | 2,149,317              |
| Secondary vocational/DCALS          | 3,679,900              | 4,274,114              |
| Special education programs          | 34,835,199             | 36,829,246             |
| Food service                        | 179,672                | 91,751                 |
| Interest and fiscal charges on debt | 736,468                | 229,451                |
| Total expenses                      | <u>41,716,416</u>      | <u>43,573,879</u>      |
| Change in net position              | 874,476                | (890,510)              |
| Net position – beginning            | <u>(12,536,864)</u>    | <u>(11,646,354)</u>    |
| Net position – ending               | <u>\$ (11,662,388)</u> | <u>\$ (12,536,864)</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 and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal. The decline in special education program expenses is the result of the change in the District's share of state-wide pension plans as previously mentioned. The decline in secondary vocational/Dakota County Area Learning School (DCALS) is for similar reasons, as well as a decline in salaries and benefits related to reductions in programming. Interest and fiscal charges on debt increased related to the implementation of GASB Statement No. 87, *Leases*.

The total cost of all programs and services was \$41,716,416. The District's expenses are predominantly related to educating students. In fiscal 2021–2022, 92.3 percent of the District's expenses were devoted to this purpose. The administrative and support services activity of the District accounted for 5.5 percent of total expenses for the year. It should be noted that the District allocated \$2,315,562 in administrative and support services expenses to the secondary vocational/DCALS and special education programs in fiscal 2022. The decrease in operating grants and contributions is mainly related to decreases in federal COVID-19-related stimulus aid, decreases in general education aid due to a reduction in ADM's in the DCALS and special education programs. Charges for services increased due to an increase in direct tuition billing versus Minnesota Department of Education (MDE) billing, due to the reduction in students with individualized education plans in the DCALS program, as well as an increase in the number of care and treatment students the District served.

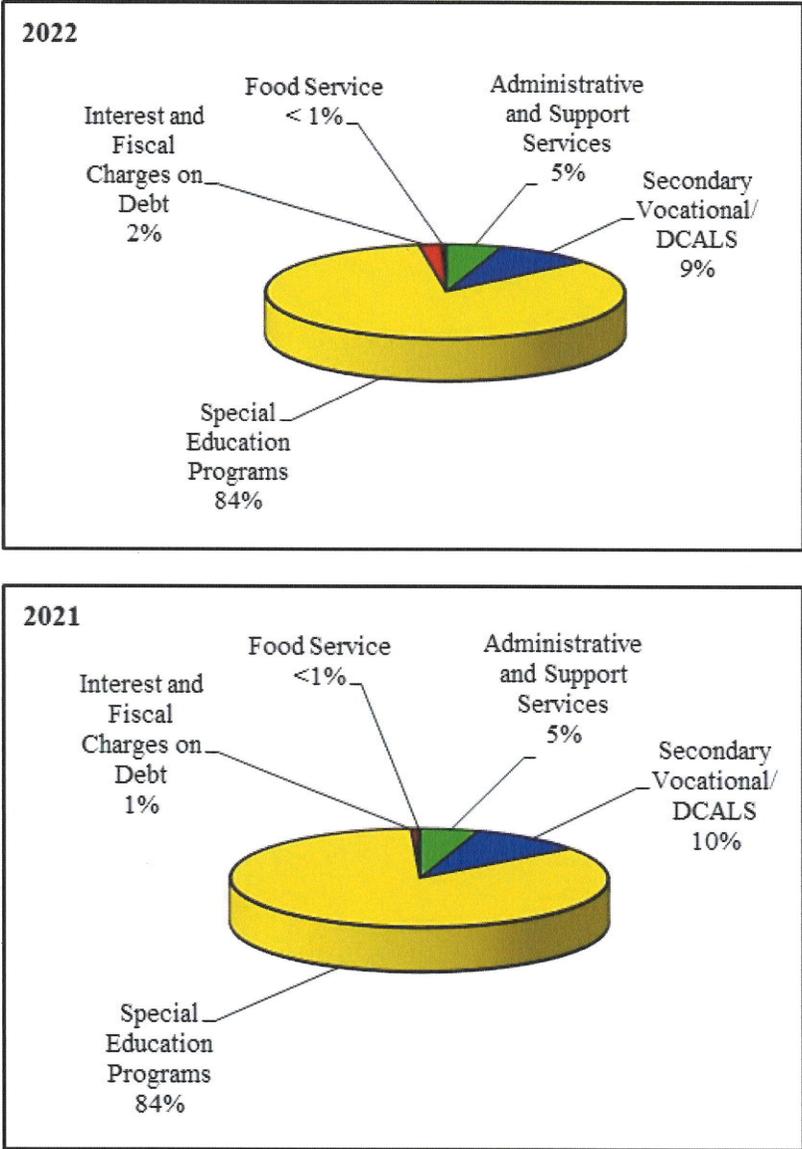
Figures A and B show further analysis of these revenue sources and expense functions:

**Figure A – Sources of Revenue for Fiscal Years 2022 and 2021**



The largest share of the District’s revenue is received from the state, including the aid formulas and most of the operating grants. Special education tuition billing has been processed through the MDE since 2009. Based on the special education services and costs reported to the MDE, the District generates both state special education aid and MDE-generated tuition billing revenue. Because these dollars flow through the state, they are classified as an operating grants and contributions rather than charges for services.

**Figure B – Expenses for Fiscal Years 2022 and 2021**



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, 2022 and 2021**

|                                     | 2022                      |   | 2021                      |   |
|-------------------------------------|---------------------------|---|---------------------------|---|
|                                     | Total Cost<br>of Services | Net (Expense)<br>Revenue<br>From Services | Total Cost<br>of Services | Net (Expense)<br>Revenue<br>From Services |
| Governmental activities             |                           |   |                           |   |
| Administrative and support services | \$ 2,285,177              | \$ 57,438                                 | \$ 2,149,317              | \$ (38,759)                               |
| Secondary vocational/DCALS          | 3,679,900                 | 756,105                                   | 4,274,114                 | 151,956                                   |
| Special education programs          | 34,835,199                | 309,303                                   | 36,829,246                | (1,453,293)                               |
| Food service                        | 179,672                   | 17,408                                    | 91,751                    | (12,940)                                  |
| Interest and fiscal charges         | 736,468                   | (736,468)                                 | 229,451                   | (229,451)                                 |
| <b>Total</b>                        | <b>\$ 41,716,416</b>      | <b>\$ 403,786</b>                         | <b>\$ 43,573,879</b>      | <b>\$ (1,582,487)</b>                     |

The overall net (expense) revenue from services was \$1,986,273 more than fiscal 2021, mainly due to the change in the PERA and the TRA multiple-employer defined benefit pension plans mentioned earlier.

#### 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<br>Percent<br>Change |
|---------------------------------|--|----------------------|---------------------|----------------------------|
|                                 | Governmental Fund Balances<br>as of June 30, 2022 and 2021 |                      |                     |                            |
|                                 | 2022   | 2021                 | Change              |                            |
| Major fund                      |  |                      |                     |                            |
| General                         | \$ 10,202,448  | \$ 10,337,046        | \$ (134,598)        | (1.3%)                     |
| Nonmajor fund                   |  |                      |                     |                            |
| Food Service Special Revenue    | 17,670   | -                    | 17,670              | 100.0%                     |
| <b>Total governmental funds</b> | <b>\$ 10,220,118</b>                                       | <b>\$ 10,337,046</b> | <b>\$ (116,928)</b> | <b>(1.1%)</b>              |

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>2017–2018</u> | <u>2018–2019</u> | <u>2019–2020</u> | <u>2020–2021</u> | <u>2021–2022</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Secondary vocational resource programs | 106.57           | 101.79           | 94.33            | 72.33            | 75.05            |
| DCALS programs                         | 271.12           | 320.89           | 332.34           | 339.60           | 287.38           |
| Special education resource programs    | 466.30           | 479.53           | 506.55           | 512.04           | 429.06           |

Funding for Minnesota school districts is largely driven by enrollment. In the current economic environment, member districts are striving to keep students at their sites, whenever possible. Overall, the District’s secondary vocational resource programs is maintaining enrollment levels. Alternative learning (DCALS) program experienced a decline in enrollment from the previous fiscal year. Special education resource programs did not experience the intended program growth in Intra-Dakota Education Alternative (IDEA), Students with Unique Needs (SUN), and Transition Education Services (TESA), due to labor shortages resulting in unfilled teaching and paraprofessionals to support student education. Stable and predictable enrollment to maintain funding programs will continue to be especially challenging in special education. To expand programming to meet the needs of students on our waiting lists, the hiring environment of employees will need to improve.

**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>2018</u>   | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   | <u>2022</u>   |
|---|---------------|---------------|---------------|---------------|---------------|
| Unassigned fund balance                                 | \$ 6,634,983  | \$ 9,339,643  | \$ 9,471,747  | \$ 9,987,663  | \$ 9,319,585  |
| Percent increase  | 12.0%         | 40.8%         | 1.4%          | 5.4%          | (6.7%)        |
| Expenditures  | \$ 32,756,448 | \$ 38,602,276 | \$ 41,790,457 | \$ 42,335,893 | \$ 42,655,272 |
| Percent increase (decrease)                             | (1.8%)        | 17.8%         | 8.3%          | 1.3%          | 0.8%          |
| Unassigned fund balance as a percentage of expenditures | 20.3%         | 24.2%         | 22.7%         | 23.6%         | 21.8%         |

The District ended the year with a \$134,598 decrease in the General Fund balance. Unassigned General Fund balance decreased \$668,078. The total decrease of \$134,598 is \$182,216 lower 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 \$152,404. Expenditures were also lower than budgeted amounts, mainly in salaries and purchased services, due to the District being unable to fill open positions as well as discontinuing various Career Technical Education (CTE) programs.

Table 7 presents a summary of General Fund revenue:

|                                 | <u>2022</u>              | <u>2021</u>              | <u>Change</u>          |
|---------------------------------|--------------------------|--------------------------|------------------------|
| Local sources                   |                          |                          |                        |
| Tuition                         | \$ 10,171,961            | \$ 10,027,650            | \$ 144,311             |
| Investment earnings             | 8,698                    | 3,328                    | 5,370                  |
| Other                           | 585,810                  | 316,829                  | 268,981                |
| State sources                   | 31,446,564               | 31,661,833               | (215,269)              |
| Federal sources                 | <u>307,146</u>           | <u>543,858</u>           | <u>(236,712)</u>       |
| <br>Total General Fund revenues | <br><u>\$ 42,520,179</u> | <br><u>\$ 42,553,498</u> | <br><u>\$ (33,319)</u> |

Total General Fund revenues decreased \$33,319, or 0.1 percent, in fiscal 2022, as compared to the previous year. Overall, the changes in revenues can be attributed to a decrease in state sources and federal sources. Federal source decreases were directly from COVID-19-related stimulus grants and aids received in fiscal 2022. Direct tuition revenues increased from local school districts for services provided mostly in our secondary career and technical education programs.

The decrease in state sources was offset by an increase in tuition billing, due to billing member districts directly for services rendered rather than coming through MDE's tuition billing. The decrease was offset by a 2.0 percent increase in general education revenues. In addition, other local sources increased, due to an increase in Medical Assistance revenues as pandemic restrictions subsided throughout the fiscal year.

Table 8 presents a summary of General Fund expenditures:

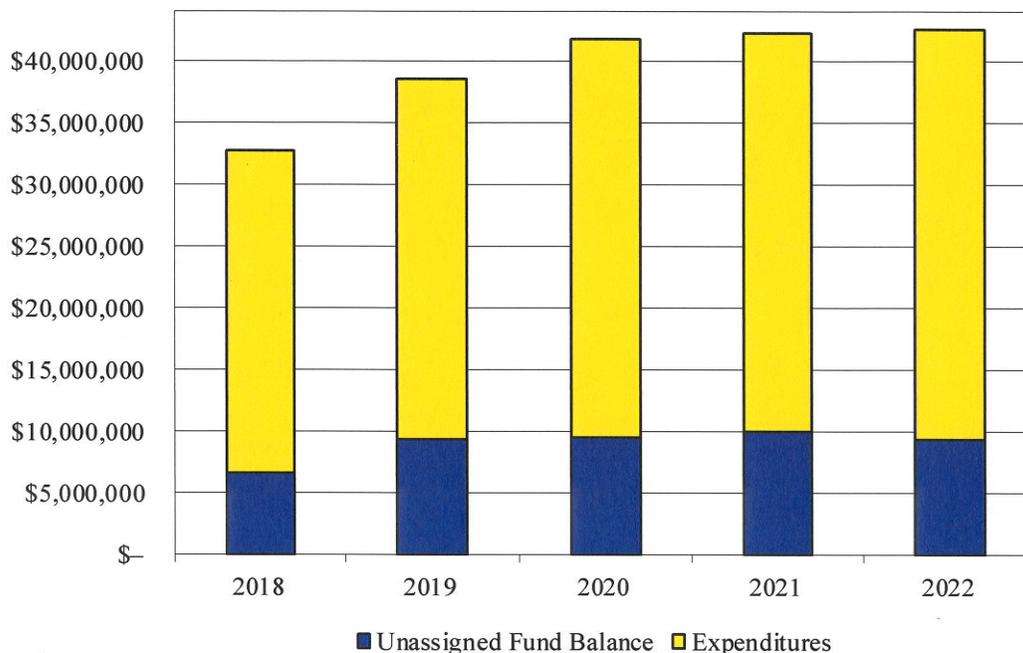
|                                 | <u>2022</u>          | <u>2021</u>          | <u>Change</u>     |
|---------------------------------|----------------------|----------------------|-------------------|
| Salaries                        | \$ 26,211,322        | \$ 26,077,219        | \$ 134,103        |
| Employee benefits               | 9,423,677            | 9,577,950            | (154,273)         |
| Purchased services              | 3,870,977            | 4,748,186            | (877,209)         |
| Supplies and materials          | 978,056              | 909,242              | 68,814            |
| Other expenditures              | 179,747              | 169,398              | 10,349            |
| Capital expenditures            | 410,397              | 327,098              | 83,299            |
| Debt service                    | 1,581,096            | 526,800              | 1,054,296         |
| Total General Fund expenditures | <u>\$ 42,655,272</u> | <u>\$ 42,335,893</u> | <u>\$ 319,379</u> |

Total General Fund expenditures increased \$319,379, or 0.8 percent, from the previous year. Overall, the changes in expenditures can be attributed to employee contract enhancements of about 4.0 percent in fiscal 2022. Change in salaries and benefits is fairly flat, due to the discontinuance of several CTE programs, in addition to the loss of 48 full-time staff equivalents in comparison to fiscal 2021. In addition, there were significant reductions in expenditures in the areas of purchased services, offset by an increase in debt service, due to the reporting of principal and interest on building and equipment lease payments, as a result of the implementation of GASB Statement No. 87, *Leases*.

In summary, 2021–2022 General Fund expenditures and other financing uses exceeded General Fund revenues and other financing sources by \$134,598. As a result, total fund balance decreased to \$10,202,448 at June 30, 2022. After deducting nonspendable, restricted, and assigned funds, the unassigned fund balance decreased from \$9,987,663 at June 30, 2021, to \$9,319,585 at June 30, 2022.

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 \$9.3 million at June 30, 2022, represents 21.8 percent of annual expenditures, or almost three 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 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. In addition, 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:

| <b>Table 9</b><br><b>General Fund</b><br><b>Budget</b><br><b>Year Ended June 30, 2022</b> |                      |                      |                      |                              |
|---|----------------------|----------------------|----------------------|------------------------------|
|   | Original<br>Budget   | Final<br>Budget      | Actual               | Over (Under)<br>Final Budget |
| Revenue and other financing sources   | <u>\$ 50,351,278</u> | <u>\$ 46,675,992</u> | <u>\$ 42,520,674</u> | <u>\$ (4,155,318)</u>        |
| Expenditures and other financing uses   | <u>\$ 50,305,968</u> | <u>\$ 46,992,806</u> | <u>\$ 42,655,272</u> | <u>\$ (4,337,534)</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 and other financing sources were lower than budgeted amounts by 8.9 percent, due to several factors. The District’s anticipated revenues are determined by actual expenditures incurred, which came in under budget by \$4,322,534.

The District’s expenditures and other financing uses were less than budgeted amounts by 9.2 percent, due to several factors. Overall, expenditures were under budget by \$4.3 million. The District was uncertain how many positions it would be filling during a challenging recruiting market with labor shortages after the pandemic. This resulted in 30 unfilled positions of 50 projected to hire after December 2021. In addition, there were also unprecedented costs savings in employees taking unpaid time off, unfilled substitute positions, supplies, travel, workers’ compensation insurance, vehicle purchases being accessible, utilities, and mileage.

**FOOD SERVICE SPECIAL REVENUE FUND**

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing equity by \$17,670. This was a direct result of receiving federal United States Department of Agriculture Emergency Operational Costs Reimbursement, along with more participation in the program than expected.

**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 \$845,499 increase in net position, due to an increase in insurance premiums, plan enrollment, and utilization of service.

## 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, 2022 and 2021:

|   | <u>2022</u>          | <u>2021</u>         | <u>Change</u>       |
|---|----------------------|---------------------|---------------------|
| Land  | \$ 655,000           | \$ 655,000          | \$ -                |
| Buildings                                     | 11,274,493           | 11,274,493          | -                   |
| Buildings – leased                            | 8,249,811            | -                   | 8,249,811           |
| Furniture and equipment                       | 2,720,065            | 2,539,559           | 180,506             |
| Furniture and equipment – leased              | 38,579               | -                   | 38,579              |
| Less accumulated depreciation or amortization | <u>(6,891,797)</u>   | <u>(5,751,327)</u>  | <u>(1,140,470)</u>  |
| Total   | <u>\$ 16,046,151</u> | <u>\$ 8,717,725</u> | <u>\$ 7,328,426</u> |
| Depreciation and amortization expense         | <u>\$ 1,140,470</u>  | <u>\$ 429,831</u>   | <u>\$ 710,639</u>   |

The implementation of GASB Statement No. 87 resulting in reporting \$8.2 million of building leased assets.

### Long-Term Liabilities

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

|                                       | <u>2022</u>          | <u>2021</u>          | <u>Change</u>         |
|---------------------------------------|----------------------|----------------------|-----------------------|
| Certificates of participation payable | \$ 6,630,000         | \$ 6,940,000         | \$ (310,000)          |
| Unamortized premium (discount)        | 200,798              | 213,030              | (12,232)              |
| Lease liability                       | 7,746,152            | -                    | 7,746,152             |
| Severance benefits payable            | 349,541              | 411,068              | (61,527)              |
| Compensated absences payable          | 382,482              | 392,145              | (9,663)               |
| Total OPEB liability                  | 1,427,618            | 1,235,842            | 191,776               |
| Net pension liability                 | <u>17,631,472</u>    | <u>27,024,370</u>    | <u>(9,392,898)</u>    |
| Total                                 | <u>\$ 34,368,063</u> | <u>\$ 36,216,455</u> | <u>\$ (1,848,392)</u> |

The decrease 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. The increase in lease liability is related to the implementation of GASB Statement No. 87.

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** – The District models an innovative culture with diverse pathways serving students and families through equitable practices with highly trained staff.

The **Mission** – In partnership with member districts, the District provides high quality, equitable, and specialized programming to meet the needs of all students.

The **Core Values** of the District are collaboration, empathy, innovation, stewardship, communication, integrity, personalization, equity, and diversity.

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 its 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.
- Partner with ISD No. 192 to operate the DCALS South in Farmington. This site offers a convenient location in the southern 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.
- 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 (AESAs) to advocate for legislative 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 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 enrollment remains flat, due to labor shortages. We anticipate if the labor shortage is resolved that the present growth rate in 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. 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 and noncertified employees, 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.
- Career and technical education is in a precarious position. As member districts operate differently 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.

BASIC FINANCIAL STATEMENTS

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Net Position  
as of June 30, 2022  
(With Partial Comparative Information as of June 30, 2021)

|  | Governmental Activities |                      |
|--|-------------------------|----------------------|
|  | 2022                    | 2021                 |
| <b>Assets</b>  |                         |                      |
| Cash and temporary investments                                     | \$ 13,956,730           | \$ 11,815,866        |
| Receivables  |                         |                      |
| Accounts and interest  | 16,020                  | 10,690               |
| Due from other governmental units                                  | 7,354,216               | 9,031,496            |
| Inventory  | 289                     | 488                  |
| Prepaid items  | 130,130                 | 109,864              |
| Restricted assets – temporarily restricted                         |                         |                      |
| Cash and investments held by trustee                               | 44,393                  | 44,382               |
| Capital assets   |                         |                      |
| Not depreciated  | 655,000                 | 655,000              |
| Depreciated, net of accumulated depreciation/amortization          | 15,391,151              | 8,062,725            |
| Total capital assets, net of accumulated depreciation/amortization | <u>16,046,151</u>       | <u>8,717,725</u>     |
| Total assets   | 37,547,929              | 29,730,511           |
| Deferred outflows of resources                                     |                         |                      |
| Pension plan deferments  | 14,444,131              | 13,409,603           |
| OPEB plan deferments   | 68,931                  | 179,862              |
| Deferred charge on refunding                                       | 269,107                 | 291,532              |
| Total deferred outflows of resources                               | <u>14,782,169</u>       | <u>13,880,997</u>    |
| Total assets and deferred outflows of resources                    | <u>\$ 52,330,098</u>    | <u>\$ 43,611,508</u> |
| <b>Liabilities</b>   |                         |                      |
| Salaries and compensated absences payable                          | \$ 3,057,305            | \$ 3,174,212         |
| Accounts and contracts payable                                     | 460,586                 | 474,869              |
| Accrued interest payable   | 87,292                  | 89,875               |
| Due to other governmental units                                    | 645,815                 | 825,215              |
| Unearned revenue   | 116,537                 | 125,233              |
| Long-term liabilities  |                         |                      |
| Due within one year  | 1,002,113               | 831,657              |
| Due in more than one year  | 33,365,950              | 35,384,798           |
| Total long-term liabilities  | <u>34,368,063</u>       | <u>36,216,455</u>    |
| Total liabilities  | 38,735,598              | 40,905,859           |
| Deferred inflows of resources                                      |                         |                      |
| Pension plan deferments  | 24,663,874              | 14,549,012           |
| OPEB plan deferments   | 593,014                 | 693,501              |
| Total deferred inflows of resources                                | <u>25,256,888</u>       | <u>15,242,513</u>    |
| <b>Net position</b>  |                         |                      |
| Net investment in capital assets                                   | 1,738,308               | 1,856,227            |
| Restricted for food service  | 17,670                  | –                    |
| Restricted for other purposes                                      | 6,180                   | 61,543               |
| Unrestricted   | (13,424,546)            | (14,454,634)         |
| Total net position   | <u>(11,662,388)</u>     | <u>(12,536,864)</u>  |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 52,330,098</u>    | <u>\$ 43,611,508</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Activities  
 Year Ended June 30, 2022  
 (With Partial Comparative Information for the Year Ended June 30, 2021)

| 2022                                |                      |                                   |                          |  |
|-------------------------------------|----------------------|-----------------------------------|--------------------------|--|
| Functions/Programs                  | Expenses             | Indirect<br>Expense<br>Allocation | Charges for<br>Services  | Program Revenues<br>Operating<br>Grants and<br>Contributions |
| Governmental activities             |                      |                                   |                          |  |
| Administrative and support services | \$ 2,285,177         | \$ (2,315,562)                    | \$ —                     | \$ —   |
| Secondary vocational/DCALS          | 3,679,900            | 188,628                           | 3,522,393                | 576,540  |
| Special education programs          | 34,835,199           | 2,126,934                         | 6,663,014                | 30,608,422   |
| Food service                        | 179,672              | —                                 | —                        | 197,080  |
| Interest and fiscal charges on debt | 736,468              | —                                 | —                        | —  |
| Total governmental activities       | <u>\$ 41,716,416</u> | <u>\$ —</u>                       | <u>\$ 10,185,407</u>     | <u>\$ 31,382,042</u>   |
|                                     |                      |                                   | General revenues         |  |
|                                     |                      |                                   | Other general revenues   |  |
|                                     |                      |                                   | Investment earnings      |  |
|                                     |                      |                                   | Total general revenues   |  |
|                                     |                      |                                   | Change in net position   |  |
|                                     |                      |                                   | Net position – beginning |  |
|                                     |                      |                                   | Net position – ending    |  |

|  |  | 2021   |
|--|--|--|
|  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
| Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                 | Governmental<br>Activities                                 |
| \$ 27,053                              | \$ 57,438  | \$ (38,759)  |
| 525,700                                | 756,105  | 151,956  |
| -                                      | 309,303  | (1,453,293)  |
| -                                      | 17,408   | (12,940)   |
| -                                      | (736,468)  | (229,451)  |
| <u>\$ 552,753</u>                      | 403,786  | (1,582,487)  |
|  | 452,794  | 685,012  |
|  | 17,896   | 6,965  |
|  | <u>470,690</u>   | <u>691,977</u>   |
|  | 874,476  | (890,510)  |
|  | <u>(12,536,864)</u>  | <u>(11,646,354)</u>  |
|  | <u>\$ (11,662,388)</u>                                     | <u>\$ (12,536,864)</u>                                     |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Balance Sheet  
 Governmental Funds  
 as of June 30, 2022  
 (With Partial Comparative Information as of June 30, 2021)

|   | General Fund         | Nonmajor  | Total Governmental Funds |                      |
|---|----------------------|---|--------------------------|----------------------|
|   |                      | Fund –<br>Food Service<br>Special<br>Revenue Fund | 2022                     | 2021                 |
| <b>Assets</b>                             |                      |   |                          |                      |
| Cash and temporary investments            | \$ 6,489,423         | \$ 23,562   | \$ 6,512,985             | \$ 5,239,697         |
| Cash and investments held by trustee      | 44,393               | –   | 44,393                   | 44,382               |
| Receivables                               |                      |   |                          |                      |
| Accounts and interest                     | 16,020               | –   | 16,020                   | 10,690               |
| Due from other governmental units         | 7,347,801            | 6,415   | 7,354,216                | 9,031,496            |
| Due from other funds                      | –                    | –   | –                        | 13,047               |
| Inventory                                 | 289                  | –   | 289                      | 488                  |
| Prepaid items                             | 123,080              | 2,050   | 125,130                  | 108,941              |
|   | <u>\$ 14,021,006</u> | <u>\$ 32,027</u>                                  | <u>\$ 14,053,033</u>     | <u>\$ 14,448,741</u> |
| <b>Liabilities</b>                        |                      |   |                          |                      |
| Salaries and compensated absences payable | \$ 3,057,305         | \$ –  | \$ 3,057,305             | \$ 3,174,212         |
| Accounts and contracts payable            | 86,295               | 5,881   | 92,176                   | 69,234               |
| Due to other governmental units           | 644,124              | –   | 644,124                  | 823,776              |
| Due to other funds                        | –                    | –   | –                        | 13,047               |
| Unearned revenue                          | 30,834               | 8,476   | 39,310                   | 31,426               |
| Total liabilities                         | <u>3,818,558</u>     | <u>14,357</u>                                     | <u>3,832,915</u>         | <u>4,111,695</u>     |
| <b>Fund balances</b>                      |                      |   |                          |                      |
| Nonspendable                              | 123,369              | 2,050   | 125,419                  | 109,429              |
| Restricted                                | 50,573               | 15,620  | 66,193                   | 105,925              |
| Assigned                                  | 708,921              | –   | 708,921                  | 134,029              |
| Unassigned                                | 9,319,585            | –   | 9,319,585                | 9,987,663            |
| Total fund balances                       | <u>10,202,448</u>    | <u>17,670</u>                                     | <u>10,220,118</u>        | <u>10,337,046</u>    |
|   | <u>\$ 14,021,006</u> | <u>\$ 32,027</u>                                  | <u>\$ 14,053,033</u>     | <u>\$ 14,448,741</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2022  
(With Partial Comparative Information as of June 30, 2021)

|   | <u>2022</u>            | <u>2021</u>            |
|---|------------------------|------------------------|
| Total fund balances – governmental funds  | \$ 10,220,118          | \$ 10,337,046          |
| 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  | 22,937,948             | 14,469,052             |
| Accumulated depreciation and amortization   | (6,891,797)            | (5,751,327)            |
| Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.  |                        |                        |
| Certificates of participation payable   | (6,630,000)            | (6,940,000)            |
| Lease liability   | (7,746,152)            | –                      |
| Compensated absences payable  | (382,482)              | (392,145)              |
| Net pension liability   | (17,631,472)           | (27,024,370)           |
| Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.   | (87,292)               | (89,875)               |
| 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  | 14,444,131             | 13,409,603             |
| Deferred inflows of resources – pension plan deferments   | (24,663,874)           | (14,549,012)           |
| Deferred outflows of resources – deferred charge on refunding   | 269,107                | 291,532                |
| 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.   | (200,798)              | (213,030)              |
| 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>4,700,175</u>       | <u>3,915,662</u>       |
| Total net position – governmental activities  | <u>\$ (11,662,388)</u> | <u>\$ (12,536,864)</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2022  
 (With Partial Comparative Information for the Year Ended June 30, 2021)

|   | General Fund         | Nonmajor  | Total Governmental Funds |                      |
|---|----------------------|---|--------------------------|----------------------|
|   |                      | Fund –<br>Food Service<br>Special<br>Revenue Fund | 2022                     | 2021                 |
| <b>Revenue</b>                                      |                      |   |                          |                      |
| Local sources                                       |                      |   |                          |                      |
| Tuition   | \$ 10,171,961        | \$ –  | \$ 10,171,961            | \$ 10,027,650        |
| Investment earnings                                 | 8,698                | –   | 8,698                    | 3,328                |
| Other (refunds)                                     | 585,810              | (83)  | 585,727                  | 316,079              |
| State sources                                       | 31,446,564           | 3,119   | 31,449,683               | 31,663,372           |
| Federal sources                                     | 307,146              | 194,044   | 501,190                  | 621,880              |
| Total revenue                                       | <u>42,520,179</u>    | <u>197,080</u>                                    | <u>42,717,259</u>        | <u>42,632,309</u>    |
| <b>Expenditures</b>                                 |                      |   |                          |                      |
| Current   |                      |   |                          |                      |
| Administrative and support services                 | 38,645               | –   | 38,645                   | 26,955               |
| Secondary vocational/DCALS                          | 3,986,286            | –   | 3,986,286                | 4,264,651            |
| Special education programs                          | 37,049,245           | –   | 37,049,245               | 37,517,487           |
| Food service  | –                    | 179,410   | 179,410                  | 91,490               |
| Debt service  |                      |   |                          |                      |
| Principal   | 852,238              | –   | 852,238                  | 305,000              |
| Interest and fiscal charges                         | 728,858              | –   | 728,858                  | 221,800              |
| Total expenditures                                  | <u>42,655,272</u>    | <u>179,410</u>                                    | <u>42,834,682</u>        | <u>42,427,383</u>    |
| Excess (deficiency) of revenue<br>over expenditures | (135,093)            | 17,670  | (117,423)                | 204,926              |
| <b>Other financing sources (uses)</b>               |                      |   |                          |                      |
| Sale of assets                                      | 495                  | –   | 495                      | –                    |
| Transfers in  | –                    | –   | –                        | 12,679               |
| Transfers out                                       | –                    | –   | –                        | (12,679)             |
| Total other financing sources (uses)                | <u>495</u>           | <u>–</u>  | <u>495</u>               | <u>–</u>             |
| Net change in fund balances                         | (134,598)            | 17,670  | (116,928)                | 204,926              |
| <b>Fund balances</b>                                |                      |   |                          |                      |
| Beginning of year                                   | <u>10,337,046</u>    | <u>–</u>  | <u>10,337,046</u>        | <u>10,132,120</u>    |
| End of year   | <u>\$ 10,202,448</u> | <u>\$ 17,670</u>                                  | <u>\$ 10,220,118</u>     | <u>\$ 10,337,046</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, 2022

(With Partial Comparative Information for the Year Ended June 30, 2021)

|  | <u>2022</u>       | <u>2021</u>         |
|--|-------------------|---------------------|
| Total net change in fund balances – governmental funds   | \$ (116,928)      | \$ 204,926          |
| 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 or amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.           |                   |                     |
| Capital outlays  | 180,506           | 106,031             |
| Depreciation or amortization expense   | (1,140,470)       | (429,831)           |
| Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.   |                   |                     |
| Certificates of participation payable  | 310,000           | 305,000             |
| Lease liability  | 542,238           | –                   |
| 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.  |                   |                     |
|  | 2,583             | 2,542               |
| 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  | 9,392,898         | (4,897,019)         |
| 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. |                   |                     |
|  | –                 | (8,798)             |
| 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.         |                   |                     |
|  | 784,513           | 1,049,597           |
| 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   | 9,663             | (16,289)            |
| 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   | 1,034,528         | (4,283,293)         |
| Deferred inflows of resources – pension plan deferments  | (10,114,862)      | 7,086,817           |
| Deferred outflows of resources – deferred charge on refunding  | (22,425)          | (22,425)            |
| Change in net position – governmental activities   | <u>\$ 874,476</u> | <u>\$ (890,510)</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 General Fund  
 Year Ended June 30, 2022

|   | Budgeted Amounts  |                     | Actual               | Over (Under)<br>Final Budget |
|---|-------------------|---------------------|----------------------|------------------------------|
|   | Original          | Final               |                      |                              |
| <b>Revenue</b>                                      |                   |                     |                      |                              |
| Local sources                                       |                   |                     |                      |                              |
| Tuition   | \$ 10,190,817     | \$ 9,943,590        | \$ 10,171,961        | \$ 228,371                   |
| Investment earnings                                 | 15,500            | 4,500               | 8,698                | 4,198                        |
| Other   | 408,220           | 500,892             | 585,810              | 84,918                       |
| State sources                                       | 39,408,626        | 35,858,895          | 31,446,564           | (4,412,331)                  |
| Federal sources                                     | 328,115           | 368,115             | 307,146              | (60,969)                     |
| Total revenue                                       | <u>50,351,278</u> | <u>46,675,992</u>   | <u>42,520,179</u>    | <u>(4,155,813)</u>           |
| <b>Expenditures</b>                                 |                   |                     |                      |                              |
| Current   |                   |                     |                      |                              |
| Administrative and support services                 | 32,225            | 62,780              | 38,645               | (24,135)                     |
| Secondary vocational/DCALS                          | 3,976,376         | 4,147,785           | 3,986,286            | (161,499)                    |
| Special education programs                          | 45,744,167        | 41,206,255          | 37,049,245           | (4,157,010)                  |
| Debt service  |                   |                     |                      |                              |
| Principal   | 316,000           | 849,884             | 852,238              | 2,354                        |
| Interest and fiscal charges                         | 222,200           | 711,102             | 728,858              | 17,756                       |
| Total expenditures                                  | <u>50,290,968</u> | <u>46,977,806</u>   | <u>42,655,272</u>    | <u>(4,322,534)</u>           |
| Excess (deficiency) of revenue<br>over expenditures | 60,310            | (301,814)           | (135,093)            | 166,721                      |
| <b>Other financing sources (uses)</b>               |                   |                     |                      |                              |
| Sale of assets                                      | -                 | -                   | 495                  | 495                          |
| Transfers out                                       | (15,000)          | (15,000)            | -                    | 15,000                       |
| Total other financing sources (uses)                | <u>(15,000)</u>   | <u>(15,000)</u>     | <u>495</u>           | <u>15,495</u>                |
| Net change in fund balances                         | <u>\$ 45,310</u>  | <u>\$ (316,814)</u> | <u>(134,598)</u>     | <u>\$ 182,216</u>            |
| <b>Fund balances</b>                                |                   |                     |                      |                              |
| Beginning of year                                   |                   |                     | <u>10,337,046</u>    |                              |
| End of year   |                   |                     | <u>\$ 10,202,448</u> |                              |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Net Position  
 Proprietary Funds  
 Internal Service Funds  
 as of June 30, 2022

(With Partial Comparative Actual Amounts as of June 30, 2021)

|  | <u>2022</u>         | <u>2021</u>         |
|--|---------------------|---------------------|
| Assets   |                     |                     |
| Current assets   |                     |                     |
| Cash and temporary investments                         | \$ 7,443,745        | \$ 6,576,169        |
| Prepaid items  | 5,000               | 923                 |
| Total assets   | <u>7,448,745</u>    | <u>6,577,092</u>    |
| Deferred outflows of resources                         |                     |                     |
| OPEB plan deferments                                   | 68,931              | 179,862             |
| Liabilities  |                     |                     |
| Current liabilities                                    |                     |                     |
| Accounts and contracts payable                         | 368,410             | 405,635             |
| Due to other governmental units                        | 1,691               | 1,439               |
| Total OPEB liability – due within one year             | 33,276              | 157,454             |
| Severance benefits payable – due within one year       | 40,314              | 79,408              |
| Unearned revenue                                       | <u>77,227</u>       | <u>93,807</u>       |
| Total current liabilities                              | 520,918             | 737,743             |
| Long-term liabilities                                  |                     |                     |
| Total OPEB liability – due in more than one year       | 1,394,342           | 1,078,388           |
| Severance benefits payable – due in more than one year | <u>309,227</u>      | <u>331,660</u>      |
| Total long-term liabilities                            | <u>1,703,569</u>    | <u>1,410,048</u>    |
| Total liabilities                                      | 2,224,487           | 2,147,791           |
| Deferred inflows of resources                          |                     |                     |
| OPEB plan deferments                                   | <u>593,014</u>      | <u>693,501</u>      |
| Net position   |                     |                     |
| Unrestricted   | <u>\$ 4,700,175</u> | <u>\$ 3,915,662</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenses, and Changes in Net Position  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2022  
 (With Partial Comparative Information for the Year Ended June 30, 2021)

|   | <u>2022</u>         | <u>2021</u>         |
|---|---------------------|---------------------|
| Operating revenue                             |                     |                     |
| Charges for services                          |                     |                     |
| Contributions from governmental funds         | \$ 5,468,949        | \$ 5,788,030        |
| Operating expenses                            |                     |                     |
| Post-employment severance and health benefits | 206,223             | 206,446             |
| Medical benefit claims                        | 4,005,741           | 4,033,999           |
| Dental benefit claims                         | 481,670             | 501,630             |
| Total operating expenses                      | <u>4,693,634</u>    | <u>4,742,075</u>    |
| Operating income                              | 775,315             | 1,045,955           |
| Nonoperating revenue                          |                     |                     |
| Investment earnings                           | <u>9,198</u>        | <u>3,642</u>        |
| Change in net position                        | 784,513             | 1,049,597           |
| Net position                                  |                     |                     |
| Beginning of year                             | <u>3,915,662</u>    | <u>2,866,065</u>    |
| End of year                                   | <u>\$ 4,700,175</u> | <u>\$ 3,915,662</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Cash Flows  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2022

(With Partial Comparative Actual Amounts for the Year Ended June 30, 2021)

|  | <u>2022</u>         | <u>2021</u>         |
|--|---------------------|---------------------|
| Cash flows from operating activities   |                     |                     |
| Contributions from governmental funds  | \$ 5,452,369        | \$ 5,885,423        |
| Post-employment severance and health benefit payments                                    | (64,607)            | (124,494)           |
| Payments for medical claims  | (4,047,166)         | (3,850,009)         |
| Payments for dental claims   | (482,218)           | (495,314)           |
| Net cash flows from operating activities   | <u>858,378</u>      | <u>1,415,606</u>    |
| Cash flows from investing activities   |                     |                     |
| Investment income received   | <u>9,198</u>        | <u>3,642</u>        |
| Net increase in cash and cash equivalents  | 867,576             | 1,419,248           |
| Cash and temporary investments   |                     |                     |
| Beginning of year  | <u>6,576,169</u>    | <u>5,156,921</u>    |
| End of year  | <u>\$ 7,443,745</u> | <u>\$ 6,576,169</u> |
| Reconciliation of operating income to net cash flows<br>from operating activities        |                     |                     |
| Operating income   | \$ 775,315          | \$ 1,045,955        |
| Adjustments to reconcile operating income to net cash<br>flows from operating activities |                     |                     |
| Changes in assets and liabilities  |                     |                     |
| Receivables  | -                   | 3,586               |
| Prepaid items  | (4,077)             | (67)                |
| OPEB plan deferments   | 10,444              | 207,290             |
| Accounts and contracts payable   | (37,225)            | 190,241             |
| Due to other governmental units  | 252                 | 65                  |
| Severance benefits payable   | (61,527)            | 19,662              |
| Total OPEB liability   | 191,776             | (144,933)           |
| Unearned revenue   | (16,580)            | 93,807              |
| Net cash flows from operating activities   | <u>\$ 858,378</u>   | <u>\$ 1,415,606</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Notes to Basic Financial Statements  
June 30, 2022

**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. Other internally directed revenues are reported as general revenues.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service funds are 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 proprietary funds are the internal service funds, which provide services to the governmental funds.

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

## 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. 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 and other long-term liabilities, 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.

### Description of Funds

The existence of the various district funds has been established by the Minnesota Department of Education. 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, special education, special education resale, district support services, capital expenditure, student activities, and service allocation 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 medical 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 in both government-wide and fund financial statements. Prepaid items are recorded using the consumption method and recorded as expenses/expenditures at the time of consumption.

### **K. Capital Assets**

Capital assets that purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Leased capital assets are recorded based on the measurement of payments applicable to the lease term. The District defines capital assets as those with an initial, individual cost of \$1,250 or more, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or 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 15 years for furniture and equipment. Leased assets are amortized over the term of the lease or over the useful life of the applicable asset class previously described, if future ownership is anticipated. Land is not depreciated.

The District does not possess 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 Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association in 2015.

### **Q. Unearned Revenue**

Unearned revenue consists of federal grants and collections in advance of premiums charges in the internal service funds.

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

**R. Risk Management**

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District’s insurance coverage in 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<br>Ended<br>June 30, | Beginning of<br>Fiscal<br>Year Liability | Charges and<br>Changes<br>in Estimates | Claims Payments | Balance at<br>Fiscal Year-End |
|----------------------------------|--|--|-----------------|-------------------------------|
| 2021                             | \$ 42,986                                | \$ 501,630                             | \$ 495,314      | \$ 49,302                     |
| 2022                             | \$ 49,302                                | \$ 482,270                             | \$ 482,218      | \$ 49,354                     |

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

| Fiscal Year<br>Ended<br>June 30, | Beginning of<br>Fiscal<br>Year Liability | Charges and<br>Changes<br>in Estimates | Claims Payments | Balance at<br>Fiscal Year-End |
|----------------------------------|--|--|-----------------|-------------------------------|
| 2021                             | \$ 172,408                               | \$ 4,032,560                           | \$ 3,848,635    | \$ 356,333                    |
| 2022                             | \$ 356,333                               | \$ 4,009,889                           | \$ 4,047,166    | \$ 319,056                    |

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

### **S. 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.

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

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

### **U. 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.

### **V. 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)

### W. 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.”

### X. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the 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)

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

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2021, 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.

### Z. Change in Accounting Principle

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. This statement included major changes in 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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. 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. Certain amounts necessary to fully restate fiscal year 2021 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new GASB statement in the current year resulted in adjustments to capital assets and long-term liabilities in the current year. See Note 3 and Note 4 for additional details on the change in the current year.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the 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 \$1,990,303, while the balance on the bank records was \$2,216,326. At June 30, 2022, 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, 2022, 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      |             |        |                         |  |        |         |              |                      |
| MAX Class  | AAA         | S&P    | Amortized Cost          | N/A  | N/A    | N/A     | N/A          | \$ 8,466,427         |
| Term Series                                      | AAA         | Fitch  | N/A                     | \$ 3,500,000                               | \$ -   | \$ -    | \$ -         | 3,500,000            |
| First American Treasury Obligations Fund Class D |             |        |                         |  |        |         |              |                      |
|  | AAA         | S&P    | Level 1                 | N/A  | N/A    | N/A     | N/A          | <u>44,393</u>        |
|  |             |        |                         |  |        |         |              | 12,010,820           |
| Deposits   |             |        |                         |  |        |         |              | <u>1,990,303</u>     |
| Total cash and investments                       |             |        |                         |  |        |         |              | <u>\$ 14,001,123</u> |

N/A – Not Applicable

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

|  |                      |
|--|----------------------|
| Cash and temporary investments – Statement of Net Position       | \$ 13,956,730        |
| Cash and investments held by trustee – Statement of Net Position | <u>44,393</u>        |
| Total cash and investments                                       | <u>\$ 14,001,123</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.

The MSDLAF MAX Class must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the State of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24-hour hold on all requests for redemptions. MSDLAF Term Series investments have a maturity of 60 days to 1 year and early withdrawal may result in substantial early redemption penalties.

### NOTE 3 – CAPITAL ASSETS

Capital assets and accumulated depreciation activity for the year ended June 30, 2022 is as follows:

|   | Balance –<br>Beginning<br>of Year | Change in<br>Accounting<br>Principle* | Additions    | Deletions | Balance –<br>End of Year |
|---|-----------------------------------|---------------------------------------|--------------|-----------|--------------------------|
| Capital assets, not depreciated or amortized      |                                   |                                       |              |           |                          |
| Land  | \$ 655,000                        | \$ –                                  | \$ –         | \$ –      | \$ 655,000               |
| Capital assets, depreciated or amortized          |                                   |                                       |              |           |                          |
| Buildings   | 11,274,493                        | –                                     | –            | –         | 11,274,493               |
| Buildings – leased                                | –                                 | 8,249,811                             | –            | –         | 8,249,811                |
| Furniture and equipment                           | 2,539,559                         | –                                     | 180,506      | –         | 2,720,065                |
| Furniture and equipment – leased                  | –                                 | 38,579                                | –            | –         | 38,579                   |
| Total capital assets, depreciated or amortized    | 13,814,052                        | 8,288,390                             | 180,506      | –         | 22,282,948               |
| Less accumulated depreciation or amortization for |                                   |                                       |              |           |                          |
| Buildings   | (4,047,406)                       | –                                     | (277,415)    | –         | (4,324,821)              |
| Buildings – leased                                | –                                 | –                                     | (686,585)    | –         | (686,585)                |
| Furniture and equipment                           | (1,703,921)                       | –                                     | (159,142)    | –         | (1,863,063)              |
| Furniture and equipment – leased                  | –                                 | –                                     | (17,328)     | –         | (17,328)                 |
| Total accumulated depreciation or amortization    | (5,751,327)                       | –                                     | (1,140,470)  | –         | (6,891,797)              |
| Net capital assets                                | 8,062,725                         | 8,288,390                             | (959,964)    | –         | 15,391,151               |
| Total capital assets, net                         | \$ 8,717,725                      | \$ 8,288,390                          | \$ (959,964) | \$ –      | \$ 16,046,151            |

\*The remeasurement adjustment was for the new lease standard requirements of the current year.

Depreciation expense for the year ended June 30, 2022 was charged to the following governmental functions:

|                                     |                     |
|-------------------------------------|---------------------|
| Administrative and support services | \$ 15,036           |
| Secondary vocational/DCALS          | 16,356              |
| Special education programs          | 1,108,816           |
| Food service                        | 262                 |
| Total depreciation expense          | <u>\$ 1,140,470</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 –<br>Beginning<br>of Year | Change in<br>Accounting<br>Principle* | Additions           | Retirements          | Balance –<br>End of Year | Due Within<br>One Year |
|-------------------------------|-----------------------------------|---------------------------------------|---------------------|----------------------|--------------------------|------------------------|
| Certificates of participation | \$ 6,940,000                      | \$ –                                  | \$ –                | \$ 310,000           | \$ 6,630,000             | \$ 315,000             |
| Unamortized premium/discount  | 213,030                           | –                                     | –                   | 12,232               | 200,798                  | –                      |
| Lease liability               | –                                 | 8,288,390                             | –                   | 542,238              | 7,746,152                | 543,346                |
| Severance benefits payable    | 411,068                           | –                                     | 40,314              | 101,841              | 349,541                  | 40,314                 |
| Compensated absences payable  | 392,145                           | –                                     | 60,514              | 70,177               | 382,482                  | 70,177                 |
| Total OPEB liability          | 1,235,842                         | –                                     | 195,780             | 4,004                | 1,427,618                | 33,276                 |
| Net pension liability         | 27,024,370                        | –                                     | 6,402,532           | 15,795,430           | 17,631,472               | –                      |
|                               | <u>\$ 36,216,455</u>              | <u>\$ 8,288,390</u>                   | <u>\$ 6,699,140</u> | <u>\$ 16,835,922</u> | <u>\$ 34,368,063</u>     | <u>\$ 1,002,113</u>    |

\*The remeasurement adjustment was for the new lease standard requirements of the current year.

**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.

- **Lease Liability** – The District has obtained the use of certain equipment and building space through a lease financing agreement. The total amount of underlying lease assets by major classes and the related accumulated amortization is presented in Note 3 to the basic financial statements. Annual principal and interest on these agreements will be paid from the General Fund. The agreement is secured by the original property. The lessor may repossess the property and seek full recovery of the losses upon default. The District currently has the following lease liability obligations outstanding:

| <u>Lease Description</u> | <u>Interest Rate</u> | <u>Lease Date</u> | <u>Final Maturity</u> | <u>Principal Outstanding</u> |
|--------------------------|----------------------|-------------------|-----------------------|------------------------------|
| Concord Education Center | 7.00%                | 09/01/2018        | 07/01/2033            | \$ 5,692,374                 |
| Lebanon Education Center | 7.00%                | 08/01/2015        | 07/01/2030            | 2,033,418                    |
| Marco copiers            | 7.00%                | 05/30/2019        | 05/01/2023            | 14,266                       |
| Marco copier             | 7.00%                | 09/28/2020        | 09/01/2024            | 3,107                        |
| Loffler copier           | 7.00%                | 08/07/2019        | 09/01/2023            | 2,987                        |
| Total lease liability    |                      |                   |                       | <u>\$ 7,746,152</u>          |

**NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)**

- **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, 2022:

| <u>Pension Plans</u> | <u>Net Pension Liabilities</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Pension Expense</u> |
|----------------------|--------------------------------|---------------------------------------|--------------------------------------|------------------------|
| PERA                 | \$ 5,145,891                   | \$ 4,246,646                          | \$ 4,908,092                         | \$ 468,267             |
| TRA                  | 12,485,581                     | 10,197,485                            | 19,755,782                           | 1,302,677              |
| Total                | <u>\$ 17,631,472</u>           | <u>\$ 14,444,131</u>                  | <u>\$ 24,663,874</u>                 | <u>\$ 1,770,944</u>    |

**C. Minimum Debt Payments**

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

| <u>Year Ending June 30,</u> | <u>Certificates of Participation</u> |                     | <u>Lease Liability</u> |                     |
|-----------------------------|--------------------------------------|---------------------|------------------------|---------------------|
|                             | <u>Principal</u>                     | <u>Interest</u>     | <u>Principal</u>       | <u>Interest</u>     |
| 2023                        | \$ 315,000                           | \$ 209,500          | \$ 543,346             | \$ 525,036          |
| 2024                        | 325,000                              | 201,625             | 580,424                | 485,855             |
| 2025                        | 330,000                              | 193,500             | 635,814                | 443,478             |
| 2026                        | 340,000                              | 185,250             | 621,233                | 399,228             |
| 2027                        | 350,000                              | 175,050             | 674,728                | 354,263             |
| 2028–2032                   | 1,920,000                            | 700,550             | 3,796,980              | 973,575             |
| 2033–2037                   | 2,140,000                            | 342,300             | 893,627                | 39,658              |
| 2038–2039                   | 910,000                              | 41,100              | –                      | –                   |
|                             | <u>\$ 6,630,000</u>                  | <u>\$ 2,048,875</u> | <u>\$ 7,746,152</u>    | <u>\$ 3,221,093</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, 2022, a summary of the District’s governmental fund balance classifications are as follows:

|                                    | <u>General Fund</u>  | <u>Food Service<br/>Special<br/>Revenue Fund</u> | <u>Total</u>         |
|------------------------------------|----------------------|--|----------------------|
| Nonspendable                       |                      |  |                      |
| Inventory                          | \$ 289               | \$ –   | \$ 289               |
| Prepaid items                      | 123,080              | 2,050  | 125,130              |
| Total nonspendable                 | <u>123,369</u>       | <u>2,050</u>                                     | <u>125,419</u>       |
| Restricted for                     |                      |  |                      |
| Student activities                 | 6,180                | –  | 6,180                |
| Debt service                       | 44,393               | –  | 44,393               |
| Food service                       | –                    | 15,620   | 15,620               |
| Total restricted                   | <u>50,573</u>        | <u>15,620</u>                                    | <u>66,193</u>        |
| Assigned                           |                      |  |                      |
| Subsequent year’s budgeted deficit | 708,921              | –  | 708,921              |
| Unassigned                         | <u>9,319,585</u>     | <u>–</u>   | <u>9,319,585</u>     |
| Total                              | <u>\$ 10,202,448</u> | <u>\$ 17,670</u>                                 | <u>\$ 10,220,118</u> |

**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, 2022, the unassigned fund balance of the General Fund was 21.8 percent of fiscal 2022 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.

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

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

The TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. The TRA is a separate statutory entity, administered by a Board of Trustees. The Board of Trustees consists of four active members, one retired member, and three statutory officials.

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

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

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

With these provisions:

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

**Tier II Benefits**

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

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

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

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

**NOTE 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. GERF 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 2022 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District’s contributions to the GERF for the year ended June 30, 2022, were \$633,584. 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, |          |          |          |          |          |
|-------------------------|---------------------|----------|----------|----------|----------|----------|
|                         | 2020                |          | 2021     |          | 2022     |          |
|                         | Employee            | Employer | Employee | Employer | Employee | Employer |
| <b>Basic Plan</b>       | 11.00 %             | 11.92 %  | 11.00 %  | 12.13 %  | 11.00 %  | 12.34 %  |
| <b>Coordinated Plan</b> | 7.50 %              | 7.92 %   | 7.50 %   | 8.13 %   | 7.50 %   | 8.34 %   |

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2022, were \$1,449,585. 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 Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position to the employer contributions used in the Schedule of Employer and Nonemployer Pension Allocations:

|   | <i>in thousands</i> |
|---|---------------------|
| Employer contributions reported in the TRA’s Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position | \$ 448,829          |
| Add employer contributions not related to future contribution efforts   | 379                 |
| Deduct the TRA’s contributions not included in allocation   | <u>(538)</u>        |
| Total employer contributions  | 448,670             |
| Total nonemployer contributions   | <u>37,840</u>       |
| Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations                                      | <u>\$ 486,510</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, 2022, the District reported a liability of \$5,145,891 for its proportionate share of the General Employees Fund’s net pension liability. The District’s net pension liability reflected a reduction due to the state of Minnesota’s contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The state of Minnesota’s proportionate share of the net pension liability associated with the District totaled \$157,170. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.1205 percent at the end of the measurement period and 0.1253 percent for the beginning of the period.

|   |              |
|---|--------------|
| District’s proportionate share of the net pension liability                           | \$ 5,145,891 |
| State’s proportionate share of the net pension liability associated with the District | \$ 157,170   |

For the year ended June 30, 2022, the District recognized pension expense of \$455,586 for its proportionate share of the GERF’s pension expense. In addition, the District recognized an additional \$12,681 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s pension expense for the annual \$16 million contribution.

At June 30, 2022, 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<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between expected and actual economic experience                | \$ 29,778                                     | \$ 158,205                                   |
| Changes in actuarial assumptions   | 3,141,974                                     | 114,820                                      |
| Net collective difference between projected and actual investment earnings | –   | 4,419,231                                    |
| Changes in proportion  | 441,310                                       | 215,836                                      |
| District’s contributions to the GERF subsequent to the measurement date    | <u>633,584</u>                                | <u>–</u>                                     |
| Total  | <u>\$ 4,246,646</u>                           | <u>\$ 4,908,092</u>                          |

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

The \$633,584 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, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30, | Pension<br>Expense<br>Amount |
|-------------------------|------------------------------|
| 2023                    | \$ 7,285                     |
| 2024                    | \$ 18,299                    |
| 2025                    | \$ (105,076)                 |
| 2026                    | \$ (1,215,538)               |

**2. TRA Pension Costs**

At June 30, 2022, the District reported a liability of \$12,485,581 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.2853 percent at the end of the measurement period and 0.2641 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                           | \$ 12,485,581 |
| State's proportionate share of the net pension liability associated with the District | \$ 1,053,149  |

For the year ended June 30, 2022, the District recognized pension expense of \$1,314,469. It also recognized (\$11,792) as a decrease to pension expense for the support provided by direct aid.

At June 30, 2022, the District had deferred resources related to pensions from the following sources:

|  | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between expected and actual economic experience  | \$ 313,037                                    | \$ 317,688                                   |
| Changes in actuarial assumptions   | 4,608,548                                     | 8,935,752                                    |
| Net collective difference between projected and actual investment earnings on pension plan investments | –   | 10,502,342                                   |
| Changes in proportion  | 3,826,315                                     | –  |
| District's contributions to the TRA subsequent to the measurement date                                 | <u>1,449,585</u>                              | <u>–</u>                                     |
| Total  | <u>\$ 10,197,485</u>                          | <u>\$ 19,755,782</u>                         |

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

A total of \$1,499,585 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, 2023. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year Ending<br>June 30, | Pension<br>Expense<br>Amount |
|-------------------------|------------------------------|
| 2023                    | \$ (5,503,365)               |
| 2024                    | \$ (4,303,431)               |
| 2025                    | \$ (901,599)                 |
| 2026                    | \$ (1,475,845)               |
| 2027                    | \$ 1,176,358                 |

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

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

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

| Asset Class          | Target Allocation |                 | Long-Term Expected<br>Real Rate of Return |
|----------------------|-------------------|-----------------|---|
|                      | GERF              | TRA             |   |
| Domestic equity      | 33.50 %           | 35.50 %         | 5.10 %                                    |
| International equity | 16.50             | 17.50           | 5.30 %                                    |
| Private markets      | 25.00             | 25.00           | 5.90 %                                    |
| Fixed income         | 25.00             | 20.00           | 0.75 %                                    |
| Unallocated cash     | –                 | 2.00            | – %                                       |
| Total                | <u>100.00 %</u>   | <u>100.00 %</u> |   |

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

**F. Actuarial Methods and Assumptions**

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

| Assumptions                  | GERF  | TRA   |
|------------------------------|-------|---|
| Inflation                    | 2.25% | 2.50%   |
| Wage growth rate             |       | 2.85% before July 1, 2028, and 3.25% thereafter                   |
| Projected salary increase    | 3.00% |   |
| Active member payroll growth |       | 2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter |
| Investment rate of return    | 6.50% | 7.00%   |

**1. GERF**

The long-term rate of return on pension plan investments used in the determination of the total liability is 6.50 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.50 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

Salary growth assumptions in the GERF Plan range in annual increments from 10.25 percent after one year of service to 3.00 percent after 29 years of service, and 6.00 percent per year thereafter.

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

Actuarial assumptions for the GERF Plan are reviewed every four years. The most recent four-year experience study for the GERF Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

**2. TRA**

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 the TRA for males and females, as appropriate, with slight adjustments to fit the TRA’s experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.00 percent for January 2020 through January 2023, then increasing by 0.10 percent each year, up to 1.50 percent annually.

Actuarial assumptions for the TRA Plan were based on the results of actuarial experience studies. The most recent experience study in the TRA Plan was completed in 2015, with economic assumptions updated in 2017.

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

The following changes in actuarial assumptions occurred in 2021:

### 1. GERF

#### CHANGES IN ACTUARIAL ASSUMPTIONS

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

### 2. TRA

#### CHANGES IN ACTUARIAL ASSUMPTIONS

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

## G. Discount Rate

### 1. GERF

The discount rate used to measure the total pension liability in 2021 was 6.50 percent. The discount rate used to measure the total pension liability at the prior measurement date 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 7.00 percent. The discount rate used to measure the total pension liability at the prior measurement date was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2021 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate.

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

### H. Pension Liability Sensitivity

The following table presents the District’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed 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<br/>Discount Rate</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase in<br/>Discount Rate</u> |
|---|---|----------------------------------|---|
| GERF discount rate  | 5.50%                                   | 6.50%                            | 7.50%                                   |
| District’s proportionate share of<br>the GERF net pension liability | \$ 10,494,988                           | \$ 5,145,891                     | \$ 756,628                              |
| TRA discount rate   | 6.00%                                   | 7.00%                            | 8.00%                                   |
| District’s proportionate share of<br>the TRA net pension liability  | \$ 25,221,481                           | \$ 12,485,581                    | \$ 2,041,127                            |

### I. Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org).

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

## NOTE 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.

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

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

**B. Contributions**

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District’s contributions in the current year totaled \$33,276 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 | 1                 |
| Active plan members                           | <u>579</u>        |
| Total members                                 | <u><u>580</u></u> |

**D. Total OPEB Liability of the District**

The District’s total OPEB liability of \$1,427,618 at year-end was measured as of July 1, 2021, and was determined by an actuarial valuation with a valuation date of July 1, 2020.

**E. Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial study with a valuation date as of July 1, 2020 and measurement date as of July 1, 2021, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                              |  |
|------------------------------|--|
| Discount rate                | 2.10%  |
| 20-year municipal bond yield | 2.10%  |
| Inflation rate               | 2.50%  |
| Salary increases             | Service graded table   |
| Healthcare trend rate        | 6.25% as of July 1, 2021 grading to 5.00% over 5 years, then to 4.00% over the next 48 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 Pub-2010 Public Retirement Plans Headcount Weighted Mortality Tables with MP-2019 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<br/>Liability</u> |
|----------------------|---------------------------------|
| Beginning balance    | \$ 1,235,842                    |
| Changes for the year |                                 |
| Service cost         | 217,343                         |
| Interest             | 33,945                          |
| Assumption changes   | 18,536                          |
| Benefit payments     | <u>(78,048)</u>                 |
| Total net changes    | <u>191,776</u>                  |
| Ending balance       | <u>\$ 1,427,618</u>             |

**G. Changes in Actuarial Assumptions**

- The discount rate was changed from 2.40 percent to 2.10 percent.

**H. Benefit Plan Changes**

- None.

**I. 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<br/>Discount Rate</u> | <u>Discount Rate</u> | <u>1% Increase in<br/>Discount Rate</u> |
|----------------------|---|----------------------|---|
| OPEB discount rate   | 1.10%                                   | 2.10%                | 3.10%                                   |
| Total OPEB liability | \$ 1,518,272                            | \$ 1,427,618         | \$ 1,339,576                            |

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<br/>Healthcare Cost<br/>Trend Rates</u> | <u>Healthcare Cost<br/>Trend Rates</u>   | <u>1% Increase in<br/>Healthcare Cost<br/>Trend Rates</u> |
|----------------------------|---|--|---|
| Healthcare cost trend rate | 5.25% decreasing to<br>4.00%, then 3.00%                  | 6.25% decreasing to<br>5.00%, then 4.00% | 7.25% decreasing to<br>6.00%, then 5.00%                  |
| Dental trend rate          | 3.00%   | 4.00%                                    | 5.00%   |
| Total OPEB liability       | \$ 1,276,206  | \$ 1,427,618                             | \$ 1,609,894  |

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

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

The District recognized OPEB expense of \$156,090 in the current year, and at year-end reported the following deferred outflows and inflows of resources related to OPEB from the following sources:

|   | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|---|---|--|
| Changes in actuarial assumptions                            | \$ 35,655                                     | \$ 172,553                                   |
| Differences between expected and actual economic experience | –   | 420,461                                      |
| District’s contributions subsequent to the measurement date | <u>33,276</u>                                 | <u>–</u>                                     |
| <br>Total   | <br><u>\$ 68,931</u>                          | <br><u>\$ 593,014</u>                        |

A total of \$33,276 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, 2023.

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

| <u>Year Ending<br/>June 30,</u> | <u>OPEB<br/>Expense</u> |
|---------------------------------|-------------------------|
| 2023                            | \$ (95,198)             |
| 2024                            | \$ (95,198)             |
| 2025                            | \$ (95,198)             |
| 2026                            | \$ (95,198)             |
| 2027                            | \$ (95,203)             |
| Thereafter                      | \$ (81,364)             |

**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. 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.

### **B. Legal Contingencies**

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

## **NOTE 10 – DEFICIT NET POSITION**

The Post-Employment Employee Benefits Internal Service Fund had a deficit net position at June 30, 2022 of \$835,475. 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, 2022

| 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 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%   |
| 06/30/2021                    | 06/30/2020                                   | 0.1253%  | \$ 7,512,308  | \$ 231,538   | \$ 7,743,846   | \$ 8,933,431               | 84.09%   | 79.10%   |
| 06/30/2022                    | 06/30/2021                                   | 0.1205%  | \$ 5,145,891  | \$ 157,170   | \$ 5,303,061   | \$ 8,676,826               | 59.31%   | 87.00%   |

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2022

| 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%  |
| 06/30/2021                    | \$ 650,759                         | \$ 650,759  | \$ -                             | \$ 8,676,826    | 7.50%  |
| 06/30/2022                    | \$ 633,584                         | \$ 633,584  | \$ -                             | \$ 8,447,806    | 7.50%  |

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, 2022

| District Fiscal Year-End Date | TRA Fiscal Year-End Date (Measurement Date) | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability | District's Proportionate Share of the 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%   |
| 06/30/2021                    | 06/30/2020                                  | 0.2641%  | \$ 19,512,062   | \$ 1,634,982  | \$ 21,147,044  | \$ 15,346,868              | 127.14%  | 75.48%   |
| 06/30/2022                    | 06/30/2021                                  | 0.2853%  | \$ 12,485,581   | \$ 1,053,149  | \$ 13,538,730  | \$ 17,075,599              | 73.12%   | 86.63%   |

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2022

| 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%  |
| 06/30/2021                    | \$ 1,388,246                       | \$ 1,388,246  | \$ -                             | \$ 17,075,599   | 8.13%  |
| 06/30/2022                    | \$ 1,449,585                       | \$ 1,449,585  | \$ -                             | \$ 17,379,438   | 8.34%  |

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, 2022

|   | <u>2018</u>          | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>          |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability  |                      |                      |                      |                      |                      |
| Service cost  | \$ 172,192           | \$ 164,578           | \$ 179,538           | \$ 203,250           | \$ 217,343           |
| Interest  | 50,548               | 56,111               | 46,781               | 48,158               | 33,945               |
| Assumption changes  | -                    | 1,687                | 27,367               | (221,855)            | 18,536               |
| Plan changes  | -                    | -                    | -                    | 72,879               | -                    |
| Difference between expected<br>and actual experience                | -                    | (496,737)            | -                    | (185,782)            | -                    |
| Benefit payments  | <u>(53,728)</u>      | <u>(49,298)</u>      | <u>(59,430)</u>      | <u>(61,583)</u>      | <u>(78,048)</u>      |
| Net change in total OPEB liability                                  | 169,012              | (323,659)            | 194,256              | (144,933)            | 191,776              |
| Total OPEB liability – beginning of year                            | <u>1,341,166</u>     | <u>1,510,178</u>     | <u>1,186,519</u>     | <u>1,380,775</u>     | <u>1,235,842</u>     |
| Total OPEB liability – end of year                                  | <u>\$ 1,510,178</u>  | <u>\$ 1,186,519</u>  | <u>\$ 1,380,775</u>  | <u>\$ 1,235,842</u>  | <u>\$ 1,427,618</u>  |
| Covered-employee payroll  | <u>\$ 17,301,959</u> | <u>\$ 21,687,037</u> | <u>\$ 22,337,648</u> | <u>\$ 26,723,569</u> | <u>\$ 27,525,276</u> |
| Total OPEB liability as a percentage<br>of covered-employee payroll | <u>8.73%</u>         | <u>5.47%</u>         | <u>6.18%</u>         | <u>4.62%</u>         | <u>5.19%</u>         |

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

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, 2022

**PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2020 CHANGES IN PLAN PROVISIONS**

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

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

INDEPENDENT SCHOOL DISTRICT NO. 917

Notes to Required Supplementary Information (continued)  
June 30, 2022

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

**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, 2022

**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, 2022

**TEACHERS RETIREMENT ASSOCIATION (TRA)**

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2018 CHANGES IN PLAN PROVISIONS**

- The cost-of-living adjustment (COLA) was reduced from 2.00 percent each January 1 to 1.00 percent, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.10 percent each year until reaching the ultimate rate of 1.50 percent on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit, are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.50 percent if the funded ratio was at least 90.00 percent for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.00 percent to 3.00 percent, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.50 percent to 7.50 percent, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years, (7.71 percent in 2018, 7.92 percent in 2019, 8.13 percent in 2020, 8.34 percent in 2021, 8.55 percent in 2022, and 8.75 percent in 2023). In addition, the employee contribution rate will increase from 7.50 percent to 7.75 percent on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 917

Notes to Required Supplementary Information (continued)  
June 30, 2022

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

**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.
- 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, 2022

**OTHER POST-EMPLOYMENT BENEFITS PLAN**

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 2.40 percent to 2.10 percent.

**2020 CHANGES IN PLAN PROVISIONS**

- The teachers' post-employment lump sum benefit payable to a Healthcare Savings Plan was increased from \$5,500 to \$7,500.

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The mortality tables, healthcare trend rates, salary increase rates, and retiree plan participation percentages for future retirees who are not eligible to receive subsidized benefits were updated.
- The discount rate was changed from 3.10 percent to 2.40 percent.

**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.

SUPPLEMENTAL INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
Comparative Balance Sheet  
as of June 30, 2022 and 2021

|   | <u>2022</u>          | <u>2021</u>          |
|---|----------------------|----------------------|
| Assets  |                      |                      |
| Cash and temporary investments                  | \$ 6,489,423         | \$ 5,239,697         |
| Cash and investments held by trustee            | 44,393               | 44,382               |
| Receivables                                     |                      |                      |
| Accounts and interest                           | 16,020               | 10,690               |
| Due from other school districts                 | 3,365,390            | 1,931,642            |
| Due from Minnesota Department of Education      | 3,952,006            | 7,082,746            |
| Due from other governmental units               | 30,405               | -                    |
| Due from other funds                            | -                    | 13,047               |
| Inventory                                       | 289                  | 488                  |
| Prepaid items                                   | 123,080              | 108,941              |
|   | <u>14,021,006</u>    | <u>14,431,633</u>    |
| Total assets                                    | <u>\$ 14,021,006</u> | <u>\$ 14,431,633</u> |
| Liabilities                                     |                      |                      |
| Salaries and compensated absences payable       | \$ 3,057,305         | \$ 3,174,212         |
| Accounts and contracts payable                  | 86,295               | 65,548               |
| Due to other school districts                   | 476,221              | 626,955              |
| Due to other governmental units                 | 167,903              | 196,446              |
| Unearned revenue                                | 30,834               | 31,426               |
|   | <u>3,818,558</u>     | <u>4,094,587</u>     |
| Total liabilities                               | <u>3,818,558</u>     | <u>4,094,587</u>     |
| Fund balances                                   |                      |                      |
| Nonspendable for inventory                      | 289                  | 488                  |
| Nonspendable for prepaid items                  | 123,080              | 108,941              |
| Restricted for student activities               | 6,180                | 5,573                |
| Restricted for debt service                     | 44,393               | 44,382               |
| Restricted for basic skills                     | -                    | 55,970               |
| Assigned for subsequent year's budgeted deficit | 708,921              | 134,029              |
| Unassigned                                      | 9,319,585            | 9,987,663            |
|   | <u>10,202,448</u>    | <u>10,337,046</u>    |
| Total fund balances                             | <u>10,202,448</u>    | <u>10,337,046</u>    |
|   | <u>\$ 14,021,006</u> | <u>\$ 14,431,633</u> |
| Total liabilities and fund balances             | <u>\$ 14,021,006</u> | <u>\$ 14,431,633</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

|   | 2022                |                      | Over (Under)<br>Budget | 2021                 |
|---|---------------------|----------------------|------------------------|----------------------|
|   | Budget              | Actual               |                        | Actual               |
| Revenue   |                     |                      |                        |                      |
| Local sources                                       |                     |                      |                        |                      |
| Tuition   | \$ 9,943,590        | \$ 10,171,961        | \$ 228,371             | \$ 10,027,650        |
| Investment earnings                                 | 4,500               | 8,698                | 4,198                  | 3,328                |
| Other   | 500,892             | 585,810              | 84,918                 | 316,829              |
| State sources                                       | 35,858,895          | 31,446,564           | (4,412,331)            | 31,661,833           |
| Federal sources                                     | 368,115             | 307,146              | (60,969)               | 543,858              |
| Total revenue                                       | <u>46,675,992</u>   | <u>42,520,179</u>    | <u>(4,155,813)</u>     | <u>42,553,498</u>    |
| Expenditures  |                     |                      |                        |                      |
| Current   |                     |                      |                        |                      |
| Administrative and support services                 | 62,780              | 38,645               | (24,135)               | 26,955               |
| Secondary vocational/DCALS                          | 4,147,785           | 3,986,286            | (161,499)              | 4,264,651            |
| Special education programs                          | 41,206,255          | 37,049,245           | (4,157,010)            | 37,517,487           |
| Debt service  |                     |                      |                        |                      |
| Principal   | 849,884             | 852,238              | 2,354                  | 305,000              |
| Interest and fiscal charges                         | 711,102             | 728,858              | 17,756                 | 221,800              |
| Total expenditures                                  | <u>46,977,806</u>   | <u>42,655,272</u>    | <u>(4,322,534)</u>     | <u>42,335,893</u>    |
| Excess (deficiency) of revenue<br>over expenditures | (301,814)           | (135,093)            | 166,721                | 217,605              |
| Other financing sources (uses)                      |                     |                      |                        |                      |
| Sales of assets                                     | —                   | 495                  | 495                    | —                    |
| Transfers out                                       | (15,000)            | —                    | 15,000                 | (12,679)             |
| Total financing sources (uses)                      | <u>(15,000)</u>     | <u>495</u>           | <u>15,495</u>          | <u>(12,679)</u>      |
| Net change in fund balances                         | <u>\$ (316,814)</u> | <u>(134,598)</u>     | <u>\$ 182,216</u>      | <u>204,926</u>       |
| Fund balances                                       |                     |                      |                        |                      |
| Beginning of year                                   |                     | <u>10,337,046</u>    |                        | <u>10,132,120</u>    |
| End of year   |                     | <u>\$ 10,202,448</u> |                        | <u>\$ 10,337,046</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
Combining Balance Sheet by Account  
as of June 30, 2022

|   | Secondary<br>Education | Special<br>Education | Services<br>Allocation |
|---|------------------------|----------------------|------------------------|
| <b>Assets</b>                                   |                        |                      |                        |
| Cash and temporary investments (deficit)        | \$ 5,076,149           | \$ 1,440,210         | \$ (29,244)            |
| Cash and investments held by trustee            | -                      | -                    | -                      |
| Receivables                                     |                        |                      |                        |
| Accounts and interest                           | -                      | 13,652               | -                      |
| Due from other school districts                 | 1,836,947              | 1,501,390            | 27,053                 |
| Due from Minnesota Department of Education      | 157,369                | 3,794,637            | -                      |
| Due from other governmental units               | -                      | -                    | 30,000                 |
| Inventory                                       | -                      | -                    | -                      |
| Prepaid items                                   | 12,358                 | 91,218               | 19,504                 |
| <b>Total assets</b>                             | <b>\$ 7,082,823</b>    | <b>\$ 6,841,107</b>  | <b>\$ 47,313</b>       |
| <b>Liabilities</b>                              |                        |                      |                        |
| Salaries and compensated absences payable       | \$ 3,057,305           | \$ -                 | \$ -                   |
| Accounts and contracts payable                  | 18,208                 | 58,892               | 8,730                  |
| Due to other school districts                   | 137,017                | 339,204              | -                      |
| Due to other governmental units                 | 93,249                 | 74,174               | 149                    |
| Unearned revenue                                | 505                    | 4,909                | 25,420                 |
| <b>Total liabilities</b>                        | <b>3,306,284</b>       | <b>477,179</b>       | <b>34,299</b>          |
| <b>Fund balances (deficit)</b>                  |                        |                      |                        |
| Nonspendable for inventory                      | -                      | -                    | -                      |
| Nonspendable for prepaid items                  | 12,358                 | 91,218               | 19,504                 |
| Restricted for student activities               | -                      | -                    | -                      |
| Restricted for debt service                     | -                      | -                    | -                      |
| Assigned for subsequent year's budgeted deficit | 131,186                | 573,435              | -                      |
| Unassigned                                      | 3,632,995              | 5,699,275            | (6,490)                |
| <b>Total fund balances</b>                      | <b>3,776,539</b>       | <b>6,363,928</b>     | <b>13,014</b>          |
| <b>Total liabilities and fund balances</b>      | <b>\$ 7,082,823</b>    | <b>\$ 6,841,107</b>  | <b>\$ 47,313</b>       |

| <u>District Support<br/>Services</u> | <u>Capital<br/>Expenditure</u> | <u>Secondary<br/>Resale</u> | <u>Special<br/>Education<br/>Resale</u> | <u>Student<br/>Activities</u> | <u>Total</u>         |
|--------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|----------------------|
| \$ 671                               | \$ (37,064)                    | \$ 22,795                   | \$ 10,059                               | \$ 5,847                      | \$ 6,489,423         |
| -                                    | 44,393                         | -                           | -                                       | -                             | 44,393               |
| -                                    | -                              | 2,000                       | -                                       | 368                           | 16,020               |
| -                                    | -                              | -                           | -                                       | -                             | 3,365,390            |
| -                                    | -                              | -                           | -                                       | -                             | 3,952,006            |
| -                                    | -                              | -                           | 405                                     | -                             | 30,405               |
| -                                    | -                              | -                           | 289                                     | -                             | 289                  |
| -                                    | -                              | -                           | -                                       | -                             | 123,080              |
| <u>\$ 671</u>                        | <u>\$ 7,329</u>                | <u>\$ 24,795</u>            | <u>\$ 10,753</u>                        | <u>\$ 6,215</u>               | <u>\$ 14,021,006</u> |
| \$ -                                 | \$ -                           | \$ -                        | \$ -                                    | \$ -                          | \$ 3,057,305         |
| -                                    | -                              | -                           | 430                                     | 35                            | 86,295               |
| -                                    | -                              | -                           | -                                       | -                             | 476,221              |
| -                                    | -                              | 262                         | 69                                      | -                             | 167,903              |
| -                                    | -                              | -                           | -                                       | -                             | 30,834               |
| -                                    | -                              | 262                         | 499                                     | 35                            | 3,818,558            |
| -                                    | -                              | -                           | 289                                     | -                             | 289                  |
| -                                    | -                              | -                           | -                                       | -                             | 123,080              |
| -                                    | -                              | -                           | -                                       | 6,180                         | 6,180                |
| -                                    | 44,393                         | -                           | -                                       | -                             | 44,393               |
| -                                    | 4,000                          | -                           | 300                                     | -                             | 708,921              |
| 671                                  | (41,064)                       | 24,533                      | 9,665                                   | -                             | 9,319,585            |
| <u>671</u>                           | <u>7,329</u>                   | <u>24,533</u>               | <u>10,254</u>                           | <u>6,180</u>                  | <u>10,202,448</u>    |
| <u>\$ 671</u>                        | <u>\$ 7,329</u>                | <u>\$ 24,795</u>            | <u>\$ 10,753</u>                        | <u>\$ 6,215</u>               | <u>\$ 14,021,006</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
 Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account  
 Year Ended June 30, 2022

|   | Secondary<br>Education | Special<br>Education | Services<br>Allocation |
|---|------------------------|----------------------|------------------------|
| Revenue   |                        |                      |                        |
| Local sources                                       |                        |                      |                        |
| Tuition   | \$ 3,490,172           | \$ 6,156,089         | \$ -                   |
| Investment earnings (charges)                       | 3,815                  | 4,562                | (37)                   |
| Other   | 2,568                  | 548,188              | 7,167                  |
| State sources                                       | 532,838                | 30,875,595           | 38,131                 |
| Federal sources                                     | 157,368                | 149,778              | -                      |
| Total revenue                                       | <u>4,186,761</u>       | <u>37,734,212</u>    | <u>45,261</u>          |
| Expenditures  |                        |                      |                        |
| Current   |                        |                      |                        |
| Administrative and support services                 | -                      | -                    | 38,645                 |
| Secondary vocational/DCALS                          | 3,966,752              | -                    | -                      |
| Special education programs                          | -                      | 37,039,748           | -                      |
| Debt service  |                        |                      |                        |
| Principal   | 2,354                  | 539,884              | -                      |
| Interest and fiscal charges                         | 225                    | 512,933              | -                      |
| Total expenditures                                  | <u>3,969,331</u>       | <u>38,092,565</u>    | <u>38,645</u>          |
| Excess (deficiency) of revenue<br>over expenditures | 217,430                | (358,353)            | 6,616                  |
| Other financing sources                             |                        |                      |                        |
| Sale of assets                                      | 495                    | -                    | -                      |
| Net change in fund balances                         | 217,925                | (358,353)            | 6,616                  |
| Fund balances                                       |                        |                      |                        |
| Beginning of year                                   | <u>3,558,614</u>       | <u>6,722,281</u>     | <u>6,398</u>           |
| End of year   | <u>\$ 3,776,539</u>    | <u>\$ 6,363,928</u>  | <u>\$ 13,014</u>       |

| District Support Services | Capital Expenditure | Secondary Resale | Special Education Resale | Student Activities | Total         |
|---------------------------|---------------------|------------------|--------------------------|--------------------|---------------|
| \$ -                      | \$ 525,700          | \$ -             | \$ -                     | \$ -               | \$ 10,171,961 |
| -                         | 358                 | -                | -                        | -                  | 8,698         |
| -                         | -                   | 17,597           | 8,584                    | 1,706              | 585,810       |
| -                         | -                   | -                | -                        | -                  | 31,446,564    |
| -                         | -                   | -                | -                        | -                  | 307,146       |
| -                         | 526,058             | 17,597           | 8,584                    | 1,706              | 42,520,179    |
| -                         | -                   | -                | -                        | -                  | 38,645        |
| -                         | 3,900               | 14,535           | -                        | 1,099              | 3,986,286     |
| -                         | -                   | -                | 9,497                    | -                  | 37,049,245    |
| -                         | 310,000             | -                | -                        | -                  | 852,238       |
| -                         | 215,700             | -                | -                        | -                  | 728,858       |
| -                         | 529,600             | 14,535           | 9,497                    | 1,099              | 42,655,272    |
| -                         | (3,542)             | 3,062            | (913)                    | 607                | (135,093)     |
| -                         | -                   | -                | -                        | -                  | 495           |
| -                         | (3,542)             | 3,062            | (913)                    | 607                | (134,598)     |
| 671                       | 10,871              | 21,471           | 11,167                   | 5,573              | 10,337,046    |
| \$ 671                    | \$ 7,329            | \$ 24,533        | \$ 10,254                | \$ 6,180           | \$ 10,202,448 |

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, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

|   | 2022             |                     | Over (Under)      | 2021                |
|---|------------------|---------------------|-------------------|---------------------|
|   | Budget           | Actual              | Budget            | Actual              |
| Revenue   |                  |                     |                   |                     |
| Local sources                                       |                  |                     |                   |                     |
| Tuition   | \$ 3,378,279     | \$ 3,490,172        | \$ 111,893        | \$ 3,325,041        |
| Investment earnings                                 | 2,000            | 3,815               | 1,815             | 1,816               |
| Other   | 2,000            | 2,568               | 568               | 53                  |
| State sources                                       | 578,492          | 532,838             | (45,654)          | 711,216             |
| Federal sources                                     | 225,347          | 157,368             | (67,979)          | 173,421             |
| Total revenue                                       | <u>4,186,118</u> | <u>4,186,761</u>    | <u>643</u>        | <u>4,211,547</u>    |
| Expenditures  |                  |                     |                   |                     |
| Current   |                  |                     |                   |                     |
| Secondary vocational/DCALS                          |                  |                     |                   |                     |
| Salaries  | 2,396,870        | 2,329,508           | (67,362)          | 2,541,811           |
| Employee benefits                                   | 851,727          | 860,284             | 8,557             | 936,625             |
| Purchased services                                  | 566,951          | 487,116             | (79,835)          | 512,497             |
| Supplies and materials                              | 86,777           | 75,582              | (11,195)          | 59,795              |
| Other expenditures                                  | 19,711           | 21,471              | 1,760             | 19,130              |
| Capital expenditures                                | 8,359            | 4,163               | (4,196)           | 16,151              |
| Allocated overhead                                  | 190,202          | 188,628             | (1,574)           | 172,333             |
| Debt service  |                  |                     |                   |                     |
| Principal   | –                | 2,354               | 2,354             | –                   |
| Interest and fiscal charges                         | –                | 225                 | 225               | –                   |
| Total expenditures                                  | <u>4,120,597</u> | <u>3,969,331</u>    | <u>(151,266)</u>  | <u>4,258,342</u>    |
| Excess (deficiency) of revenue<br>over expenditures | \$ 65,521        | 217,430             | \$ 151,909        | (46,795)            |
| Other financing sources                             |                  |                     |                   |                     |
| Sale of assets                                      | –                | 495                 | 495               | –                   |
| Net change in fund balances                         | <u>\$ 65,521</u> | <u>217,925</u>      | <u>\$ 152,404</u> | <u>(46,795)</u>     |
| Fund balances                                       |                  |                     |                   |                     |
| Beginning of year                                   |                  | <u>3,558,614</u>    |                   | <u>3,605,409</u>    |
| End of year   |                  | <u>\$ 3,776,539</u> |                   | <u>\$ 3,558,614</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, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

|   | 2022                |                     | Over (Under)<br>Budget | 2021                |
|---|---------------------|---------------------|------------------------|---------------------|
|   | Budget              | Actual              |                        | Actual              |
| Revenue   |                     |                     |                        |                     |
| Local sources                                       |                     |                     |                        |                     |
| Tuition   | \$ 6,039,611        | \$ 6,156,089        | \$ 116,478             | \$ 6,175,809        |
| Investment earnings                                 | 2,000               | 4,562               | 2,562                  | 1,357               |
| Other   | 433,400             | 548,188             | 114,788                | 302,689             |
| State sources                                       | 35,253,350          | 30,875,595          | (4,377,755)            | 30,924,352          |
| Federal sources                                     | 142,768             | 149,778             | 7,010                  | 370,437             |
| Total revenue                                       | <u>41,871,129</u>   | <u>37,734,212</u>   | <u>(4,136,917)</u>     | <u>37,774,644</u>   |
| Expenditures  |                     |                     |                        |                     |
| Current   |                     |                     |                        |                     |
| Special education programs                          |                     |                     |                        |                     |
| Salaries  | 24,795,295          | 22,442,016          | (2,353,279)            | 22,211,531          |
| Employee benefits                                   | 8,948,051           | 8,108,559           | (839,492)              | 8,246,772           |
| Purchased services                                  | 3,575,939           | 3,106,377           | (469,562)              | 3,917,383           |
| Supplies and materials                              | 915,064             | 785,152             | (129,912)              | 794,615             |
| Other expenditures                                  | 138,273             | 134,809             | (3,464)                | 129,433             |
| Capital expenditures                                | 685,414             | 335,901             | (349,513)              | 298,045             |
| Allocated overhead                                  | 2,140,969           | 2,126,934           | (14,035)               | 1,911,960           |
| Debt service  |                     |                     |                        |                     |
| Principal   | 539,884             | 539,884             | –                      | –                   |
| Interest and fiscal charges                         | 495,402             | 512,933             | 17,531                 | 6,678               |
| Total expenditures                                  | <u>42,234,291</u>   | <u>38,092,565</u>   | <u>(4,141,726)</u>     | <u>37,516,417</u>   |
| Excess (deficiency) of revenue<br>over expenditures | (363,162)           | (358,353)           | 4,809                  | 258,227             |
| Other financing (uses)                              |                     |                     |                        |                     |
| Transfers out                                       | <u>(15,000)</u>     | <u>–</u>            | <u>15,000</u>          | <u>(12,679)</u>     |
| Net change in fund balances                         | <u>\$ (378,162)</u> | <u>(358,353)</u>    | <u>\$ 19,809</u>       | <u>245,548</u>      |
| Fund balances                                       |                     |                     |                        |                     |
| Beginning of year                                   |                     | <u>6,722,281</u>    |                        | <u>6,476,733</u>    |
| End of year   |                     | <u>\$ 6,363,928</u> |                        | <u>\$ 6,722,281</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, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

|                                     | 2022            |                  | Over (Under)<br>Budget | 2021            |
|-------------------------------------|-----------------|------------------|------------------------|-----------------|
|                                     | Budget          | Actual           |                        | Actual          |
| Revenue                             |                 |                  |                        |                 |
| Local sources                       |                 |                  |                        |                 |
| Investment earnings (charges)       | \$ -            | \$ (37)          | \$ (37)                | \$ (5)          |
| Other                               | 35,172          | 7,167            | (28,005)               | 7,093           |
| State sources                       | 27,053          | 38,131           | 11,078                 | 26,265          |
| Total revenue                       | <u>62,225</u>   | <u>45,261</u>    | <u>(16,964)</u>        | <u>33,353</u>   |
| Expenditures                        |                 |                  |                        |                 |
| Current                             |                 |                  |                        |                 |
| Administrative and support services |                 |                  |                        |                 |
| Salaries                            | 1,427,560       | 1,439,798        | 12,238                 | 1,323,877       |
| Employee benefits                   | 450,726         | 454,834          | 4,108                  | 394,553         |
| Purchased services                  | 315,053         | 270,772          | (44,281)               | 314,138         |
| Supplies and materials              | 105,340         | 95,003           | (10,337)               | 51,689          |
| Other expenditures                  | 22,891          | 23,467           | 576                    | 20,764          |
| Capital expenditures                | 72,380          | 70,333           | (2,047)                | 6,224           |
| Allocated overhead                  | (2,331,170)     | (2,315,562)      | 15,608                 | (2,084,290)     |
| Total expenditures                  | <u>62,780</u>   | <u>38,645</u>    | <u>(24,135)</u>        | <u>26,955</u>   |
| Net change in fund balances         | <u>\$ (555)</u> | 6,616            | <u>\$ 7,171</u>        | 6,398           |
| Fund balances                       |                 |                  |                        |                 |
| Beginning of year                   |                 | <u>6,398</u>     |                        | <u>-</u>        |
| End of year                         |                 | <u>\$ 13,014</u> |                        | <u>\$ 6,398</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, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

|                   | 2022        |               |                        | 2021          |
|-------------------|-------------|---------------|------------------------|---------------|
|                   | Budget      | Actual        | Over (Under)<br>Budget | 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, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

|                             | 2022              |                 | Over (Under)<br>Budget | 2021             |
|-----------------------------|-------------------|-----------------|------------------------|------------------|
|                             | Budget            | Actual          |                        | Actual           |
| Revenue                     |                   |                 |                        |                  |
| Local sources               |                   |                 |                        |                  |
| Tuition                     | \$ 525,700        | \$ 525,700      | \$ –                   | \$ 526,800       |
| Investment earnings         | 500               | 358             | (142)                  | 155              |
| Other                       | 500               | –               | (500)                  | –                |
| Total revenue               | <u>526,700</u>    | <u>526,058</u>  | <u>(642)</u>           | <u>526,955</u>   |
| Expenditures                |                   |                 |                        |                  |
| Current                     |                   |                 |                        |                  |
| Secondary vocational/DCALS  |                   |                 |                        |                  |
| Purchased services          | 3,700             | 3,900           | 200                    | 3,699            |
| Debt service                |                   |                 |                        |                  |
| Principal                   | 310,000           | 310,000         | –                      | 305,000          |
| Interest and fiscal charges | 215,700           | 215,700         | –                      | 221,800          |
| Total expenditures          | <u>529,400</u>    | <u>529,600</u>  | <u>200</u>             | <u>530,499</u>   |
| Net change in fund balances | <u>\$ (2,700)</u> | <u>(3,542)</u>  | <u>\$ (842)</u>        | <u>(3,544)</u>   |
| Fund balances               |                   |                 |                        |                  |
| Beginning of year           |                   | <u>10,871</u>   |                        | <u>14,415</u>    |
| End of year                 |                   | <u>\$ 7,329</u> |                        | <u>\$ 10,871</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, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

|                             | 2022              |                  |                        | 2021             |
|-----------------------------|-------------------|------------------|------------------------|------------------|
|                             | Budget            | Actual           | Over (Under)<br>Budget | Actual           |
| Revenue                     |                   |                  |                        |                  |
| Local sources               |                   |                  |                        |                  |
| Other                       | \$ 18,670         | \$ 17,597        | \$ (1,073)             | \$ 3,280         |
| Expenditures                |                   |                  |                        |                  |
| Current                     |                   |                  |                        |                  |
| Secondary vocational/DCALS  |                   |                  |                        |                  |
| Purchased services          | 850               | 2,812            | 1,962                  | 469              |
| Supplies and materials      | 19,538            | 11,723           | (7,815)                | 487              |
| Other expenditures          | -                 | -                | -                      | 33               |
| Total expenditures          | <u>20,388</u>     | <u>14,535</u>    | <u>(5,853)</u>         | <u>989</u>       |
| Net change in fund balances | <u>\$ (1,718)</u> | 3,062            | <u>\$ 4,780</u>        | 2,291            |
| Fund balances               |                   |                  |                        |                  |
| Beginning of year           |                   | <u>21,471</u>    |                        | <u>19,180</u>    |
| End of year                 |                   | <u>\$ 24,533</u> |                        | <u>\$ 21,471</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, 2022

(With Comparative Actual Amounts for the Year Ended June 30, 2021)

|                             | 2022          |                  |                        | 2021             |
|-----------------------------|---------------|------------------|------------------------|------------------|
|                             | Budget        | Actual           | Over (Under)<br>Budget | Actual           |
| Revenue                     |               |                  |                        |                  |
| Local sources               |               |                  |                        |                  |
| Other                       | \$ 7,550      | \$ 8,584         | \$ 1,034               | \$ 1,389         |
| Expenditures                |               |                  |                        |                  |
| Current                     |               |                  |                        |                  |
| Special education programs  |               |                  |                        |                  |
| Supplies and materials      | 7,250         | 9,497            | 2,247                  | 1,035            |
| Other expenditures          | —             | —                | —                      | 35               |
| Total expenditures          | <u>7,250</u>  | <u>9,497</u>     | <u>2,247</u>           | <u>1,070</u>     |
| Net change in fund balances | <u>\$ 300</u> | (913)            | <u>\$ (1,213)</u>      | 319              |
| Fund balances               |               |                  |                        |                  |
| Beginning of year           |               | <u>11,167</u>    |                        | <u>10,848</u>    |
| End of year                 |               | <u>\$ 10,254</u> |                        | <u>\$ 11,167</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Student Activities  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

|                             | 2022          |                 | Over (Under)<br>Budget | 2021            |
|-----------------------------|---------------|-----------------|------------------------|-----------------|
|                             | Budget        | Actual          |                        | Actual          |
| Revenue                     |               |                 |                        |                 |
| Local sources               |               |                 |                        |                 |
| Other                       | \$ 3,600      | \$ 1,706        | \$ (1,894)             | \$ 2,330        |
| Expenditures                |               |                 |                        |                 |
| Current                     |               |                 |                        |                 |
| Secondary vocational/DCALS  |               |                 |                        |                 |
| Purchased services          | 100           | –               | (100)                  | –               |
| Supplies and materials      | 3,000         | 1,099           | (1,901)                | 1,621           |
| Total expenditures          | <u>3,100</u>  | <u>1,099</u>    | <u>(2,001)</u>         | <u>1,621</u>    |
| Net change in fund balances | <u>\$ 500</u> | 607             | <u>\$ 107</u>          | 709             |
| Fund balances               |               |                 |                        |                 |
| Beginning of year           |               | <u>5,573</u>    |                        | <u>4,864</u>    |
| End of year                 |               | <u>\$ 6,180</u> |                        | <u>\$ 5,573</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2022 and 2021

|                                     | <u>2022</u>      | <u>2021</u>      |
|-------------------------------------|------------------|------------------|
| Assets                              |                  |                  |
| Cash and temporary investments      | \$ 23,562        | \$ -             |
| Receivables                         |                  |                  |
| Due from other governmental units   | 6,415            | 17,108           |
| Prepays                             | <u>2,050</u>     | <u>-</u>         |
| Total assets                        | <u>\$ 32,027</u> | <u>\$ 17,108</u> |
| Liabilities                         |                  |                  |
| Accounts payable                    | \$ 5,881         | \$ 3,686         |
| Due to other governmental units     | -                | 375              |
| Due to other funds                  | -                | 13,047           |
| Unearned revenue                    | <u>8,476</u>     | <u>-</u>         |
| Total liabilities                   | 14,357           | 17,108           |
| Fund balances                       |                  |                  |
| Nonspendable for prepaid items      | 2,050            | -                |
| Restricted for food service         | <u>15,620</u>    | <u>-</u>         |
| Total fund balances                 | <u>17,670</u>    | <u>-</u>         |
| Total liabilities and fund balances | <u>\$ 32,027</u> | <u>\$ 17,108</u> |

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, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

|   | 2022           |                  | Over (Under)<br>Budget | 2021          |
|---|----------------|------------------|------------------------|---------------|
|   | Budget         | Actual           |                        | Actual        |
| Revenue   |                |                  |                        |               |
| Local sources                                       |                |                  |                        |               |
| Other – primarily meal sales (refunds)              | \$ –           | \$ (83)          | \$ (83)                | \$ (750)      |
| State sources                                       | 3,075          | 3,119            | 44                     | 1,539         |
| Federal sources                                     | 169,895        | 194,044          | 24,149                 | 78,022        |
| Total revenue                                       | <u>172,970</u> | <u>197,080</u>   | <u>24,110</u>          | <u>78,811</u> |
| Expenditures  |                |                  |                        |               |
| Purchased services                                  | 5,320          | 12,726           | 7,406                  | 14,273        |
| Supplies and materials                              | 179,650        | 166,684          | (12,966)               | 77,217        |
| Total expenditures                                  | <u>184,970</u> | <u>179,410</u>   | <u>(5,560)</u>         | <u>91,490</u> |
| Excess (deficiency) of revenue<br>over expenditures | (12,000)       | 17,670           | 29,670                 | (12,679)      |
| Other financing sources                             |                |                  |                        |               |
| Transfers in  | <u>12,000</u>  | <u>–</u>         | <u>(12,000)</u>        | <u>12,679</u> |
| Net change in fund balances                         | <u>\$ –</u>    | <u>17,670</u>    | <u>\$ 17,670</u>       | <u>–</u>      |
| Fund balances                                       |                |                  |                        |               |
| Beginning of year                                   |                | <u>–</u>         |                        | <u>–</u>      |
| End of year   |                | <u>\$ 17,670</u> |                        | <u>\$ –</u>   |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds  
 Combining Statement of Net Position  
 as of June 30, 2022  
 (With Comparative Totals as of June 30, 2021)

|  | <u>Dental<br/>Self-Insurance</u> | <u>Medical<br/>Self-Insurance</u> | <u>Post-Employment<br/>Employee<br/>Benefits</u> |
|--|----------------------------------|-----------------------------------|--|
| Assets   |                                  |                                   |  |
| Current assets   |                                  |                                   |  |
| Cash and temporary investments                         | \$ 634,568                       | \$ 5,343,410                      | \$ 1,465,767                                     |
| Prepaid items  | 600                              | 4,400                             | -  |
| Total assets   | <u>635,168</u>                   | <u>5,347,810</u>                  | <u>1,465,767</u>                                 |
| Deferred outflows of resources                         |                                  |                                   |  |
| OPEB plan deferments                                   | -                                | -                                 | 68,931   |
| Liabilities  |                                  |                                   |  |
| Current liabilities                                    |                                  |                                   |  |
| Accounts and contracts payable                         | 49,354                           | 319,056                           | -  |
| Due to other governmental units                        | -                                | 1,691                             | -  |
| Total OPEB liability – due within one year             | -                                | -                                 | 33,276   |
| Severance benefits payable – due within one year       | -                                | -                                 | 40,314   |
| Unearned revenue                                       | 2,443                            | 74,784                            | -  |
| Total current liabilities                              | <u>51,797</u>                    | <u>395,531</u>                    | <u>73,590</u>                                    |
| Long-term liabilities                                  |                                  |                                   |  |
| Total OPEB liability – due in more than one year       | -                                | -                                 | 1,394,342  |
| Severance benefits payable – due in more than one year | -                                | -                                 | 309,227  |
| Total long-term liabilities                            | <u>-</u>                         | <u>-</u>                          | <u>1,703,569</u>                                 |
| Total liabilities                                      | 51,797                           | 395,531                           | 1,777,159  |
| Deferred inflows of resources                          |                                  |                                   |  |
| OPEB plan deferments                                   | -                                | -                                 | 593,014  |
| Net position   |                                  |                                   |  |
| Unrestricted   | <u>\$ 583,371</u>                | <u>\$ 4,952,279</u>               | <u>\$ (835,475)</u>                              |

| Totals              |                     |
|---------------------|---------------------|
| 2022                | 2021                |
| \$ 7,443,745        | \$ 6,576,169        |
| 5,000               | 923                 |
| <u>7,448,745</u>    | <u>6,577,092</u>    |
| 68,931              | 179,862             |
| 368,410             | 405,635             |
| 1,691               | 1,439               |
| 33,276              | 157,454             |
| 40,314              | 79,408              |
| 77,227              | 93,807              |
| <u>520,918</u>      | <u>737,743</u>      |
| 1,394,342           | 1,078,388           |
| 309,227             | 331,660             |
| <u>1,703,569</u>    | <u>1,410,048</u>    |
| 2,224,487           | 2,147,791           |
| <u>593,014</u>      | <u>693,501</u>      |
| <u>\$ 4,700,175</u> | <u>\$ 3,915,662</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds  
 Combining Statement of Revenue, Expenses, and Changes in Net Position  
 Year Ended June 30, 2022  
 (With Comparative Totals for the Year Ended June 30, 2021)

|   | <u>Dental<br/>Self-Insurance</u> | <u>Medical<br/>Self-Insurance</u> | <u>Post-Employment<br/>Employee<br/>Benefits</u> |
|---|----------------------------------|-----------------------------------|--|
| Operating revenue                             |                                  |                                   |  |
| Charges for services                          |                                  |                                   |  |
| Contributions from governmental funds         | \$ 523,409                       | \$ 4,802,292                      | \$ 143,248                                       |
| Operating expenses                            |                                  |                                   |  |
| Post-employment severance and health benefits | -                                | -                                 | 206,223  |
| Medical benefit claims                        | -                                | 4,005,741                         | -  |
| Dental benefit claims                         | 481,670                          | -                                 | -  |
| Total operating expenses                      | <u>481,670</u>                   | <u>4,005,741</u>                  | <u>206,223</u>                                   |
| Operating income (loss)                       | 41,739                           | 796,551                           | (62,975)   |
| Nonoperating revenue                          |                                  |                                   |  |
| Investment earnings                           | <u>687</u>                       | <u>6,522</u>                      | <u>1,989</u>                                     |
| Change in net position                        | 42,426                           | 803,073                           | (60,986)   |
| Net position                                  |                                  |                                   |  |
| Beginning of year                             | <u>540,945</u>                   | <u>4,149,206</u>                  | <u>(774,489)</u>                                 |
| End of year                                   | <u>\$ 583,371</u>                | <u>\$ 4,952,279</u>               | <u>\$ (835,475)</u>                              |

| Totals              |                     |
|---------------------|---------------------|
| <u>2022</u>         | <u>2021</u>         |
| \$ 5,468,949        | \$ 5,788,030        |
| 206,223             | 206,446             |
| 4,005,741           | 4,033,999           |
| 481,670             | 501,630             |
| <u>4,693,634</u>    | <u>4,742,075</u>    |
| 775,315             | 1,045,955           |
| <u>9,198</u>        | <u>3,642</u>        |
| 784,513             | 1,049,597           |
| <u>3,915,662</u>    | <u>2,866,065</u>    |
| <u>\$ 4,700,175</u> | <u>\$ 3,915,662</u> |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds  
 Combining Statement of Cash Flows  
 Year Ended June 30, 2022  
 (With Comparative Totals for the Year Ended June 30, 2021)

|  | Dental<br>Self-Insurance | Medical<br>Self-Insurance | Post-Employment<br>Employee<br>Benefits |
|--|--------------------------|---------------------------|---|
| Cash flows from operating activities   |                          |                           |   |
| Contributions from governmental funds  | \$ 523,277               | \$ 4,785,844              | \$ 143,248                              |
| Post-employment severance and health benefit payments  | -                        | -                         | (64,607)                                |
| Payments for medical claims  | -                        | (4,047,166)               | -                                       |
| Payments for dental claims   | (482,218)                | -                         | -                                       |
| Net cash flows from operating activities   | <u>41,059</u>            | <u>738,678</u>            | <u>78,641</u>                           |
| Cash flows from investing activities   |                          |                           |   |
| Investment income received   | <u>687</u>               | <u>6,522</u>              | <u>1,989</u>                            |
| Net change in cash and cash equivalents  | 41,746                   | 745,200                   | 80,630                                  |
| Cash and temporary investments   |                          |                           |   |
| Beginning of year  | <u>592,822</u>           | <u>4,598,210</u>          | <u>1,385,137</u>                        |
| End of year  | <u>\$ 634,568</u>        | <u>\$ 5,343,410</u>       | <u>\$ 1,465,767</u>                     |
| Reconciliation of operating income (loss) to net cash flows from operating activities        |                          |                           |   |
| Operating income (loss)  | \$ 41,739                | \$ 796,551                | \$ (62,975)                             |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities |                          |                           |   |
| Changes in assets and liabilities  |                          |                           |   |
| Accounts receivable  | -                        | -                         | -                                       |
| Prepaid items  | (600)                    | (4,400)                   | 923                                     |
| OPEB plan deferments   | -                        | -                         | 10,444                                  |
| Accounts and contracts payable   | 52                       | (37,277)                  | -                                       |
| Due to other governmental units  | -                        | 252                       | -                                       |
| Severance benefits payable   | -                        | -                         | (61,527)                                |
| Total OPEB liability   | -                        | -                         | 191,776                                 |
| Unearned revenue   | <u>(132)</u>             | <u>(16,448)</u>           | <u>-</u>                                |
| Net cash flows from operating activities   | <u>\$ 41,059</u>         | <u>\$ 738,678</u>         | <u>\$ 78,641</u>                        |

| Totals              |                     |
|---------------------|---------------------|
| 2022                | 2021                |
| \$ 5,452,369        | \$ 5,885,423        |
| (64,607)            | (124,494)           |
| (4,047,166)         | (3,850,009)         |
| <u>(482,218)</u>    | <u>(495,314)</u>    |
| 858,378             | 1,415,606           |
| <br>                |                     |
| <u>9,198</u>        | <u>3,642</u>        |
| <br>                |                     |
| 867,576             | 1,419,248           |
| <br>                |                     |
| <u>6,576,169</u>    | <u>5,156,921</u>    |
| <u>\$ 7,443,745</u> | <u>\$ 6,576,169</u> |
| <br>                |                     |
| \$ 775,315          | \$ 1,045,955        |
| <br>                |                     |
| -                   | 3,586               |
| (4,077)             | (67)                |
| 10,444              | 207,290             |
| (37,225)            | 190,241             |
| 252                 | 65                  |
| (61,527)            | 19,662              |
| 191,776             | (144,933)           |
| <u>(16,580)</u>     | <u>93,807</u>       |
| <u>\$ 858,378</u>   | <u>\$ 1,415,606</u> |

OTHER INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

Government-Wide Revenue by Type  
Last Ten Fiscal Years

| Year Ended<br>June 30, | Program Revenues        |  |  | General<br>Revenues                 | Total                 |
|------------------------|-------------------------|--|--|-------------------------------------|-----------------------|
|                        | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Investment<br>Earnings<br>and Other |                       |
| 2013                   | \$ 7,839,060<br>33%     | \$ 15,177,273<br>64%                     | \$ 580,348<br>2%                       | \$ 126,115<br>1%                    | \$ 23,722,796<br>100% |
| 2014                   | 7,619,433<br>30%        | 17,064,879<br>67%                        | 581,454<br>3%                          | 97,720<br>—                         | 25,363,486<br>100%    |
| 2015                   | 7,876,725<br>30%        | 18,073,067<br>67%                        | 559,401<br>2%                          | 125,715<br>1%                       | 26,634,908<br>100%    |
| 2016                   | 8,765,738<br>30%        | 20,327,694<br>68%                        | 554,908<br>2%                          | 139,795<br>—                        | 29,788,135<br>100%    |
| 2017                   | 8,910,685<br>28%        | 21,223,814<br>67%                        | 539,240<br>2%                          | 845,477<br>3%                       | 31,519,216<br>100%    |
| 2018                   | 9,660,814<br>28%        | 23,146,660<br>67%                        | 557,650<br>2%                          | 580,576<br>3%                       | 33,945,700<br>100%    |
| 2019                   | 11,429,417<br>29%       | 26,541,284<br>67%                        | 548,350<br>1%                          | 1,070,943<br>3%                     | 39,589,994<br>100%    |
| 2020                   | 10,276,311<br>24%       | 30,724,528<br>73%                        | 591,900<br>1%                          | 699,517<br>2%                       | 42,292,256<br>100%    |
| 2021                   | 9,775,850<br>23%        | 31,662,477<br>74%                        | 553,065<br>1%                          | 691,977<br>2%                       | 42,683,369<br>100%    |
| 2022                   | 10,185,407<br>24%       | 31,382,042<br>74%                        | 552,753<br>1%                          | 470,690<br>1%                       | 42,590,892<br>100%    |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Government-Wide Expenses by Program  
Last Ten Fiscal Years

| Year Ended<br>June 30, | Administrative<br>and Support<br>Services | Secondary<br>Vocational/<br>DCALS | Special<br>Education<br>Programs | Food Service   | Interest and<br>Fiscal Charges<br>on Debt | Total                 |
|------------------------|---|-----------------------------------|----------------------------------|----------------|---|-----------------------|
| 2013                   | \$ 1,998,969<br>8%                        | \$ 3,962,647<br>16%               | \$ 18,097,103<br>74%             | \$ 85,779<br>- | \$ 335,885<br>1%                          | \$ 24,480,383<br>100% |
| 2014                   | 1,892,695<br>8%                           | 3,483,868<br>14%                  | 19,239,348<br>77%                | 108,123<br>-   | 326,431<br>1%                             | 25,050,465<br>100%    |
| 2015                   | 1,867,491<br>8%                           | 3,182,362<br>12%                  | 20,634,460<br>79%                | 116,426<br>-   | 316,820<br>1%                             | 26,117,559<br>100%    |
| 2016                   | 1,886,824<br>8%                           | 2,993,362<br>11%                  | 22,764,328<br>81%                | 131,729<br>-   | 307,246<br>1%                             | 28,083,489<br>100%    |
| 2017                   | 3,088,390<br>8%                           | 3,590,904<br>10%                  | 30,535,125<br>81%                | 143,390<br>-   | 301,437<br>1%                             | 37,659,246<br>100%    |
| 2018                   | 2,370,386<br>6%                           | 4,185,093<br>11%                  | 31,992,143<br>82%                | 136,447<br>-   | 246,834<br>1%                             | 38,930,903<br>100%    |
| 2019                   | 1,943,841<br>6%                           | 2,399,143<br>8%                   | 26,491,744<br>85%                | 159,619<br>-   | 241,276<br>1%                             | 31,235,623<br>100%    |
| 2020                   | 1,980,504<br>5%                           | 4,104,278<br>10%                  | 36,440,788<br>85%                | 114,859<br>-   | 235,435<br>1%                             | 42,875,864<br>100%    |
| 2021                   | 2,149,317<br>5%                           | 4,274,114<br>10%                  | 36,829,246<br>84%                | 91,751<br>-    | 229,451<br>1%                             | 43,573,879<br>100%    |
| 2022                   | 2,285,177<br>5%                           | 3,679,900<br>9%                   | 34,835,199<br>84%                | 179,672<br>-   | 736,468<br>2%                             | 41,716,416<br>100%    |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Revenue by Source  
Last Ten Fiscal Years

|                              | Year Ended<br>June 30, | Tuition<br>Revenue | Investment<br>Earnings<br>(Charges) | Other<br>Revenue | State<br>Revenue | Federal<br>Revenue | Total        |
|------------------------------|------------------------|--------------------|-------------------------------------|------------------|------------------|--------------------|--------------|
| Secondary<br>education       | 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                              | 1,171            | 547,390          | 156,934            | 4,409,692    |
|                              | 2021                   | 3,325,041          | 1,816                               | 53               | 711,216          | 173,421            | 4,211,547    |
|                              | 2022                   | 3,490,172          | 3,815                               | 2,568            | 532,838          | 157,368            | 4,186,761    |
| Special<br>education         | 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   |
|                              | 2021                   | 6,175,809          | 1,357                               | 302,689          | 30,924,352       | 370,437            | 37,774,644   |
|                              | 2022                   | 6,156,089          | 4,562                               | 548,188          | 30,875,595       | 149,778            | 37,734,212   |
| Services<br>allocation       | 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       |
|                              | 2021                   | -                  | -                                   | 7,088            | 26,265           | -                  | 33,353       |
|                              | 2022                   | -                  | (37)                                | 7,167            | 38,131           | -                  | 45,261       |
| District support<br>services | 2013                   | -                  | -                                   | 44,058           | -                | -                  | 44,058       |
|                              | 2014                   | -                  | -                                   | 31,060           | -                | -                  | 31,060       |
|                              | 2015                   | -                  | -                                   | 2,240            | -                | -                  | 2,240        |
|                              | 2016                   | -                  | -                                   | -                | -                | -                  | -            |
|                              | 2017                   | -                  | -                                   | -                | -                | -                  | -            |
|                              | 2018                   | -                  | -                                   | -                | -                | -                  | -            |
|                              | 2019                   | -                  | -                                   | -                | -                | -                  | -            |
|                              | 2020                   | -                  | -                                   | -                | -                | -                  | -            |
|                              | 2021                   | -                  | -                                   | -                | -                | -                  | -            |
|                              | 2022                   | -                  | -                                   | -                | -                | -                  | -            |

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

|                             | Year Ended<br>June 30, | Tuition<br>Revenue | Investment<br>Earnings<br>(Charges) | Other<br>Revenue | State<br>Revenue | Federal<br>Revenue | Total      |
|-----------------------------|------------------------|--------------------|-------------------------------------|------------------|------------------|--------------------|------------|
| Capital<br>expenditure      | 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    |
|                             | 2021                   | 526,800            | 155                                 | -                | -                | -                  | 526,955    |
|                             | 2022                   | 525,700            | 358                                 | -                | -                | -                  | 526,058    |
| Secondary resale            | 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     |
|                             | 2021                   | -                  | -                                   | 3,280            | -                | -                  | 3,280      |
|                             | 2022                   | -                  | -                                   | 17,597           | -                | -                  | 17,597     |
| Special<br>education resale | 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     |
|                             | 2021                   | -                  | -                                   | 1,389            | -                | -                  | 1,389      |
|                             | 2022                   | -                  | -                                   | 8,584            | -                | -                  | 8,584      |
| Student<br>activities       | 2013                   | -                  | -                                   | -                | -                | -                  | -          |
|                             | 2014                   | -                  | -                                   | -                | -                | -                  | -          |
|                             | 2015                   | -                  | -                                   | -                | -                | -                  | -          |
|                             | 2016                   | -                  | -                                   | -                | -                | -                  | -          |
|                             | 2017                   | -                  | -                                   | -                | -                | -                  | -          |
|                             | 2018                   | -                  | -                                   | -                | -                | -                  | -          |
|                             | 2019                   | -                  | -                                   | -                | -                | -                  | -          |
|                             | 2020                   | -                  | -                                   | 3,564            | -                | -                  | 3,564      |
|                             | 2021                   | -                  | -                                   | 2,330            | -                | -                  | 2,330      |
|                             | 2022                   | -                  | -                                   | 1,706            | -                | -                  | 1,706      |

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Expenditures by Object  
Last Ten Fiscal Years

|                              | Year Ended<br>June 30, | Salary<br>Expenditures | Employee<br>Benefits<br>Expenditures | Purchased<br>Services<br>Expenditures | Other<br>Expenditures | Allocated<br>Overhead | Total        |
|------------------------------|------------------------|------------------------|--------------------------------------|---------------------------------------|-----------------------|-----------------------|--------------|
| Secondary<br>education       | 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                              | 475,221                               | 212,921               | 183,085               | 4,101,077    |
|                              | 2021                   | 2,541,811              | 936,625                              | 512,497                               | 95,076                | 172,333               | 4,258,342    |
|                              | 2022                   | 2,329,508              | 860,284                              | 487,116                               | 103,795               | 188,628               | 3,969,331    |
| Special<br>education         | 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   |
|                              | 2021                   | 22,211,531             | 8,246,772                            | 3,917,383                             | 1,228,771             | 1,911,960             | 37,516,417   |
|                              | 2022                   | 22,442,016             | 8,108,559                            | 3,106,377                             | 2,308,679             | 2,126,934             | 38,092,565   |
| Services<br>allocation       | 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       |
|                              | 2021                   | 1,323,877              | 394,553                              | 314,138                               | 78,680                | (2,084,293)           | 26,955       |
|                              | 2022                   | 1,439,798              | 454,834                              | 270,772                               | 188,803               | (2,315,562)           | 38,645       |
| District support<br>services | 2013                   | —                      | —                                    | 44,060                                | —                     | —                     | 75,741       |
|                              | 2014                   | —                      | —                                    | 31,087                                | 18,351                | —                     | 49,438       |
|                              | 2015                   | —                      | —                                    | 2,240                                 | —                     | —                     | 2,240        |
|                              | 2016                   | —                      | —                                    | —                                     | —                     | —                     | —            |
|                              | 2017                   | —                      | —                                    | —                                     | —                     | —                     | —            |
|                              | 2018                   | —                      | —                                    | —                                     | —                     | —                     | —            |
|                              | 2019                   | —                      | —                                    | —                                     | —                     | —                     | —            |
|                              | 2020                   | —                      | —                                    | —                                     | —                     | —                     | —            |
|                              | 2021                   | —                      | —                                    | —                                     | —                     | —                     | —            |
|                              | 2022                   | —                      | —                                    | —                                     | —                     | —                     | —            |

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

|                          | Year Ended<br>June 30, | Salary<br>Expenditures | Employee<br>Benefits<br>Expenditures | Purchased<br>Services<br>Expenditures | Other<br>Expenditures | Allocated<br>Overhead | Total      |
|--------------------------|------------------------|------------------------|--------------------------------------|---------------------------------------|-----------------------|-----------------------|------------|
| Capital expenditure      | 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    |
|                          | 2021                   | -                      | -                                    | 3,699                                 | 526,800               | -                     | 530,499    |
|                          | 2022                   | -                      | -                                    | 3,900                                 | 525,700               | -                     | 529,600    |
| Secondary resale         | 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     |
|                          | 2021                   | -                      | -                                    | 469                                   | 520                   | -                     | 989        |
|                          | 2022                   | -                      | -                                    | 2,812                                 | 11,723                | -                     | 14,535     |
| Special education resale | 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      |
|                          | 2021                   | -                      | -                                    | -                                     | 1,070                 | -                     | 1,070      |
|                          | 2022                   | -                      | -                                    | -                                     | 9,497                 | -                     | 9,497      |
| Student activities       | 2013                   | -                      | -                                    | -                                     | -                     | -                     | -          |
|                          | 2014                   | -                      | -                                    | -                                     | -                     | -                     | -          |
|                          | 2015                   | -                      | -                                    | -                                     | -                     | -                     | -          |
|                          | 2016                   | -                      | -                                    | -                                     | -                     | -                     | -          |
|                          | 2017                   | -                      | -                                    | -                                     | -                     | -                     | -          |
|                          | 2018                   | -                      | -                                    | -                                     | -                     | -                     | -          |
|                          | 2019                   | -                      | -                                    | -                                     | -                     | -                     | -          |
|                          | 2020                   | -                      | -                                    | 19                                    | 2,501                 | -                     | 2,520      |
|                          | 2021                   | -                      | -                                    | -                                     | 1,621                 | -                     | 1,621      |
|                          | 2022                   | -                      | -                                    | -                                     | 1,099                 | -                     | 1,099      |

OTHER REQUIRED REPORTS

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 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated INSERT DATE.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

(continued)

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

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

### **PURPOSE OF THIS REPORT**

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

Minneapolis, Minnesota  
INSERT DATE

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated INSERT DATE.

**MINNESOTA LEGAL COMPLIANCE**

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

**PURPOSE OF THIS REPORT**

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

Minneapolis, Minnesota  
INSERT DATE

INTERMEDIATE SCHOOL DISTRICT NO. 917

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2022

|  | Audit         | UFARS         | Audit - UFARS |
|--|---------------|---------------|---------------|
| <b>General Fund</b>                        |               |               |               |
| Total revenue                              | \$ 42,520,179 | \$ 42,520,179 | \$ -          |
| Total expenditures                         | \$ 42,655,272 | \$ 42,655,274 | \$ (2)        |
| <b>Nonspendable</b>                        |               |               |               |
| 460 Nonspendable fund balance              | \$ 123,369    | \$ 123,369    | \$ -          |
| <b>Restricted</b>                          |               |               |               |
| 401 Student activities                     | \$ 6,180      | \$ 6,180      | \$ -          |
| 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                  | \$ -          | \$ -          | \$ -          |
| 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                | \$ 44,393     | \$ 44,393     | \$ -          |
| 475 Title VII - Impact Aid                 | \$ -          | \$ -          | \$ -          |
| 476 PILT                                   | \$ -          | \$ -          | \$ -          |
| <b>Committed</b>                           |               |               |               |
| 418 Committed for separation               | \$ -          | \$ -          | \$ -          |
| 461 Committed fund balance                 | \$ -          | \$ -          | \$ -          |
| <b>Assigned</b>                            |               |               |               |
| 462 Assigned fund balance                  | \$ 708,921    | \$ 708,921    | \$ -          |
| <b>Unassigned</b>                          |               |               |               |
| 422 Unassigned fund balance                | \$ 9,319,585  | \$ 9,319,584  | \$ 1          |
| <b>Food Service</b>                        |               |               |               |
| Total revenue                              | \$ 197,080    | \$ 197,080    | \$ -          |
| Total expenditures                         | \$ 179,410    | \$ 179,409    | \$ 1          |
| <b>Nonspendable</b>                        |               |               |               |
| 460 Nonspendable fund balance              | \$ 2,050      | \$ 2,050      | \$ -          |
| <b>Restricted</b>                          |               |               |               |
| 452 OPEB liability not in trust            | \$ -          | \$ -          | \$ -          |
| 474 EIDL loans                             | \$ -          | \$ -          | \$ -          |
| 464 Restricted fund balance                | \$ 15,620     | \$ 15,620     | \$ -          |
| <b>Unassigned</b>                          |               |               |               |
| 463 Unassigned fund balance                | \$ -          | \$ -          | \$ -          |
| <b>Community Service</b>                   |               |               |               |
| Total revenue                              | \$ -          | \$ -          | \$ -          |
| Total expenditures                         | \$ -          | \$ -          | \$ -          |
| <b>Nonspendable</b>                        |               |               |               |
| 460 Nonspendable fund balance              | \$ -          | \$ -          | \$ -          |
| <b>Restricted</b>                          |               |               |               |
| 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            | \$ -          | \$ -          | \$ -          |
| 473 PPP loans                              | \$ -          | \$ -          | \$ -          |
| 474 EIDL loans                             | \$ -          | \$ -          | \$ -          |
| 464 Restricted fund balance                | \$ -          | \$ -          | \$ -          |
| <b>Unassigned</b>                          |               |               |               |
| 463 Unassigned fund balance                | \$ -          | \$ -          | \$ -          |

INTERMEDIATE SCHOOL DISTRICT NO. 917

Uniform Financial Accounting and Reporting Standards  
Compliance Table (continued)  
June 30, 2022

|                                      | Audit        | UFARS        | Audit – UFARS |
|--------------------------------------|--------------|--------------|---------------|
| <b>Building Construction</b>         |              |              |               |
| 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          | \$ -         | \$ -         | \$ -          |
| <b>Debt Service</b>                  |              |              |               |
| Total revenue                        | \$ -         | \$ -         | \$ -          |
| Total expenditures                   | \$ -         | \$ -         | \$ -          |
| Nonspendable                         |              |              |               |
| 460 Nonspendable fund balance        | \$ -         | \$ -         | \$ -          |
| Restricted                           |              |              |               |
| 425 Bond refundings                  | \$ -         | \$ -         | \$ -          |
| 433 Maximum effort loan              | \$ -         | \$ -         | \$ -          |
| 451 QZAB payments                    | \$ -         | \$ -         | \$ -          |
| 467 Long-term facilities maintenance | \$ -         | \$ -         | \$ -          |
| 464 Restricted fund balance          | \$ -         | \$ -         | \$ -          |
| Unassigned                           |              |              |               |
| 463 Unassigned fund balance          | \$ -         | \$ -         | \$ -          |
| <b>Trust</b>                         |              |              |               |
| Total revenue                        | \$ -         | \$ -         | \$ -          |
| Total expenditures                   | \$ -         | \$ -         | \$ -          |
| 401 Student activities               | \$ -         | \$ -         | \$ -          |
| 402 Scholarships                     | \$ -         | \$ -         | \$ -          |
| 422 Net position                     | \$ -         | \$ -         | \$ -          |
| <b>Custodial Fund</b>                |              |              |               |
| Total revenue                        | \$ -         | \$ -         | \$ -          |
| Total expenditures                   | \$ -         | \$ -         | \$ -          |
| 401 Student activities               | \$ -         | \$ -         | \$ -          |
| 402 Scholarships                     | \$ -         | \$ -         | \$ -          |
| 448 Achievement and integration      | \$ -         | \$ -         | \$ -          |
| 464 Restricted                       | \$ -         | \$ -         | \$ -          |
| <b>Internal Service</b>              |              |              |               |
| Total revenue                        | \$ 5,478,147 | \$ 5,478,147 | \$ -          |
| Total expenditures                   | \$ 4,693,634 | \$ 4,693,634 | \$ -          |
| 422 Net position                     | \$ 4,700,175 | \$ 4,700,175 | \$ -          |
| <b>OPEB Revocable Trust Fund</b>     |              |              |               |
| Total revenue                        | \$ -         | \$ -         | \$ -          |
| Total expenditures                   | \$ -         | \$ -         | \$ -          |
| 422 Net position                     | \$ -         | \$ -         | \$ -          |
| <b>OPEB Irrevocable Trust Fund</b>   |              |              |               |
| Total revenue                        | \$ -         | \$ -         | \$ -          |
| Total expenditures                   | \$ -         | \$ -         | \$ -          |
| 422 Net position                     | \$ -         | \$ -         | \$ -          |
| <b>OPEB Debt Service Fund</b>        |              |              |               |
| Total revenue                        | \$ -         | \$ -         | \$ -          |
| Total expenditures                   | \$ -         | \$ -         | \$ -          |
| Nonspendable                         |              |              |               |
| 460 Nonspendable fund balance        | \$ -         | \$ -         | \$ -          |
| Restricted                           |              |              |               |
| 425 Bond refundings                  | \$ -         | \$ -         | \$ -          |
| 464 Restricted fund balance          | \$ -         | \$ -         | \$ -          |
| Unassigned                           |              |              |               |
| 463 Unassigned fund balance          | \$ -         | \$ -         | \$ -          |

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