

## Business Meeting

Tuesday, December 19, 2023 7:30 PM

Fridley Community Center, 6085 7th Street NE, Fridley, MN 55432

<b>A. Call to Order, Pledge of Allegiance</b>	<b>Presenter:</b> Board Chair
<b>B. Approval of Agenda with Suggested Motions and Resolutions</b>	<b>Presenter:</b> Board Chair
B.1. Suggested Motions and Resolutions	
<b>C. Superintendent Report</b>	
C.1. Thank you Fridley-Columbia Heights Rotary	
C.2. Recognition of Dr. Adam	
C.3. Employee of the Month	
C.4. Fall Activities Re-cap	
<b>D. Staff Reports</b>	
D.1. Audit Presentation	<b>Presenter:</b> BerganKDV
D.2. Truth in Taxation Presentation	<b>Presenter:</b> CESO
<b>E. Business Action Items</b>	
E.1. Motion: Approval of the Audit Results	<b>Presenter:</b> Dr. Brenda Lewis
E.2. Motion: Tax Levy Final Certification Pay 24 Levy	<b>Presenter:</b> Dr. Brenda Lewis
E.3. Motion: Approval of the FEA Master Agreement 2023-2025	<b>Presenter:</b> S. Ike Isaacson
<b>F. Consent Agenda</b>	<b>Presenter:</b> Board Chair
F.1. Minutes of the School Board Business Meeting and Work Session Held on November 21, 2023	
F.2. Monthly Financial Reports	
F.3. New Contracts, Amendments, Leaves of Absence, Terminations, Resignations, and Retirements	
F.4. Changes to the 2024-2025 School Year Calendar	
<b>G. Important Future School Board Dates</b>	<b>Presenter:</b> Board Chair
G.1. IB Diploma Celebration & Silver Platter Breakfast December 20, 2023 7:30 AM FHS Media Center	
G.2. RLS PTO Meeting December 20, 2023 5:30 PM Stevenson Elementary School	
G.3. No School: Winter Break December 22, 2023 - January 1, 2024	
G.4. Fridley School Board Work Session January 2, 2024 5:30 PM Fridley Community Center	

G.5. Free Family Movie Night: "Spiderman- Across the Spider Verse"

January 5, 2024 7:00 PM

District Auditorium

G.6. FHS Snow Week

January 8-12, 2024

Fridley High School

G.7. No School: MLK, Jr Holiday

January 15, 2024

G.8. Fridley Public Schools Board Meeting

January 16, 2024

Work Session, 5:30 PM

Public Forum, 7:00 PM

Business Meeting, 7:30 PM

Fridley Community Center

H. **Adjournment**

**Presenter:** Board  
Chair

**Tuesday, December 19, 2023**  
**School Board Business Meeting**  
**Motions**

**A. Call to Order, Pledge of Allegiance**

**B. Approval of Agenda with Suggested Motions and Resolutions**

**1. Suggested Motions and Resolutions**

Suggested Motion: Motion by \_\_\_\_\_, seconded by \_\_\_\_\_ to approve the agenda for December 19, 2023.

**C. Superintendent Report**

**D. Staff Reports**

- 1. Audit Presentation**
- 2. Truth in Taxation Presentation**

**E. Business Action Items**

**1. Motion: Approval of the 2022-2023 Audit Report**

Suggested Motion: Motion by \_\_\_\_\_, seconded by \_\_\_\_\_, to approve the 2022-2023 Audit Report

**2. Motion: Tax Levy Final Certification of Pay 24 Levy**

Suggested Motion: Motion by \_\_\_\_\_, seconded by \_\_\_\_\_, to approve the Tax Levy Final Certification of Pay 24 Levy

**3. Motion: Approval of the 2023-2025 Fridley Education Association Master Agreement**

Suggested Motion: Motion by \_\_\_\_\_, seconded by \_\_\_\_\_, to approve the 2023-2025 Fridley Education Association Master Agreement.

**F. Consent Agenda**

Suggested Motion: Motion by \_\_\_\_\_, seconded by \_\_\_\_\_ to approve the consent agenda of including minutes of the work session and business meeting held on November 21, 2023; the Monthly Financial Reports; New Contracts, Amendments, Leaves of Absence, Resignations, Retirements; and changes to the 2024-2025 School Year Calendar

**G. Important Future School Board Dates**

**H. Adjournment**

Suggested Motion: Motion by \_\_\_\_\_, seconded by \_\_\_\_\_, to adjourn at \_\_\_\_\_.



*A World-Class Community of Learners*

# Fridley Public Schools, ISD 14

## Public Hearing for Taxes Payable in 2024

DECEMBER 19, 2023

PRESENTED BY:

RON MEYER, BUSINESS & FINANCE

# Minnesota State Law Requirements

## A Public Meeting...

- Between November 25th & December 28th
- At 6:00 PM or later
- May be part of regularly scheduled meeting
- Must allow for public comments
- May adopt final levy at same meeting

## ...and Presentation of:

- Current year budget
- Proposed property tax levy

# Hearing Agenda

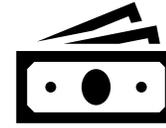
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Background  
Information on  
School Funding



District's Budget



District's Proposed  
Tax Levy for Taxes  
Payable in 2024



Public Comments

# MN Legislature Must Set Funding for Minnesota Public Schools

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Minnesota Constitution ARTICLE XIII

MISCELLANEOUS SUBJECTS

Section 1

**“UNIFORM SYSTEM OF PUBLIC SCHOOLS.** The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The *legislature shall make such provisions by taxation or otherwise* as will secure a thorough and efficient system of public schools throughout the state.”

As a Result,  
Funding is  
Highly  
Regulated

### State Sets:

- Formulas which determine revenue; most revenue based on specified amounts per pupil
- Tax policy for local schools
- Maximum authorized property tax levy
  - Districts can levy less, but not more than amount authorized by state, unless approved by voters in November

State also authorizes school board to submit referendums for operating & capital needs to voters for approval

# Change in Tax Levy does not Determine Change in Budget



Tax levy is based on many state-determined formulas plus voter approved referendums



Some increases in tax levies are revenue neutral, offset by reductions in state aid



Expenditure budget is limited by state-set revenue formulas, voter-approved levies & fund balance



An increase in school taxes does not always correlate to an equal increase in budget

# Difference in Levy Cycles



## School District:

- Budget year begins July 1st
- 2024 taxes provide revenue for 2024-25 fiscal year
- Budget adopted in June 2024



## City/County:

- Budget year begins Jan. 1st
- 2024 taxes provide revenue for 2024 calendar year budget

# Budget Information

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Because approval of school district budget lags certification of tax levy by six months, state requires only current year budget information be presented at this hearing. Fiscal Year 2024-25 budget will be adopted by School Board in June 2024.

**School district budgets are divided into separate funds, based on purposes of revenue, as required by law.**

## **Our District's Funds:**

- General
- Food Service
- Community Service
- Building Construction
- Debt Service
- Internal Service
- OPEB\* Trust
- OPEB\* Debt Service



*\*Other Post-Employment Benefits*

# 2023-2024 Budget All Funds

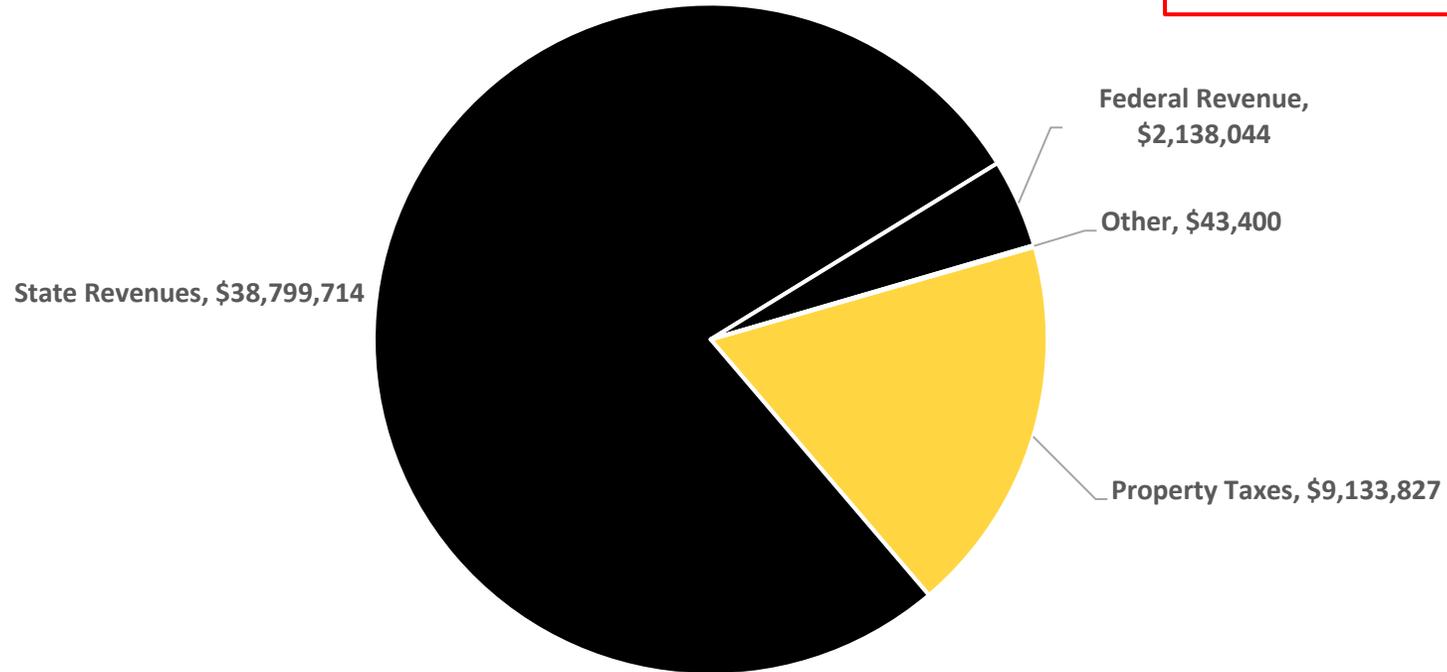
Fund	June 30, 2023 Fund Balances	FY 2024 Budget Revenues and Transfers In	FY 2024 Budget Expenditures and Transfers Out	June 30, 2024 Projected Fund Balances
General Fund/Restricted	1,565,515	12,975,440	14,498,034	42,921
General Fund/Other	3,889,294	37,139,545	35,686,578	5,342,261
Food Service Fund	905,479	2,280,583	2,782,949	403,113
Community Service Fund	(456,108)	2,828,638	3,087,616	(715,086)
Building Construction Fund	4,000	756,113	749,520	10,593
Debt Service Fund	1,056,280	4,184,496	4,206,025	1,034,751
Internal Service Fund	6,198,620	6,130,000	6,034,325	6,294,295
OPEB Revocable Trust Fund	3,732,208	255,000	846,255	3,140,953
OPEB Debt Service Fund	126,216	539,304	533,925	131,595
<b>Total - All Funds</b>	<b>17,021,504</b>	<b>60,961,119</b>	<b>62,390,902</b>	<b>15,685,396</b>

# 2023-2024 Budget General Fund Revenue

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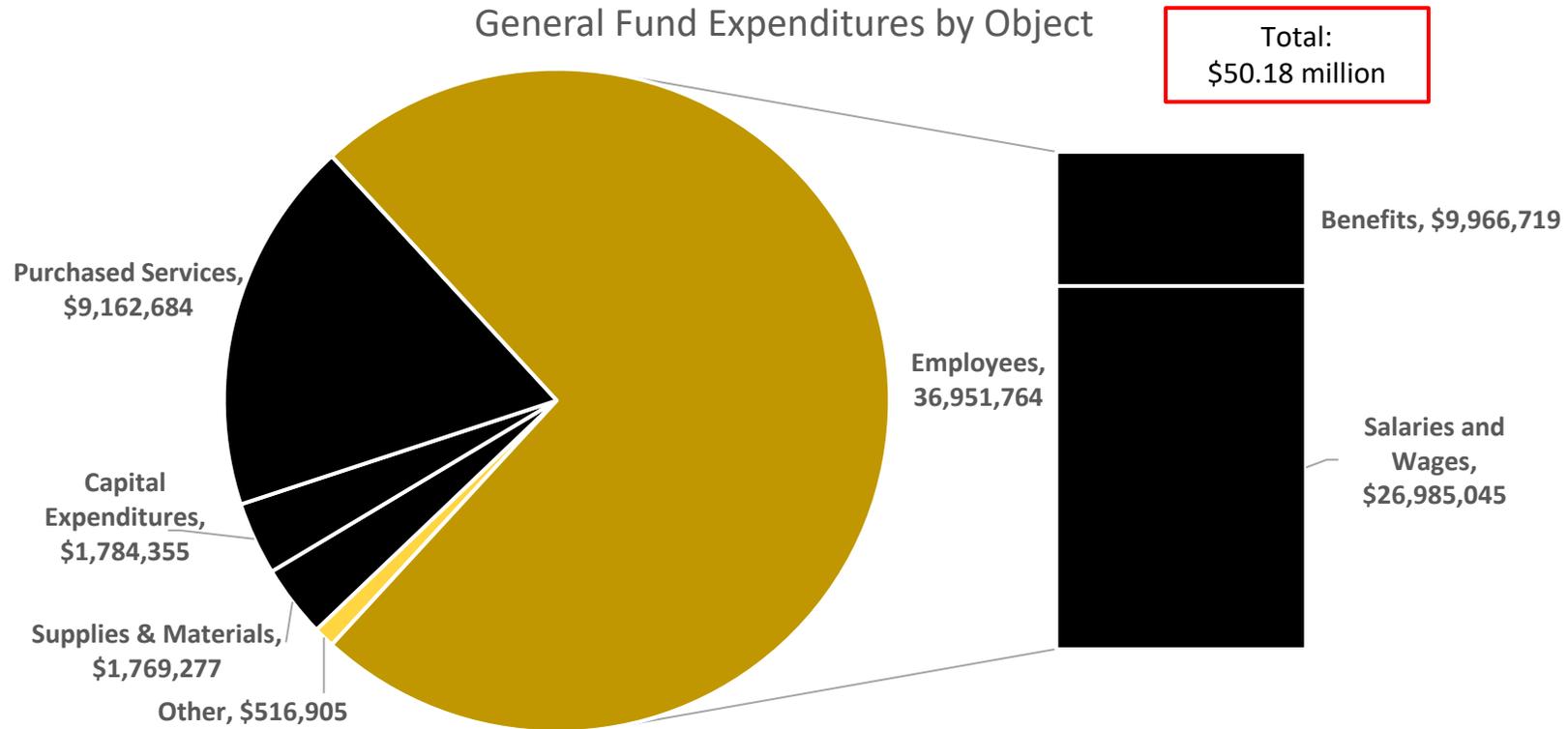
FY 23-24 Adopted Budget  
General Fund Revenue, by Source

Total:  
\$50.11 million



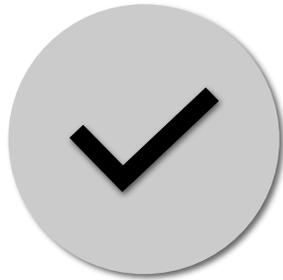
# 2023-2024 Budget General Fund Expenditures

FY 23-24 Adopted Budget  
General Fund Expenditures by Object

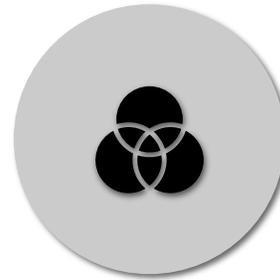


# Payable 2024 Property Tax Levy

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Determination of levy



Compare 2023 to 2024 levies



Reasons for changes in tax levy



Impact on taxpayers

# Sample of parcel specific notice mailed to every property owner between November 11 & November 24

## Contents:

- Proposed property taxes compared to last year
  - By taxing jurisdiction
  - By voter approved & other for school district
- Time & place of public meetings



Spruce County  
 Jane Smith, Auditor-Treasurer  
 345 12th Street East, Box 78  
 Spruceville, MN 55555-5555  
 (555) 345-6789  
 www.co.spruce.mn.us

### TAXPAYER(S):

John and Mary Johnson  
 123 Pine Rd S  
 Spruceville, MN 55555-5555

### Property Information

**PIN Number:** 01.234.56.789.R1      **Property Address:** 789 Pine Rd S  
 Spruceville, MN 55555

**Property Description:**  
 Lot 1, Block 1, Spruce Acres Subdivision

## PROPOSED TAXES 2024

**THIS IS NOT A BILL. DO NOT PAY.**

VALUES AND CLASSIFICATION			
Step	Taxes Payable Year	2023	2024
1	Estimated Market Value	\$125,000	\$150,000
	Homestead Exclusion	\$	\$23,800
	Taxable Market Value	\$125,000	\$126,200
	Class	Res NHmstd	Res Hmstd
PROPOSED TAX			
2	Property Taxes before credits		\$1,479.52
	School building bond credit	\$	12.00
	Agricultural market value credit		
	Other credits		
	Property Taxes after credits		\$1,467.52
PROPERTY TAX STATEMENT			
3	Coming in 2024		
<b>The time to provide feedback on PROPOSED LEVIES is NOW</b> It is too late to appeal your value without going to Tax Court.			

### Proposed Property Taxes and Meetings by Jurisdiction for Your Property

Contact Information	Meeting Information	Actual 2023	Proposed 2024
State General Property Tax	No public meeting	\$0	\$0
County of Spruce Spruce County Courthouse 123 Spruce St Spruceville, MN 55555 www.co.spruce.mn.us (555) 123-4567	December 6, 7:00 PM	\$438.06	\$484.18
City of Spruceville Mayor's Office 456 Spruce St Spruceville, MN 55555 www.ci.spruceville.mn.us (555) 123-7654	December 2, 6:30 PM Spruceville City Hall	\$273.79	\$312.06
Spruceville School District 999 150 1st St N Spruceville, MN 55555 www.spruceville.k12.mn.us (555) 123-6789	December 9, 7:00 PM Spruceville High School Cafeteria		
Voter Approved Levies		\$289.35	\$296.68
Other Levies		\$340.11	\$374.60
<b>Total excluding any special assessments</b>		<b>\$1,341.31</b>	<b>\$1,467.52</b>
			<b>9.4%</b>

*Your school district was scheduled to hold a referendum at the November general election. If the referendum was approved by the voters, the school district's voter approved property tax for 2024 may be higher than the proposed amount shown on this notice.*

# School District Property Taxes

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- Each school district may levy taxes in over 40 different categories
- Maximum levy amounts (calculated by MDE) for each category are set by:
  - State law
  - Voter approval
- Property Tax Process
  - Key steps in process are summarized on next slide
  - Any of these steps may affect taxes on a parcel of property, but district has control over only 1 of 6 steps

# Approval of District's Tax Levy in 2023 (Payable 2024)

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# Overview of District's Proposed Tax Levy

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- Proposed Payable 2024 tax levy is an increase from 2023 of \$602,856 or 4.8%
- Changes by levy category and reasons for major increases & decreases in levy are included on following slides

Comparison of Actual Tax Levy Payable in 2023 to Proposed Levy Payable in 2024

<b>Fund Levy Category</b>	<b>Actual Levy Payable in 2023</b>	<b>Proposed Levy Payable in 2024</b>	<b>\$ Change</b>	<b>% Change</b>
<b>General</b>				
Voter Approved Operating Referendum	\$1,678,485	\$1,695,969	\$17,484	
Local Optional Revenue (LOR)	1,883,553	1,926,031	42,478	
Equity	410,358	396,450	(13,908)	
Voter Approved Capital Project Levy	1,080,189	1,272,850	192,661	
Operating Capital	231,363	275,215	43,852	
Alternate Teacher Compensation	267,958	250,065	(17,893)	
Achievement and Integration	231,175	225,198	(5,977)	
Long Term Facilities Maintenance	1,113,525	1,284,078	170,553	
Instructional Lease	613,804	609,592	(4,212)	
Other	387,541	403,646	16,105	
Prior Year Adjustments	17,813	14,339	(3,475)	
<b>Total, General Fund</b>	<b>\$7,915,765</b>	<b>\$8,353,434</b>	<b>\$437,669</b>	<b>5.5%</b>
<b>Community Service</b>				
Basic Community Education	\$132,835	\$98,898	(\$33,937)	
Early Childhood Family Education	54,739	52,817	(1,921)	
School-Age Child Care	160,000	160,000	0	
Other	1,477	3,363	1,887	
Prior Year Adjustments	610	38,927	38,316	
<b>Total, Community Service Fund</b>	<b>\$349,660</b>	<b>\$354,005</b>	<b>\$4,345</b>	<b>1.2%</b>
<b>Debt Service</b>				
Voter Approved	\$2,278,080	\$2,863,981	\$585,901	
Other	260,295	263,865	3,570	
Long Term Facility Maintenance	1,457,144	1,496,815	39,671	
Other Post Employment Benefits	569,993	0	(569,993)	
Reduction for Debt Excess	(342,499)	(245,304)	97,195	
Prior Year Adjustments	11,973	16,471	4,498	
<b>Total, Debt Service Fund</b>	<b>\$4,234,985</b>	<b>\$4,395,827</b>	<b>\$160,842</b>	<b>3.8%</b>
<b>Total Levy, All Funds</b>	<b>\$12,500,410</b>	<b>\$13,103,266</b>	<b>\$602,856</b>	<b>4.8%</b>
<b>Subtotal by Truth in Taxation Categories:</b>				
Voter Approved	5,040,591	5,758,786	718,195	
Other	7,459,820	7,344,480	(115,340)	
<b>Total</b>	<b>\$12,500,410</b>	<b>\$13,103,266</b>	<b>\$602,856</b>	<b>4.8%</b>

# Explanation of Levy Changes

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**Category:**

General Fund – Voter Approved Capital Project Levy

**Change:**

+\$192,661

**Use of Funds:**

Deferred Maintenance and Technology Costs

**Reasons for Change:**

- Levy is based on voter approved tax rate applied to tax base
- District's tax base increased

# Explanation of Levy Changes

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**Category:**

General Fund – Long Term Facilities Maintenance (LTFM)

**Change:**

+\$170,553

**Use of Funds:**

Deferred Facility Maintenance & Health & Safety Program Costs

**Reason for Change:**

- Revenue provided through a combination of property tax levy and state aid
- District is eligible for additional LTFM revenue based on state-approved project costs; estimated project costs for those projects are \$196,100 for Fiscal Year 2024-25

# Explanation of Levy Changes

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**Category:**

Debt Service – Voter Approved & Other Post Employment Benefits (OPEB)

**Change:**

+\$585,901 (Voter Approved) & -\$569,993 (OPEB)

**Use of Funds:**

Debt Payments

**Reason for Change:**

Debt service levies are coordinated to maintain a level tax rate

# Factors Impacting Individual Taxpayers' School Taxes

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Many factors can cause a tax bill for an individual property to increase or decrease from year to year

- Changes in value of individual property
- Changes in total value of all property within District
- Increases or decreases in levy amounts caused by changes in state funding formulas, local needs & costs, voter-approved referendums & other factors

# Four Year School Levy Comparison

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- Examples include school district taxes only & are shown based on no change and a 35.9% increase in property value for residential homes over the past four years
  - Actual changes in value may be more or less than this for any parcel of property
  - Intended to provide a fair representation of what happened to school district property taxes over this period for typical properties
- Examples are for property in City of Fridley
- Amounts for 2024 are preliminary estimates; final amounts could change slightly
- Estimates prepared by Ehlers (District's municipal financial advisors)

Estimated Changes in School Property Taxes, 2021 to 2024  
Based on No Changes in Property Values

Type of Property	Estimated Market Value	Actual Taxes Payable in 2021	Actual Taxes Payable in 2022	Actual Taxes Payable in 2023	Estimated Taxes Payable in 2024	Change in Taxes 2021 to 2024	Change in Taxes 2023 to 2024
Residential Homestead	\$150,000	\$844	\$853	\$684	\$701	-\$143	\$17
	200,000	1,180	1,192	955	981	-199	26
	250,000	1,517	1,531	1,226	1,261	-256	35
	300,000	1,853	1,869	1,497	1,540	-313	43
	350,000	2,189	2,208	1,768	1,820	-369	52
	400,000	2,525	2,547	2,039	2,100	-425	61
	500,000	3,164	3,190	2,554	2,631	-533	77
	600,000	3,907	3,937	3,152	3,249	-658	97
	800,000	5,394	5,432	4,347	4,487	-907	140
1,000,000	6,881	6,926	5,542	5,725	-1,156	183	
Commercial/Industrial #	\$500,000	\$3,748	\$3,545	\$2,977	\$3,112	-\$636	\$135
	750,000	5,735	5,421	4,552	4,763	-972	211
	1,000,000	7,723	7,297	6,128	6,414	-1,309	286
	1,500,000	11,698	11,048	9,280	9,716	-1,982	436
	2,000,000	15,673	14,799	12,431	13,017	-2,656	586
Apartments and Res. Non-Homestead ( 2 or more units)	\$200,000	\$1,487	\$1,494	\$1,195	\$1,238	-\$249	\$43
	600,000	4,461	4,483	3,585	3,713	-748	128
	1,000,000	7,435	7,472	5,975	6,189	-1,246	214

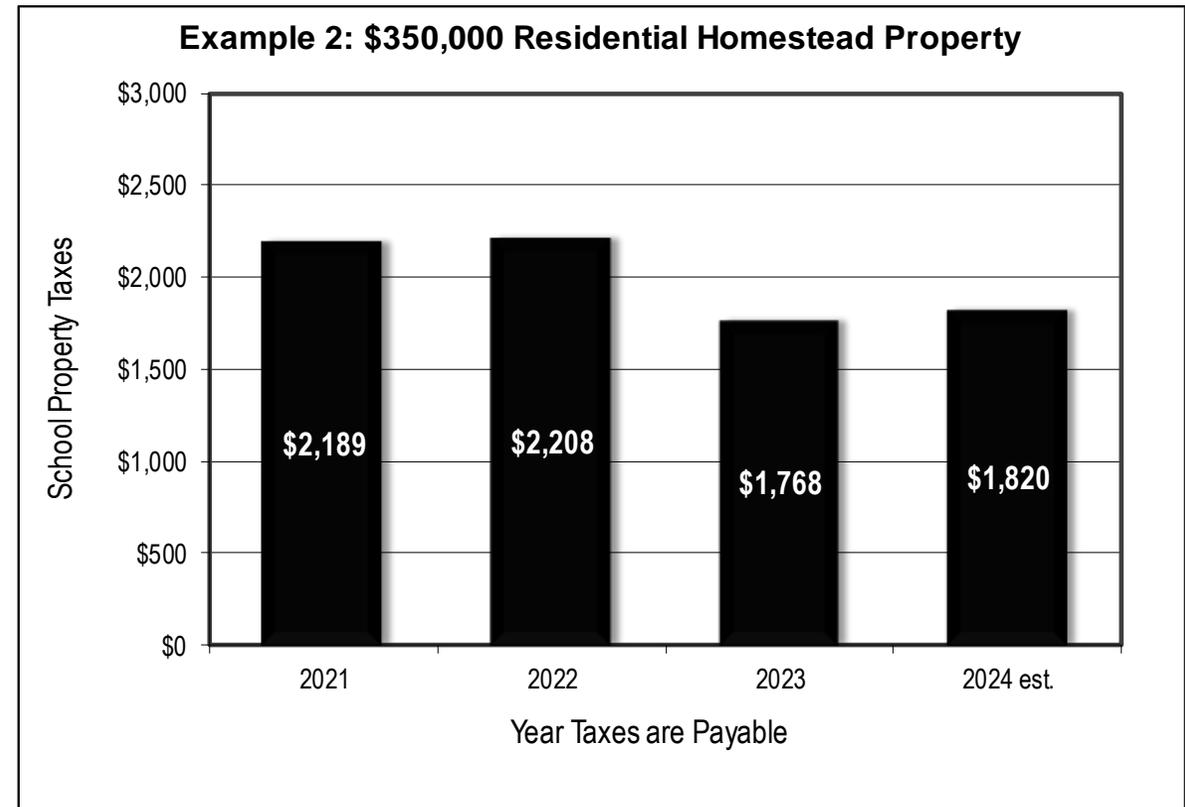
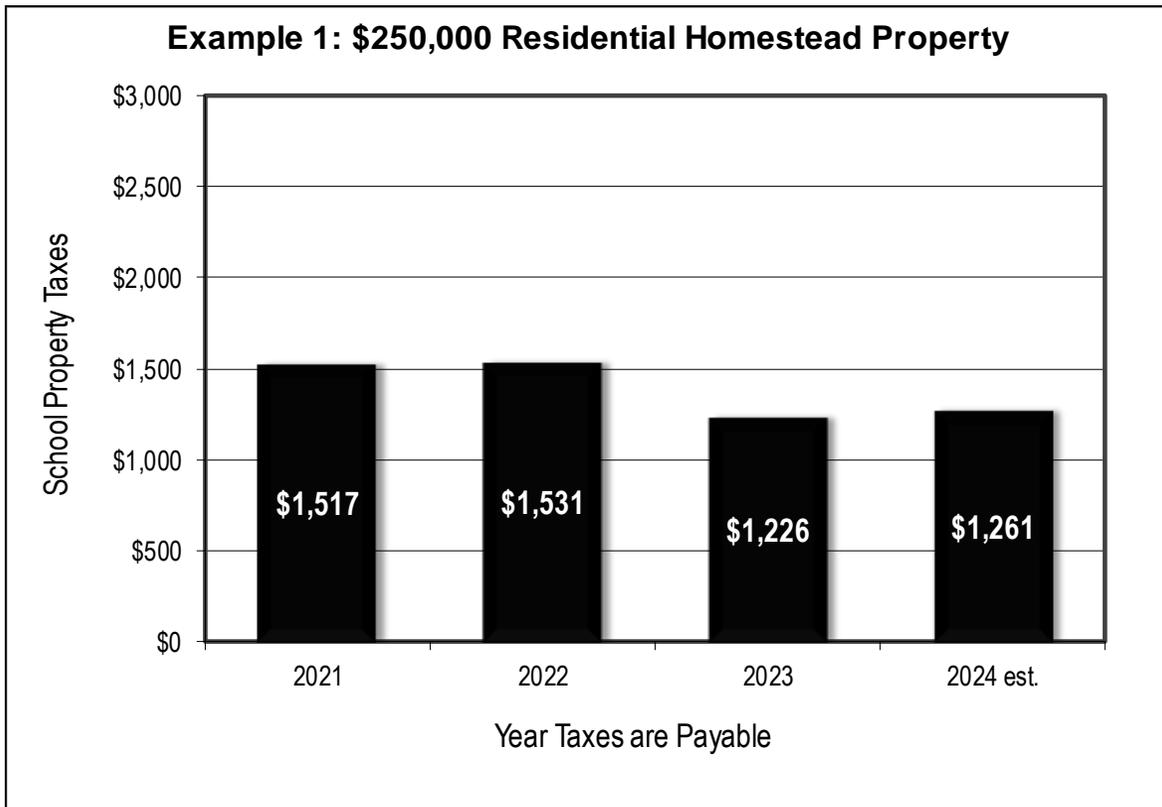
# For commercial-industrial property, amounts above are for property in Fridley . Taxes for commercial-industrial property in other municipalities may be slightly different, due to the impact of the Fiscal Disparities Program.

**General Notes**

1. Amounts are based on school district taxes only, and do not include taxes for city or township, county, state, or other taxing jurisdictions.
2. Estimates of taxes payable in 2024 are preliminary, based on the best data available.
3. For all examples of properties, taxes are calculated based on no changes in estimated market value from 2021 to 2024.

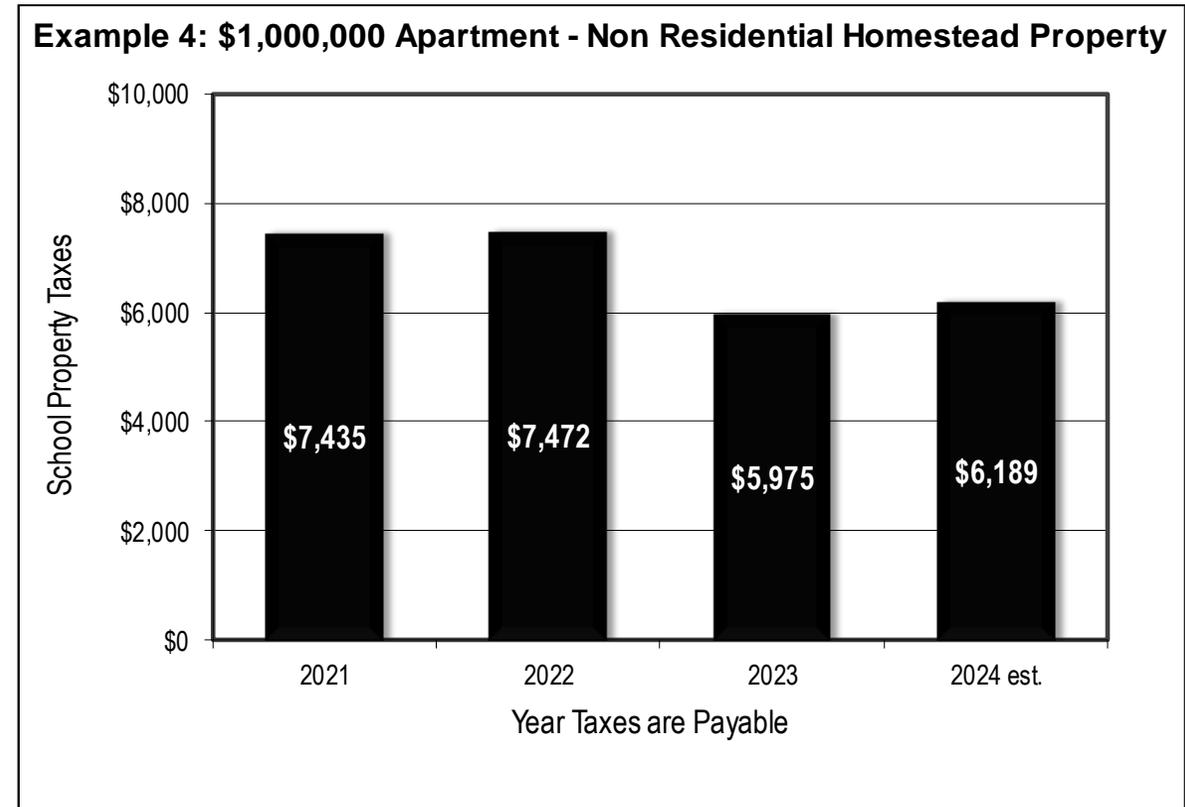
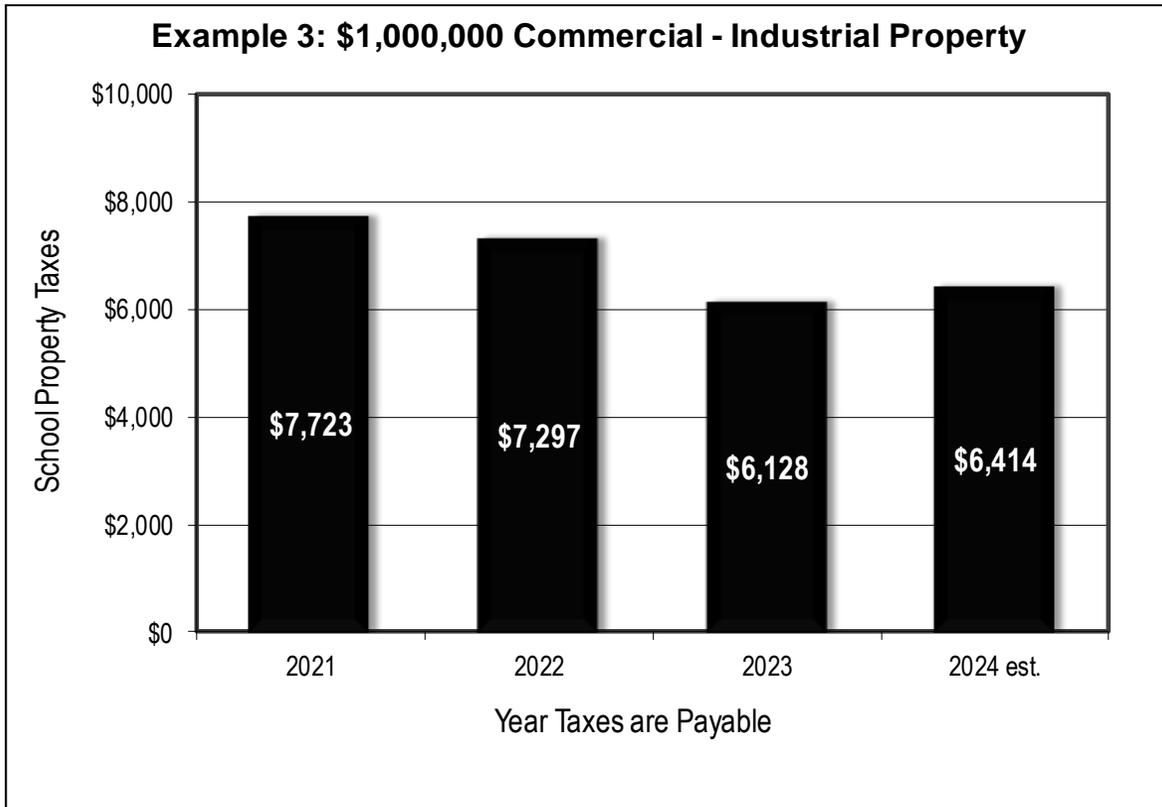
# Estimated Changes in School Property Taxes, 2021-24

*Based on No Changes in Property Value*



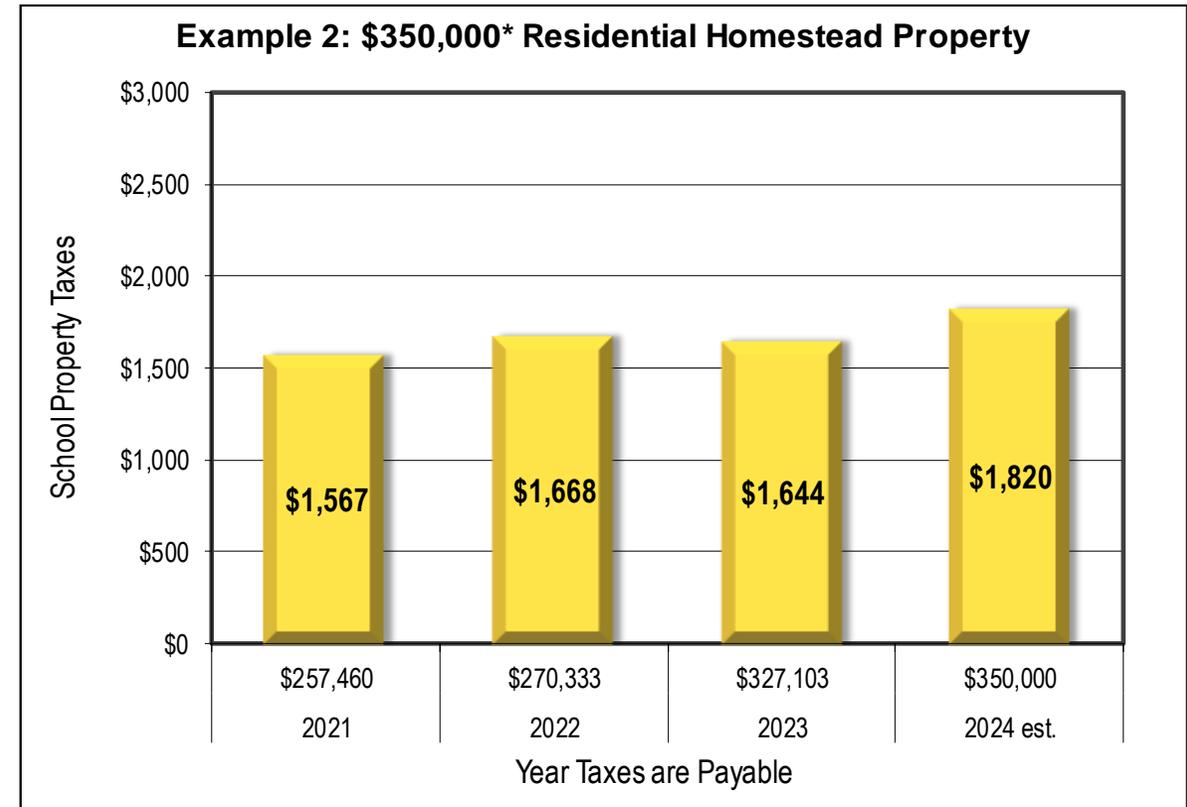
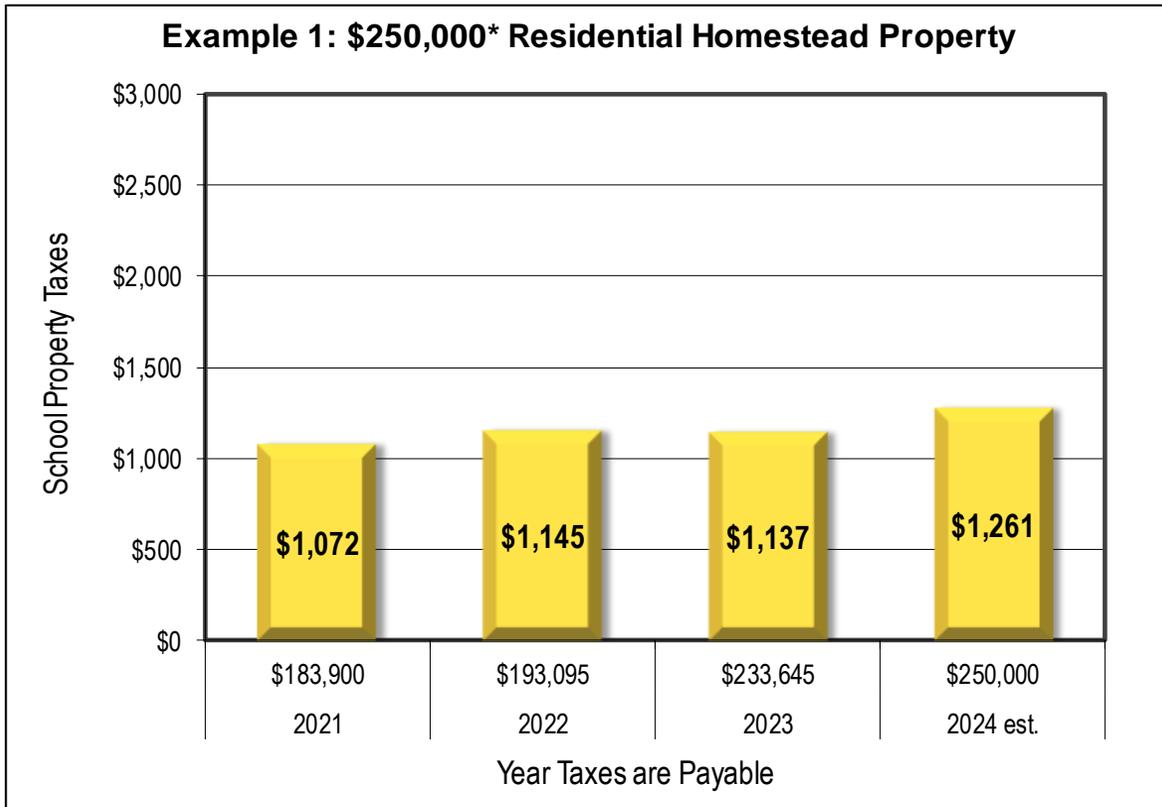
# Estimated Changes in School Property Taxes, 2021-24

*Based on No Changes in Property Value*



# Estimated Changes in School Property Taxes, 2021-24

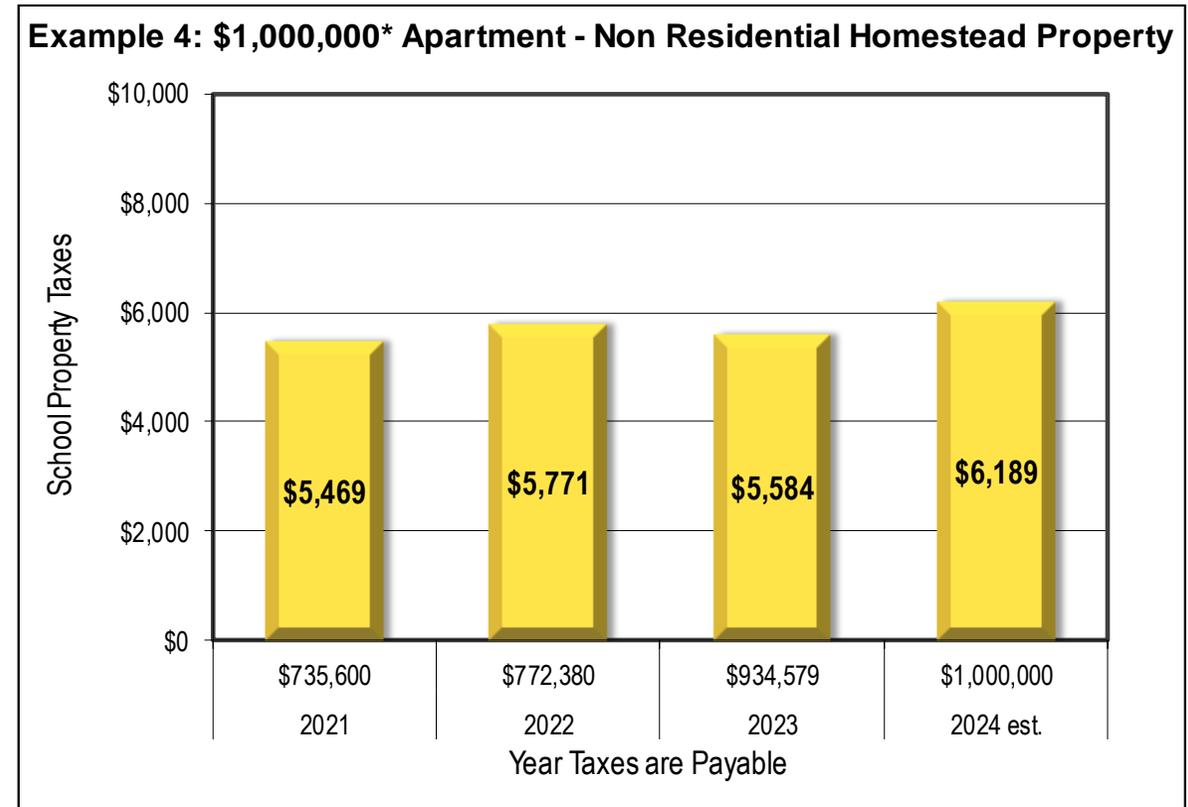
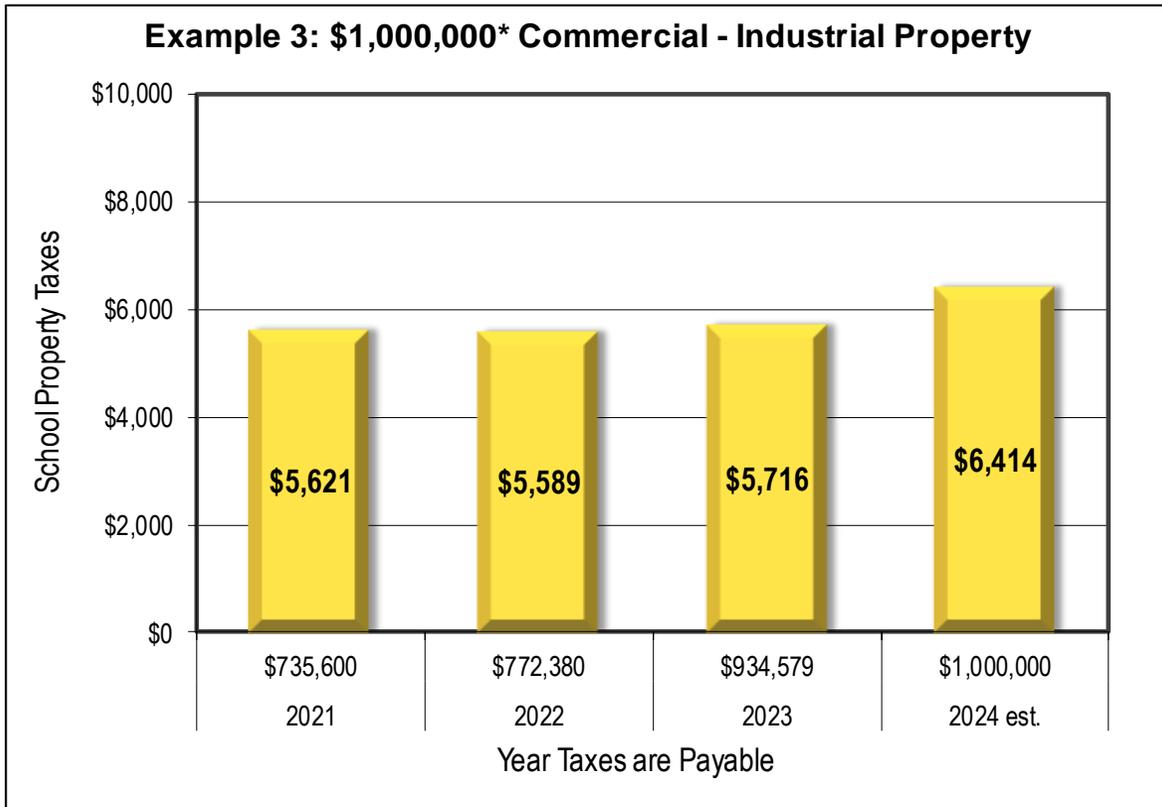
*Based on 35.9% Cumulative Changes in Property Value*



\* Estimated market value for taxes payable in 2024. Taxes are calculated based on changes in market value of 5.0% from 2021 to 2022, 21.0% from 2022 to 2023 and 7.0% from 2023 to 2024.

# Estimated Changes in School Property Taxes, 2021-24

*Based on 35.9% Cumulative Changes in Property Value*



\* Estimated market value for taxes payable in 2024. Taxes are calculated based on changes in market value of 5.0% from 2021 to 2022, 21.0% from 2022 to 2023 and 7.0% from 2023 to 2024.

# State Property Tax Refunds & Deferral

## Homestead Credit Refund

- Available for all homestead property, both residential and agricultural (house, garage and one acre (HGA) only)
- Refund is sliding scale, based on total property taxes and income (maximum refund is \$3,140 for homeowners and \$2,440 for renters)

## Special Property Tax Refund

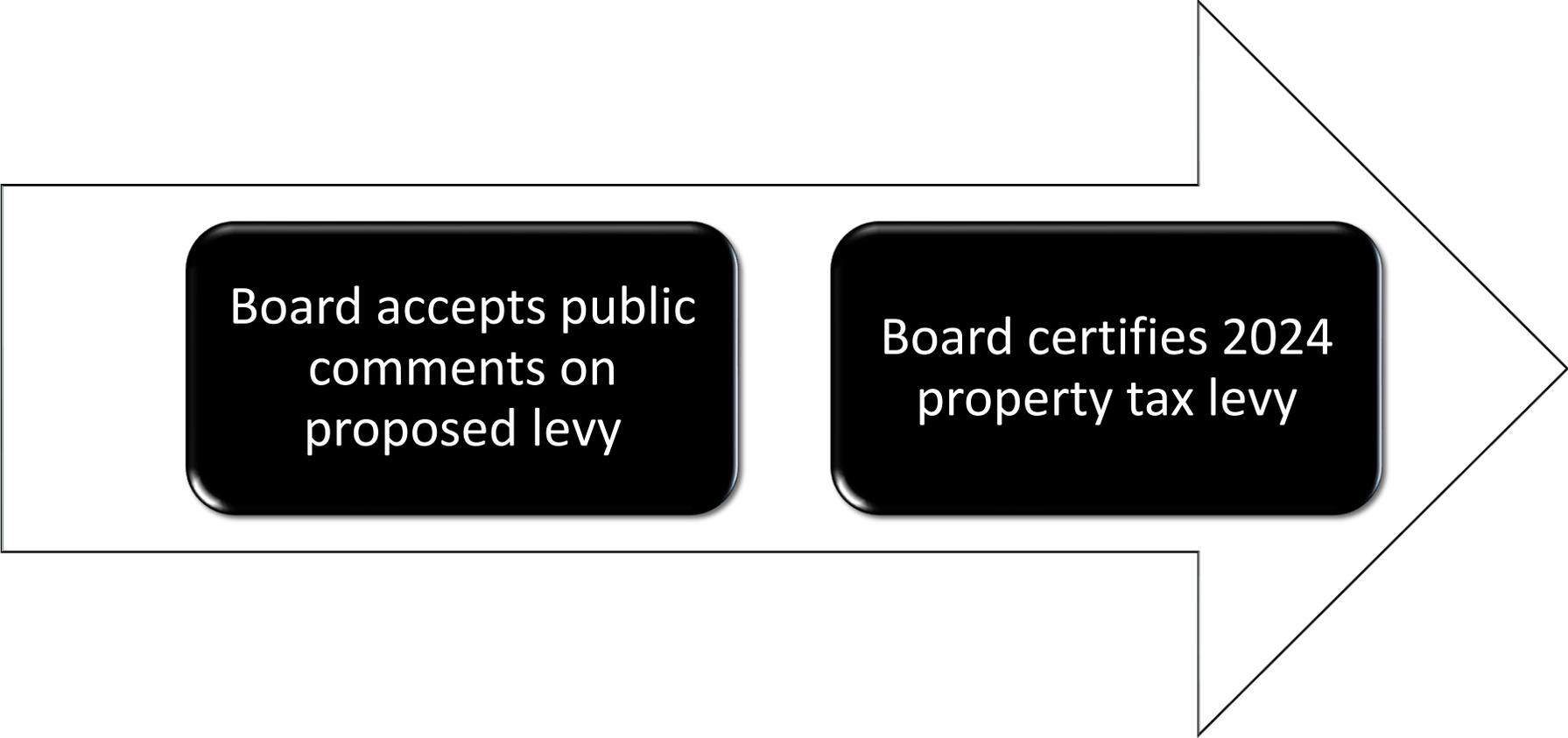
- Available for all homestead property, both residential & agricultural (HGA only) with a gross tax increase of at least 6% and \$100 over prior year
- Refund is 60% of tax increase that exceeds greater of 6% or \$100 (max \$2,500)

## Senior Citizen Property Tax Deferral

- Allows people 65 years of age or older with household income of \$96,000 or less to defer a portion of property taxes on their home
- Deferred property taxes plus accrued interest must be paid when home is sold or homeowner(s) dies

# Next Steps

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Board accepts public  
comments on  
proposed levy

Board certifies 2024  
property tax levy



*A World-Class Community of Learners*

PUBLIC COMMENTS

**Independent School District No. 14  
Fridley, Minnesota**

**Basic Financial Statements**

**June 30, 2023**



**Independent School District No. 14  
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**Independent School District No. 14  
Board of Education and Administration  
June 30, 2023**

<u>Board of Education</u>	<u>Position</u>	<u>Term Expires</u>
Ross Meisner	Chair	January 1, 2026
Abdisalam Adam	Vice Chair	January 1, 2024
Nikki Auna	Treasurer	January 1, 2026
Jason Karnopp	Clerk	January 1, 2024
Avonna Starck	Director	January 1, 2026
Donna Prewedo	Director	January 1, 2024
<u>Ex Officio Member</u>		
Dr. Kim Hiel	Superintendent	
Craig Wieber	Director of Finance and Operations	

## Independent Auditor's Report

To the School Board  
Independent School District No. 14  
Fridley, Minnesota

### **Report on the Audit of the Financial Statements**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 14, Fridley, Minnesota, as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 14, as of June 30, 2023, 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 (GAAS) 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 Independent School District No. 14 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 – Implementation of GASB 96**

The District has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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

The management of Independent School District No. 14 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, which raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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, which raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information 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 Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

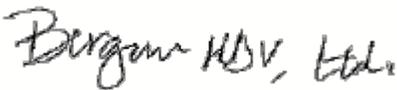
### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

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 accompanying supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



St. Cloud, Minnesota  
December 14, 2023

## **Independent School District No. 14 Management's Discussion and Analysis**

This section of Independent School District No. 14 (the "District") annual financial report presents its Management's Discussion and Analysis (MD&A) of the District's financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

### **Key Points of Interest**

- The District's Governmental Funds Balance Sheet reflects an Unassigned General Fund balance of \$2,352,079. This is a decrease from the prior year of \$756,676.
- The total General Fund balance of \$5,454,811 is a decrease of \$1,766,356 from the prior year.
- The government-wide Statement of Activities shows an increase in net position of \$8,413,647.
- The net position value on the government-wide Statement of Net Position is a deficit of \$9,523,613. Net position value is similar to the Balance Sheet's Equity for Private Sector businesses.
- Total government wide long-term liabilities, excluding OPEB and pension liabilities, are \$44,820,242 and are comprised of \$41,682,497 in General Obligation (G.O.) Bonds, \$1,923,455 in financed purchases, \$549,305 in lease and subscription liabilities and \$664,985 of severance and compensated absences payable.
- The District's investment in capital assets, net of depreciation, is \$51,443,041. The decrease from the prior year of \$78,426 is due to slowing down investments in capital assets while focusing on completing major HVAC and boiler projects started in prior years. The investment in capital assets exceeds the total of G.O. bonds plus the financed purchases and leases (the debt related to investment in capital assets) by \$8,011,120.

### **Overview of the Financial Statements**

This annual report consists of two parts: MD&A (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental fund statements tell how basic services such as regular and special education are financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

Figure A-1 on the next page shows how the various parts of this annual report are arranged and related to one another.



**Independent School District No. 14  
Management's Discussion and Analysis**

**Overview of the Financial Statements (Continued)**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

<b>Figure A-2 Major Features of the District-Wide and Fund Financial Statements</b>			
	<b>District-Wide Statements</b>	<b>Fund Financial Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not fiduciary, such as special education and building maintenance	Activities of the District operates similar to private business - Internal Service Fund
Required Financial Statements	- Statement of Net Position - Statement of Activities	- Balance Sheet - Statement of Revenues, Expenditures, and Changes in Fund Balances	- Statement of Net Position - Statement of Revenues, Expenses and Changes in Fund Net Position - Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital, and short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when good or services have been received and related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

## **Independent School District No. 14 Management's Discussion and Analysis**

### **Overview of the Financial Statements (Continued)**

#### *Government-Wide Statements*

The government-wide statements 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 statements report the District's net position and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. To assess the District's overall health, one should consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

#### *Fund Financial Statements*

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets 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 funds statements provide a detailed short-term view that indicates whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs and obligations.

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

The Statement of Net Position identifies current assets and liabilities from noncurrent assets and long-term debt, respectively. The ratio of these current assets of \$34.6 million to current liabilities of \$10.5 million is 3.3. A "current ratio" greater than 1.0 indicates that sufficient assets are available that can be converted to cash to meet District obligations payable over the next 12-month period.

The Statement of Net Position includes noncurrent assets not reported on the governmental funds balance sheet. These noncurrent assets include the total acquisition cost of the District's capital assets less accumulated depreciation. During the year, the District acquired \$4,476,759 of additional capital assets. The majority of this increase is comprised of work in progress related to HVAC system building automation, boiler replacements, water system upgrades and parking lot improvements. The remaining capital asset additions consist of purchases associated with the District's Long-Term Facilities Maintenance program and equipment and vehicle replacements. Depreciation expense for the year equaled \$4,582,663. The increase in the current year depreciation expense exceeded the new investment in capital equipment, resulting in a slight decrease in the net capital asset total to \$51,443,041 compared to \$51,521,467 for the prior year.

## **Independent School District No. 14 Management's Discussion and Analysis**

### **Financial Analysis of the District as a Whole (Continued)**

Related to the noncurrent assets are the general obligation bonds. On November 12, 2020, the district issued \$4,475,000 General Obligation (G.O.) School Building Refunding Bonds, Series 2020A. These bonds refunded the G.O. School Building Refunding Bonds issued in 2012 which refunded the G.O. School Building Bonds issued in 2004. On November 8, 2018, the District issued \$2,450,000 G.O. Taxable OPEB Refunding Bonds, Series 2018A. These bonds refunded the OPEB bond issued in 2009 to fund the Districts' obligation for retiree insurance benefits. On February 15, 2017, the District issued \$1,960,000 G.O. Tax Abatement Bonds, Series 2017A. The proceeds funded parking lot construction projects throughout the District. The District issued \$25,890,000 G.O. School Building bonds, Series 2016A in February of 2016. The voters of the District authorized the school building issue in November of 2015. Over the course of three years, the proceeds funded safety and security upgrades, deferred maintenance, building renovations, technology improvements, and building additions. The remaining liability on these bonds, net of unamortized premiums, as of June 30, 2023, is \$41.7 million. The capital asset additions and the amortization of the general obligation bonds resulted in an increase of \$3,640,975 in the net investment in capital assets total compared to the prior year.

Additional long-term debt for severance pay (employee separation pay based on unused sick time) is \$0.2 million, which is owed to employees who have retired prior to June 30.

The District reported an OPEB liability of \$2,497,107, a decrease of \$535,478 from the prior year.

Due to changes, primarily in actuarial assumptions used by the State of Minnesota's public pensions, the District reported a total net pension liability of \$34,564,124, an increase of \$16.7 million from the previous year.

Overall, the District's net position increased \$8,413,647 during the year from current year operations and total net position decreased to a deficit of \$9.5 million.

**Independent School District No. 14  
Management's Discussion and Analysis**

**Financial Analysis of the District as a Whole (Continued)**

**Figure A-3  
Condensed Statement of Net Position (in Thousands of Dollars)**

	<u>2023</u>	<u>2022</u>	<u>Percent Change</u>
Current and OPEB assets	\$ 34,573	\$ 36,319	(4.8%)
Capital assets	<u>51,443</u>	<u>51,522</u>	(0.2%)
Total assets	<u>86,016</u>	<u>87,841</u>	(2.1%)
Deferred outflows of resources	<u>11,926</u>	<u>12,626</u>	(5.5%)
Current liabilities	10,470	9,869	6.1%
Long-term liabilities	<u>77,380</u>	<u>65,653</u>	17.9%
Total liabilities	<u>87,850</u>	<u>75,522</u>	16.3%
Deferred inflows of resources	<u>19,615</u>	<u>42,881</u>	(54.3%)
Net investment in capital assets	8,011	4,370	(83.3%)
Restricted for debt service	599	396	(51.3%)
Restricted for capital projects	4	4	- %
Restricted for other purposes	3,748	3,513	6.7%
Unrestricted net position	<u>(21,886)</u>	<u>(26,220)</u>	(16.5%)
Total net position	<u>\$ (9,524)</u>	<u>\$ (17,937)</u>	46.9%

**Independent School District No. 14  
Management's Discussion and Analysis**

**Financial Analysis of the District as a Whole (Continued)**

**Figure A-4  
Changes in Net Position from Operating Results (in Thousands of Dollars)**

	<u>2023</u>	<u>2022</u>	<u>Percent Change</u>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 1,863.5	\$ 1,690.5	10.2%
Operating grants and contributions	23,722.4	21,447.8	10.6%
Capital grants and contributions	1,693.7	1,662.7	1.9%
General revenues			
Property taxes	12,663.8	12,280.9	3.1%
State formula aid	20,397.1	20,077.0	1.6%
Other	586.2	(84.5)	793.7%
Total revenues	<u>60,926.7</u>	<u>57,074.4</u>	<u>6.7%</u>
<b>Expenses</b>			
Administration and district support	4,367.6	4,146.6	5.3%
Instruction, pupil support, student food, and transportation services	36,093.0	37,709.1	(4.3%)
Sites and buildings	3,931.2	3,765.2	4.4%
Community services	2,721.5	2,615.3	4.1%
Interest and fiscal charges on long-term debt	1,276.8	1,362.1	(6.3%)
Fiscal and other fixed cost programs	258.7	240.0	7.8%
Unallocated depreciation (buildings)	3,864.2	3,713.9	4.0%
Total expenses	<u>52,513.0</u>	<u>53,552.2</u>	<u>(1.9%)</u>
Increase (decrease) in net position	<u>\$ 8,413.7</u>	<u>\$ 3,522.2</u>	<u>138.9%</u>

The Statement of Activities is government-wide and, like the Statement of Net Position, the first year it was prepared was 2003. Figure A-4 illustrates that an increase in net position of \$8,413,647 is attributable to activity during the year.

The pie chart in Figure A-5 shows the sources of District revenues. Program revenues include operating grants and contributions which totals 38.9% of total revenue. Operating grants and contributions consist mostly of state and federal funding of special education and other state and federal categorical spending. Charges for services, comprised of mostly special education tuition billings, food service and community center receipts make up 3.1% of revenue. Capital Grants consisting of state aid for operating capital and federal grants used for air quality improvements is 2.8% of revenue.

General revenues include the state aid formula which accounts for 33.5% of the District's total funding. Property taxes make up 20.7% of the total funding.

## **Independent School District No. 14 Management's Discussion and Analysis**

### **Financial Analysis of the District as a Whole (Continued)**

Revenues for the year increased by \$3,852,000 or 6.7%. Operating grants and contributions increased 10.6% as a result of federal grants received to combat the effect of the COVID-19 pandemic throughout the District. Charges for services increased 10.2% as operations began returning to pre-pandemic activities, specifically within the community education and food service programs. Other general revenues increased \$670,700, or 793.7% as a result of a significant increase in investment interest rates and corresponding market value adjustments.

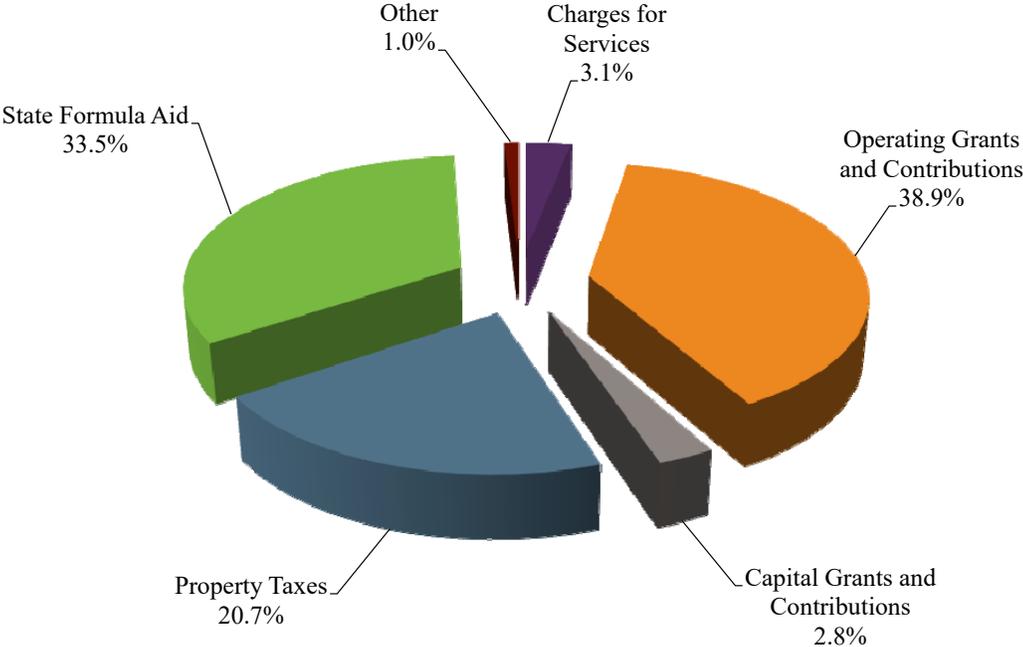
Expenses for the year were \$1,039,200, or 1.9%, lower than the previous year. The largest factor in the decrease in expenses was the decrease in instruction, pupil support, student food and transportation services expenditures, which decreased \$1,616,000, or 4.3%. This decrease was the result of pension liability changes. Administration and district support expenses increased \$221,000, or 5.3%, resulting from district support capital investments.

The pie chart illustrated in Figure A-6 on the following page indicates the costs of the District's programs and services. The District's expenses predominantly related to instructing students and pupil support (including food service and student transportation) accounted for 68.7% of the government-wide expenditures, which is a slightly lower percentage of government-wide expenditures than in prior years. Sites and buildings were 7.5%, administration and district support services accounted for 8.3%, community services expenditures were 5.2% and less than 1% was spent on fiscal and other fixed programs. Interest expense on the District's outstanding long-term debt was 2.4% and 7.4% of expense was attributable to unallocated depreciation (buildings).

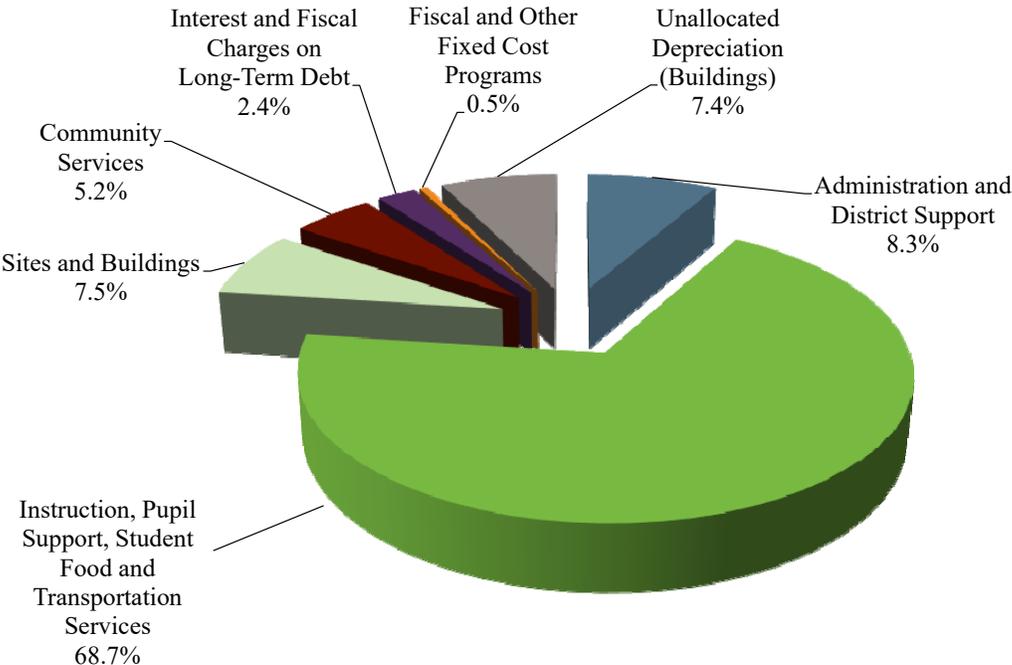
**Independent School District No. 14  
Management's Discussion and Analysis**

**Financial Analysis of the District as a Whole (Continued)**

**Figure A-5  
Sources of Revenue for Fiscal Year 2023**



**Figure A-6  
Expenses for Fiscal Year 2023**



## Independent School District No. 14 Management's Discussion and Analysis

### Financial Analysis of the District as a Whole (Continued)

Figure A-7 presents the cost of the major District activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for the specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**Figure A-7  
Net Cost of Activities (in thousands of dollars)**

	Total Cost of Services			Net Cost of Services		
	2023	2022	Percent Change	2023	2022	Percent Change
Administration/district support	\$ 4,368	\$ 4,147	5.3%	\$ 4,365	\$ 4,126	5.8%
Regular instruction	16,639	18,897	(11.9%)	5,943	10,474	(43.3%)
Vocational instruction	522	484	7.9%	497	471	5.5%
Special instruction	8,156	8,389	(2.8%)	348	812	(57.1%)
Instructional support	3,004	2,857	5.1%	1,233	1,822	(32.3%)
Pupil support services	5,408	5,186	4.3%	3,924	3,343	17.4%
Sites and buildings	3,931	3,765	4.4%	2,876	2,053	40.1%
Fiscal and other fixed programs	259	240	7.9%	259	240	7.9%
Food service	2,364	1,896	24.7%	4	(428)	(100.9%)
Community services	2,721	2,615	4.1%	643	762	(15.6%)
Unallocated depreciation	3,864	3,714	4.0%	3,864	3,714	4.0%
Interest on long-term debt	1,277	1,362	(6.2%)	1,277	1,362	(6.2%)
Total	\$ 52,513	\$ 53,552	(1.9%)	\$ 25,233	\$ 28,751	(12.2%)

The cost of all District activities this year was \$52.5 million.

- Users of the District's programs financed some of the costs (\$1.9 million).
- The federal and state governments subsidized certain programs with operating and capital grants and contributions (\$23.7 million).
- District and state taxpayers financed most of the District's activity, \$20.4 million from unrestricted state aid and \$12.7 million from property taxes.
- Investment and other income increased significantly from the previous year but remains insignificant in comparison to other revenue sources.

### Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported a combined fund balance of \$7,090,677. This is a decrease of \$1,858,703 from last year. This decrease largely resides in the general fund with increased spending resulting from returning to pre-pandemic services as well as planned increased in wages under various contract settlements.

## **Independent School District No. 14 Management's Discussion and Analysis**

### **Financial Analysis of the District's Funds (Continued)**

The General Fund unassigned fund balance at June 30, 2023, decreased \$756,676 to a balance of \$2,352,079. The assigned fund balance at June 30, 2023, was \$808,544. The assigned fund balance consists of funds for students, separation and retirement benefits and funds for curriculum adoption. The Assigned fund balance declined due to a planned use of previously assigned funds related to curriculum adoption. The restricted fund balance declined \$212,123 from the prior year due to spend downs on both operating capital and long-term facilities maintenance ten-year plan funds.

The Other Nonmajor Funds deficit unassigned fund balance of \$660,292 is due to the costs incurred by community education programs to start up programs and resume operations that had been impacted by pandemic restrictions.

### ***General Fund Budgetary Points of Interest***

General Fund revenues of \$50,768,444 were within 3.8% of budget overall. Federal revenues were over budget \$1,213,826 as the District budgeted conservatively and utilized unexpected federal funds that became available during the year. Other local and county revenues were over budget \$421,764 due to an unbudgeted increase in interest rates during the year.

General Fund expenditures of \$51,836,532 were over budget, with actual expenditures varying from budgeted expenditures by \$2,767,034. In total, the variance was 5.64%; however, there were variances within several functions of the District. The largest difference was in sites and buildings current and capital expenditures, which exceeded budget at net \$896,308 as a result of several building projects that were funded using restricted fund balance and therefore not budgeted as current expenditures in the final budget, along with new project expenditures coming in higher than anticipated. Instructional support services capital expenditures were over budget \$826,946, due to the District receiving federal funds for an internet connectivity initiative. Special education expenditures were over budget by \$445,691 as the District realized increased contracted service costs that were not anticipated.

The expenditure budget was amended \$277,473 to a final budget of \$49,069,498. This adjustment was made to reflect anticipated changes in capital projects and staffing.

**Independent School District No. 14  
Management's Discussion and Analysis**

**Capital Asset and Debt Administration**

***Capital Assets***

Figure A-8 illustrates a comparison of capital assets between this year and last year. During the year, the District acquired a net \$4,476,759 of capital assets, including \$54,114 in subscription assets added as a result of implementing GASB 96. The work in progress category decreased and the buildings category increased as prior projects were completed, including boiler replacement projects at multiple sites, loading dock improvements and tennis court reconstruction projects at the High School. Equipment increased \$1,151,730 with additions to student technology and replacement of equipment.

Depreciation expense for the year was \$4,582,663 which remains consistent with the prior years' depreciation expense.

**Figure A-8  
Capital Assets**

	<u>2023</u>	<u>2022</u>	<u>Percent Change</u>
Land	\$ 657,500	\$ 657,500	-
Work in progress	662,806	1,777,277	(62.7%)
Improvements	5,247,605	4,755,074	10.4%
Buildings	97,464,374	93,759,484	4.0%
Equipment	5,200,053	4,048,323	28.4%
Leased Buildings	718,809	718,809	100.0%
Leased Equipment	163,615	163,615	100.0%
Subscription asset	54,114	-	100.0%
Total before depreciation	<u>110,168,876</u>	<u>105,880,082</u>	4.1%
Accumulated depreciation	<u>(58,725,835)</u>	<u>(54,358,615)</u>	8.0%
Capital assets (net of accumulated depreciation)	<u>\$ 51,443,041</u>	<u>\$ 51,521,467</u>	(0.2%)

***Long-Term Debt***

At year-end, the District had \$44,820,242 in total long-term debt as shown in Figure A-9. More detailed information about the District's long-term liabilities is presented in the notes to financial statements.

**Figure A-9  
Outstanding Long-Term Debt and Separation and Severance Payable**

	<u>2023</u>	<u>2022</u>	<u>Percent Change</u>
General Obligation Bonds, Financed Purchases, Leases and Subscriptions	\$ 44,155,257	\$ 48,455,887	(8.9%)
Separation and Severance and Vacation Payable	<u>664,985</u>	<u>702,899</u>	(5.4%)
Total	<u>\$ 44,820,242</u>	<u>\$ 49,158,786</u>	(8.8%)

## **Independent School District No. 14 Management's Discussion and Analysis**

### **Capital Asset and Debt Administration (Continued)**

#### ***Long-Term Debt (Continued)***

The decrease in General Obligation Bonds, Financed Purchases, Leases and Subscriptions is primarily related to the principal repayment on current outstanding debt. In 2020, the District issued \$4,475,000 in G.O. Building Refunding Bonds, Series 2020A, which refunded the G.O. Building Refunding Bonds, Series 2012A. In 2018, the District issued \$2,450,000 General Obligation Taxable OPEB Refunding Bonds, Series 2018A. These bonds refund the OPEB bond issued in 2009 to fund the districts obligation for retiree insurance benefits. In 2017, the District issued \$1,960,000 G.O. Abatement Bonds, Series 2017A for parking lot improvements throughout the District. The District issued \$25,890,000 G.O. School Building bonds, Series 2016A in the February of 2016. The voters of the District authorized the bond issue in November of 2015.

#### **Factor's Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of a number of existing circumstances that could significantly affect its financial health in the future:

- The Minnesota legislature determines education funding for each biennium. Future increases are uncertain at the time of issuance.
- The District's student enrollment decreased to 2,717 students in FY 2022-23. This is a decrease of 79 students or 2.8 percent from FY 2021-22. Enrollment continues to fluctuate over time, with the District projected a decline in 2023-24. The District continues to focus on retaining residents and attracting open enrolled students going forward as the majority of school funding is tied to student enrollment.
- The District has a potential liability of several million dollars in post-retirement benefits (health insurance) to be paid to current and future retirees of the District. Because the District expects new retirements over the course of the next few years, payments for these benefits will continue for several years to come. Funding for these expenses will come from an OPEB trust established in 2010. The unfunded portion of this liability is reported in the District statements beginning with the fiscal year ended June 30, 2009, as required by GASB 43 and 45, and subsequently GASB 75.
- The single largest expenses for the District are staff salaries. All of the District bargaining groups have contracts in place through June 30, 2023.
- Historically, Fridley has had a relatively high number of open-enrolled and non-resident students. While our District is able to receive state aid for these students, it would put the District in a difficult financial position if these students chose not to attend our schools in future years.

#### **Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Manager, Independent School District 14, 6000 West Moore Lake Drive, Fridley, Minnesota 55432.

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## **BASIC FINANCIAL STATEMENTS**

**Independent School District No. 14**  
**Statement of Net Position**  
**June 30, 2023**

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 16,550,765
Current property taxes receivable	7,809,688
Delinquent property taxes receivable	133,314
Accounts receivable, net of allowance	71,607
Interest receivable	26,546
Due from Department of Education	4,318,715
Due from Federal Government through Department of Education	5,221,079
Due from other Minnesota school districts	62,700
Due from other governmental units	140,363
Inventory	22,213
Prepaid items	215,571
Capital assets not being depreciated	
Land	657,500
Construction in progress	662,806
Capital assets net of accumulated depreciation	
Buildings	43,905,070
Land improvements	3,396,619
Furniture and equipment	2,290,443
Leased buildings	381,440
Leased equipment	113,087
Subscription asset	36,076
Total assets	86,015,602
<b>Deferred Outflows of Resources</b>	
Deferred charges on refunding	198,336
Deferred outflows of resources related to OPEB	337,303
Deferred outflows of resources related to pensions	11,390,395
Total deferred outflows of resources	11,926,034
Total assets and deferred outflows of resources	\$ 97,941,636
<b>Liabilities</b>	
Accounts and contracts payable	\$ 1,026,620
Salaries and benefits payable	2,372,953
Incurred but not reported claims	296,972
Interest payable	660,286
Due to other Minnesota school districts	211,670
Due to other governmental units	112,822
Unearned revenue	1,287,172
Bond principal payable (net unamortized premium)	
Payable within one year	3,280,000
Payable after one year	38,402,497
Financed purchases	
Payable within one year	516,390
Payable after one year	1,407,065
Lease liability	
Payable within one year	135,268
Payable after one year	377,258
Subscription liability	
Payable within one year	18,029
Payable after one year	18,750
Vacation payable	
Payable within one year	457,533
Severance payable	
Payable within one year	94,371
Payable after one year	113,081
Net OPEB Liability	2,497,107
Net pension liability	34,564,124
Total liabilities	87,849,968
<b>Deferred Inflows of Resources</b>	
Property taxes levied for subsequent year's expenditures	11,919,242
Deferred inflows of resources related to OPEB	886,946
Deferred inflows of resources related to pensions	6,809,093
Total deferred inflows of resources	19,615,281
<b>Net Position</b>	
Net investment in capital assets	8,011,120
Restricted for	
Debt service	598,762
Capital projects	4,000
Other purposes	3,748,277
Unrestricted	(21,885,772)
Total net position	(9,523,613)
Total liabilities, deferred inflows of resources, and net position	\$ 97,941,636

See notes to basic financial statements.

**Independent School District No. 14**  
**Statement of Activities**  
**Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Administration	\$ 1,418,694	\$ -	\$ -	\$ -	\$ (1,418,694)
District support services	2,948,945	-	3,135	-	(2,945,810)
Elementary and secondary regular instruction	16,638,594	108,819	10,586,487	-	(5,943,288)
Vocational education instruction	521,851	-	24,766	-	(497,085)
Special education instruction	8,155,827	421,075	7,386,991	-	(347,761)
Instructional support services	3,004,498	-	1,088,979	681,983	(1,233,536)
Pupil support services	5,408,131	-	1,484,337	-	(3,923,794)
Sites and buildings	3,931,203	-	43,364	1,011,712	(2,876,127)
Fiscal and other fixed cost programs	258,675	-	-	-	(258,675)
Food service	2,364,086	227,836	2,131,718	-	(4,532)
Community education and services	2,721,507	1,105,723	972,611	-	(643,173)
Unallocated depreciation	3,864,150	-	-	-	(3,864,150)
Interest and fiscal charges on long-term debt	1,276,795	-	-	-	(1,276,795)
<b>Total governmental activities</b>	<b>\$ 52,512,956</b>	<b>\$ 1,863,453</b>	<b>\$ 23,722,388</b>	<b>\$ 1,693,695</b>	<b>(25,233,420)</b>
General revenues					
Taxes					
Property taxes, levied for general purposes					7,932,467
Property taxes, levied for community service					374,730
Property taxes, levied for debt service					4,356,554
State aid-formula grants					20,397,118
Investment income					586,198
Total general revenues					<u>33,647,067</u>
Change in net position					8,413,647
Net position - beginning					<u>(17,937,260)</u>
Net position - ending					<u>\$ (9,523,613)</u>

See notes to basic financial statements.

**Independent School District No. 14**  
**Balance Sheet - Governmental Funds**  
**June 30, 2023**

	General	Debt Service	Other Nonmajor Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 1,103,500	\$ 2,375,129	\$ 1,222,655	\$ 4,701,284
Current property taxes receivable	4,945,407	2,308,895	555,386	7,809,688
Delinquent property taxes receivable	81,861	41,405	10,048	133,314
Accounts receivable, net of allowance	20,164	-	37,716	57,880
Due from Department of Education	4,217,479	62,438	38,798	4,318,715
Due from Federal Government through Department of Education	5,136,013	-	85,066	5,221,079
Due from other Minnesota school districts	45,466	-	17,234	62,700
Due from other governmental units	119,898	-	20,465	140,363
Due from other funds	496,922	-	-	496,922
Inventory	-	-	22,213	22,213
Prepaid items	193,913	-	21,658	215,571
<b>Total assets</b>	<b>\$ 16,360,623</b>	<b>\$ 4,787,867</b>	<b>\$ 2,031,239</b>	<b>\$ 23,179,729</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 778,741	\$ -	\$ 72,335	\$ 851,076
Salaries and benefits payable	2,271,164	-	101,789	\$ 2,372,953
Due to other Minnesota school districts	211,545	-	125	211,670
Due to other governmental units	30,692	-	82,130	112,822
Due to other funds	-	-	216,396	216,396
Unearned revenue	-	-	81,286	81,286
Severance payable	207,452	-	-	207,452
<b>Total liabilities</b>	<b>3,499,594</b>	<b>-</b>	<b>554,061</b>	<b>4,053,655</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - delinquent property taxes	71,621	35,906	8,628	116,155
Property taxes levied for subsequent year's expenditures	7,334,597	3,695,681	888,964	11,919,242
<b>Total deferred inflows of resources</b>	<b>7,406,218</b>	<b>3,731,587</b>	<b>897,592</b>	<b>12,035,397</b>
<b>Fund Balances</b>				
Nonspendable	193,913	-	43,871	237,784
Restricted	2,100,275	1,056,280	1,196,007	4,352,562
Assigned	808,544	-	-	808,544
Unassigned	2,352,079	-	(660,292)	1,691,787
<b>Total fund balances</b>	<b>5,454,811</b>	<b>1,056,280</b>	<b>579,586</b>	<b>7,090,677</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,360,623</b>	<b>\$ 4,787,867</b>	<b>\$ 2,031,239</b>	<b>\$ 23,179,729</b>

**Independent School District No. 14**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - Governmental Funds**  
**June 30, 2023**

Total fund balances - governmental funds	\$ 7,090,677
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore, are not reported as assets	
Cost of capital assets	110,168,876
Less accumulated depreciation/ amortization	(58,725,835)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bond principal payable	(38,885,000)
Lease payable	(512,526)
Financed purchase payable	(1,923,455)
Subscription liability	(36,779)
Compensated absences payable	(457,533)
Net discounts/premiums	(2,797,497)
Deferred refundings	198,336
Net OPEB liability	(2,497,107)
Net pension liability	(34,564,124)
Deferred outflows of resources and deferred inflows of resources are created as a result of differences between actual and expected contributions and earnings on plan investments as well as changes in proportion and are not recognized in the governmental funds.	
Deferred outflows of resources related to pensions	11,390,395
Deferred inflows of resources related to pensions	(6,809,093)
Deferred outflows of resources related to OPEB	337,303
Deferred inflows of resources related to OPEB	(886,946)
Delinquent property taxes receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	116,155
The Internal Service Fund is used by management to charge the cost of the retiree benefit plan. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	6,198,618
The Post Employment Benefits Revocable Trust Internal Service Fund is used to charge the benefits to the fund that incurs the cost. This amount represents assets available to fund the liabilities.	3,732,208
Governmental funds do not report a liability for accrued interest on bonds and financed purchases until due and payable.	<u>(660,286)</u>
Total net position - governmental activities	<u><u>\$ (9,523,613)</u></u>

**Independent School District No. 14**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended June 30, 2023**

	General	Debt Service	Other Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>				
Local property taxes	\$ 7,912,584	\$ 3,802,322	\$ 918,175	\$ 12,633,081
Other local and county revenues	1,541,392	75,066	1,280,664	2,897,122
Revenue from state sources	35,079,255	530,314	725,468	36,335,037
Revenue from federal sources	6,229,383	-	2,214,360	8,443,743
Sales and other conversion of assets	5,830	-	227,836	233,666
Total revenues	<u>50,768,444</u>	<u>4,407,702</u>	<u>5,366,503</u>	<u>60,542,649</u>
<b>Expenditures</b>				
<b>Current</b>				
Administration	1,937,174	-	-	1,937,174
District support services	2,725,345	-	-	2,725,345
Elementary and secondary regular instruction	20,151,478	-	-	20,151,478
Vocational education instruction	652,351	-	-	652,351
Special education instruction	9,325,487	-	-	9,325,487
Instructional support services	2,911,405	-	-	2,911,405
Pupil support services	5,586,929	-	-	5,586,929
Sites and buildings	5,334,842	-	-	5,334,842
Fiscal and other fixed cost programs	258,675	-	-	258,675
Food service	-	-	2,265,312	2,265,312
Community education and services	-	-	2,661,344	2,661,344
<b>Capital outlay</b>				
District support services	284,472	-	-	284,472
Elementary and secondary regular instruction	64,164	-	-	64,164
Vocational education instruction	1,690	-	-	1,690
Special education instruction	10,536	-	-	10,536
Instructional support services	846,590	-	-	846,590
Pupil support services	9,024	-	-	9,024
Sites and buildings	857,445	-	730,961	1,588,406
Food service	-	-	191,233	191,233
<b>Debt service</b>				
Principal	778,714	2,635,000	564,176	3,977,890
Interest and fiscal charges	100,211	1,647,049	36,702	1,783,962
Total expenditures	<u>51,836,532</u>	<u>4,282,049</u>	<u>6,449,728</u>	<u>62,568,309</u>
Excess of revenues over (under) expenditures	(1,068,088)	125,653	(1,083,225)	(2,025,660)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	915	-	-	915
Proceeds from financed purchases	163,800	-	-	163,800
Insurance recovery	2,242	-	-	2,242
Transfers in	-	-	865,225	865,225
Transfers out	(865,225)	-	-	(865,225)
Total other financing sources (uses)	<u>(698,268)</u>	<u>-</u>	<u>865,225</u>	<u>166,957</u>
Net change in fund balances	(1,766,356)	125,653	(218,000)	(1,858,703)
<b>Fund Balances</b>				
Beginning of year	<u>7,221,167</u>	<u>930,627</u>	<u>797,586</u>	<u>8,949,380</u>
End of year	<u>\$ 5,454,811</u>	<u>\$ 1,056,280</u>	<u>\$ 579,586</u>	<u>\$ 7,090,677</u>

See notes to basic financial statements.

**Independent School District No. 14**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances to the Statement of Activities -**  
**Governmental Funds**  
**Year Ended June 30, 2023**

Net change in fund balances - total governmental funds \$ (1,858,703)

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation/ amortization expense.

Capital outlays	4,476,759
Depreciation/ amortization expense	(4,582,663)
Loss on disposal of capital assets	(26,636)

Compensated absences and severance are recognized as they are paid in the governmental funds but are recognized as the expense is incurred in the Statement of Activities. (56,530)

Net post employment benefit obligations are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. 171,731

Governmental Funds recognize pension contributions as expenditures at the time of payments in the funds whereas the Statement of Activities factors in items related to pensions on a full accrual perspective. 6,150,408

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities. 3,998,328

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however interest expense is recognized as the interest accrues, regardless of when it is due. 63,180

Governmental funds report the effect of bond discounts, premiums and deferred refundings when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. 443,987

Proceeds from the sale of bonds and issuance of financed purchases and leases are recognized as other financing sources in the governmental funds increasing fund balance but have no effect on net position in the Statement of Activities.

Financed purchases	(163,800)
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The Post Employment Benefits Revocable Trust Internal Service Fund is used to charge the benefits to the fund that incurs the cost. This amount represents the change in assets available to fund the liabilities. 5,589

The Internal Service Fund is used by management to charge the costs of the retiree health insurance plan. The net gain is reported within the governmental activities in the Statement of Activities. (238,673)

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 30,670

Change in net position - governmental activities \$ 8,413,647

**Independent School District No. 14**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Local property taxes	\$ 8,054,141	\$ 8,062,608	\$ 7,912,584	\$ (150,024)
Other local and county revenues	1,007,278	1,119,628	1,541,392	421,764
Revenue from state sources	35,564,662	34,702,743	35,079,255	376,512
Revenue from federal sources	3,857,407	5,015,557	6,229,383	1,213,826
Sales and other conversion of assets	4,456	5,900	5,830	(70)
Total revenues	<u>48,487,944</u>	<u>48,906,436</u>	<u>50,768,444</u>	<u>1,862,008</u>
<b>Expenditures</b>				
<b>Current</b>				
Administration	1,794,494	2,059,596	1,937,174	(122,422)
District support services	2,351,307	2,390,282	2,725,345	335,063
Elementary and secondary regular instruction	19,991,006	20,663,599	20,151,478	(512,121)
Vocational education instruction	499,873	529,028	652,351	123,323
Special education instruction	9,220,080	8,879,796	9,325,487	445,691
Instructional support services	2,723,688	2,545,456	2,911,405	365,949
Pupil support services	5,016,184	5,155,587	5,586,929	431,342
Sites and buildings	3,608,153	4,651,253	5,334,842	683,589
Fiscal and other fixed cost programs	263,636	263,636	258,675	(4,961)
<b>Capital outlay</b>				
District support services	59,000	59,000	284,472	225,472
Elementary and secondary regular instruction	532,999	532,999	64,164	(468,835)
Vocational education instruction	-	-	1,690	1,690
Special education instruction	9,000	9,000	10,536	1,536
Instructional support services	19,644	19,644	846,590	826,946
Pupil support services	-	-	9,024	9,024
Sites and buildings	2,037,065	644,726	857,445	212,719
<b>Debt service</b>				
Principal	596,563	596,563	778,714	182,151
Interest and fiscal charges	69,333	69,333	100,211	30,878
Total expenditures	<u>48,792,025</u>	<u>49,069,498</u>	<u>51,836,532</u>	<u>2,767,034</u>
Excess of revenues under expenditures	(304,081)	(163,062)	(1,068,088)	(905,026)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	1,000	915	(85)
Proceeds from financed purchases	-	-	163,800	163,800
Other uses	-	-	2,242	2,242
Transfers out	(730,992)	(865,225)	(865,225)	-
Total other financing sources (uses)	<u>(730,992)</u>	<u>(864,225)</u>	<u>(698,268)</u>	<u>165,957</u>
Net change in fund balances	<u>\$ (1,035,073)</u>	<u>\$ (1,027,287)</u>	(1,766,356)	<u>\$ (739,069)</u>
<b>Fund Balance</b>				
Beginning of year			<u>7,221,167</u>	
End of year			<u>\$ 5,454,811</u>	

See notes to basic financial statements.

**Independent School District No. 14**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2023**

	Total Internal Service Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 7,876,969
Investments	3,972,512
Accounts receivable	13,727
Interest receivable	26,546
Total assets	\$ 11,889,754
<b>Liabilities</b>	
Accounts payable	\$ 175,544
Incurred but not reported claims	296,972
Due to other funds	280,526
Unearned revenue	1,205,886
Total liabilities	1,958,928
<b>Net Position</b>	
Unrestricted	9,930,826
Total liabilities and net position	\$ 11,889,754

**Independent School District No. 14**  
**Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Proprietary Funds**  
**Year Ended June 30, 2023**

	<u>Total Internal Service Funds</u>
<b>Operating Revenues</b>	
Charges for services	\$ 6,388,246
<b>Operating Expense</b>	
Insurance	6,025,487
Administrative	641,085
Total operating expenses	6,666,572
Operating income	(278,326)
<b>Nonoperating Revenues</b>	
Investment income	45,242
Change in net position	(233,084)
<b>Net Position</b>	
Beginning of year	10,163,910
End of year	\$ 9,930,826

**Independent School District No. 14**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended June 30, 2023**

	<u>Total Internal Service Funds</u>
<b>Cash Flows - Operating Activities</b>	
Receipts from district contribution	\$ 176,635
Receipts from employees	6,260,456
Payments to vendors	<u>(6,571,136)</u>
Net cash flows - operating activities	(134,045)
<b>Cash Flows - Non-Capital</b>	
<b>Financing Activities</b>	
Reduction in due to other funds	<u>(60,022)</u>
Net cash flows - investing activities	<u>(60,022)</u>
<b>Cash Flows - Investing Activities</b>	
Net sale/(purchase) of investments	275,305
Interest received	67,338
Net cash flows - investing activities	<u>342,643</u>
Net change in cash and cash equivalents	148,576
<b>Cash and Cash Equivalents</b>	
Beginning of year	<u>7,728,393</u>
End of year	<u>\$ 7,876,969</u>
<b>Reconciliation of Operating Income</b>	
<b>to Net Cash Flows - Operating Activities</b>	
Operating income	\$ (278,326)
Adjustments to reconcile operating	
income to net cash flows - operating activities	
Change in assets and liabilities	
Accounts receivable	2,840
Unearned revenue	46,005
Accounts payable	<u>95,436</u>
Net cash flows - operating activities	<u>\$ (134,045)</u>

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

The District operates under a school board form of government for the purpose of providing educational services to individuals within the District areas. The governing body consists of a six-member board elected by the voters of the District to serve four-year terms.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

**A. Reporting Entity**

The financial statements present the District and its component units. The District includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the District are financially accountable and are included within the basic financial statements of the District because of the significance of their operational or financial relationships with the District.

The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District.

As a result of applying the component unit definition criteria above, it has been determined the District has no component units.

The student activity accounts of the District are under board control and are reported in the General Fund.

**B. Basic Financial Statement Information**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

**B. Basic Financial Statement Information (Continued)**

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position is available. Depreciation and amortization expense that can be specifically identified by function is included in the direct expenses of that function. Depreciation and amortization expense relating to assets that serve multiple functions is presented as unallocated depreciation/ amortization in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. The effect of interfund activity has been removed from these statements.

Separate fund financial statements are provided for governmental funds and the proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to *Minnesota Statutes* and accounting principles generally accepted in the United States of America. *Minnesota Statutes* include state aid funding formulas for specific years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within 60 days.

**2. Recording of Expenditures**

Expenditures are generally recorded when a liability is incurred. The exceptions to this general rule are that interest and principal expenditures in the Debt Service Fund, compensated absences and claims and judgments are recognized when payment is due.

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 revenues of the Internal Service Fund are employee and District contributions. Operating expenses for proprietary funds include claims paid and administrative expenses. All revenues and expenses not meeting this definition are reposted as nonoperating revenues and expenses.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

**C. Measurement Focus and Basis of Accounting (Continued)**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed, in the order of committed, assigned, and unassigned.

**Description of Funds:**

Major Funds:

General Fund – This fund is the basic operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, general obligation (G.O.) bond and state loan principal, interest and related costs.

Nonmajor Funds:

Food Service Special Revenue Fund – This fund is used to account for food service revenues and expenditures.

Community Service Special Revenue Fund – This fund is used to account for services provided to residents in the areas of community education, school readiness, early childhood and family education or other similar services.

Post Employment Benefits Debt Service Fund – This fund is used to account for levy proceeds and the payment of G.O. taxable OPEB Bonds principal, interest, and related costs.

Building Construction Fund – Capital Projects – This fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue.

Proprietary Funds:

Self-Insurance Internal Service Fund – This fund is used to account for operations of the District's self-insured insurance plans. Premiums collected from employees are collected from other governmental funds and insurance claims are paid by this fund.

Post Employment Benefits Revocable Trust Internal Service Fund – This fund is used to account for the accumulation of resources to fund post-employment benefits.

**D. Deposits and Investments**

Cash and investments include balances from all funds (except a portion of the Post Employment Benefits Revocable Trust Internal Service Fund) 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 individual funds based on the average of month-end cash and investment balances.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

**D. Deposits and Investments (Continued)**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments held by investment pools are measured at amortized cost.

Cash and investments at June 30, 2023, were comprised of deposits, certificates of deposit, government securities and shares in the Minnesota Trust (MNTrust) Securities. MNTrust securities are valued at amortized cost, which approximates fair value.

*Minnesota Statutes* requires all deposits be protected by federal deposit insurance, corporate surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

*Minnesota Statutes* authorizes the District to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days.

In accordance with GASB Statement No. 79, the various MNTrust securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from MNTrust. The MN Full Flex investment does not have a fixed maturity and allows for withdrawals on a weekly basis. Rate on a MN Full Flex adjusts weekly with the market with interest paid monthly.

**E. Property Tax Receivable**

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represent uncollected taxes for the past six years and are deferred and included in the deferred inflows of resources section of the fund financial statements as unavailable revenue because they are not available to finance the operations of the District in the current year.

**F. Property Taxes Levied for Subsequent Year's Expenditures**

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2022, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in the fiscal year 2023. The remaining portion of the levy will be recognized when measurable and available.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

**G. Inventories**

Inventories of commodities donated directly by the U.S. Department of Agriculture are recorded at market value. Other inventories are stated at cost as determined on a first-in, first-out (FIFO) basis. Inventories are recorded as expenditures when consumed rather than when purchased.

**H. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

**I. Property Taxes**

The District levies its property tax during the month of December. December 28 is the last day the District can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. Anoka County is the collecting agency for the levy and remits the collections to the District three times a year. The Tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the financial statements.

**J. Capital Assets**

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements.

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at its acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized.

Capital assets are depreciated or amortized using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration. Useful lives vary from 20 to 50 years for land improvements and buildings and 5 to 15 years for equipment.

Capital assets not being depreciated or amortized include land and construction in progress. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

**K. Right-to-Use Lease Assets/Lease Liabilities**

The District recorded right-to-use lease assets as a result of implementing GASB Statement No. 87, Leases. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Key estimates and judgments related to leases include (1) the discount rate, (2) lease term, (3) lease payments, and (4) amortization.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District determines its estimated borrowing rate based on the applicable State and Local Government Securities rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a re-measurement of the leases and will remeasure the right-to-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

**L. Subscription-Based Information Technology Arrangements**

The District recorded right-to-use subscription assets as a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The right-to-use subscription assets are initially measured at the present value at the time of inception. The right-to-use assets are amortized on a straight-line basis over the life of the related subscription.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses the interest rate of credit line at the District's bank. The subscription term includes the noncancellable period of the subscription.

The District monitors changes in circumstances that would require a re-measurement of the subscription and will remeasure the right-to-use subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liability.

**M. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category. A deferred charge on refunding, deferred outflows of resources related to pensions, and deferred outflows of resources related to OPEB are 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. The deferred outflows of resources related to pensions and OPEB are recorded for various estimate differences that will be amortized and recognized over future years.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

**M. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the Statement of Financial Position, and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has four types of items, which qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied and is reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. Deferred inflows of resources related to pensions and OPEB are recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years.

**N. Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

**O. Compensated Absences**

**1. Vacation**

Teachers are eligible for vacation of 2 days per year which can be accumulated to 7 days. Other employees qualify for vacation ranging from 5 to 45 days per year which are generally accumulated at year-end and payable during the ensuing year. Vacation is accrued for these employees in the Statement of Net Position since it is deemed to be payable at year-end.

**2. Sick Leave**

Substantially all District employees are entitled to sick leave at various rates. For certain employees, unused sick leave enters into the calculation of severance pay upon termination.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

**P. Severance Payable**

The District maintains severance payment plans for certain employee groups. Each employee group plan contains requirements for lump sum payments based on employment date, years of service and/or minimum age requirements. Benefits are calculated based on various formulas converting accrued sick leave into a lump sum payment. No employee can receive payments exceeding one year's salary. For employees retiring on or before June 30, 2023, who are entitled to receive payments, an accrual is made in the governmental fund incurring the liability.

The amount of severance payment that is based on convertible sick leave is recorded as a liability in the government-wide financial statements as it is earned and when it becomes probable that it will vest at some point in the future.

**Q. Pensions**

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

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis, and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015.

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**R. Risk Management**

The District is exposed to various risks of loss related to torts: Theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage during the year ended June 30, 2023.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

**S. Fund Equity**

In the fund financial statements, governmental funds report various levels of spending constraints.

- Nonspendable Fund Balances – These are amounts that cannot be spent because they are not in spendable form as they are legally or contractually required to be maintained intact and include, but are not limited to, inventories and prepaid items.
- Restricted Fund Balances – These are subject to externally enforceable legal restrictions.
- Assigned Fund Balances – The School Board by majority vote may assign fund balances to be used for specific purposes. The board also delegated power to assign fund balances to the Superintendent and Director of Finance.
- Minimum Fund Balance Policy – The School Board shall strive to maintain a fund balance of between 7% and 10% of total unrestricted expenditures. The fund balance shall be defined as the sum of the undesignated/unreserved fund balance. It shall not include funds reserved for operating capital, health and safety, basic skills, or any other new reserve created by the School Board, state, or federal guidelines.

**T. Net Position**

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation/ amortization, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

**V. Budgetary Information**

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

1. Prior to July 1, the School Superintendent submits to the School Board, a proposed operating budget for the year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

**Independent School District No. 14  
Notes to Basic Financial Statements**

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

**V. Budgetary Information (Continued)**

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

2. Prior to July 1, the School Superintendent submits to the School Board, a proposed operating budget for the year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
3. The Superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the School Board.
4. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
5. Budgets for the governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budgets are as originally adopted or as amended by the School Board. Budgeted expenditure appropriations lapse at year-end.

**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.

**Custodial Credit Risk – Deposits:** This is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. *Minnesota Statutes* requires all deposits be protected by federal depository insurance, corporate surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds. The District's policy states funds may not be invested in an institution that does not agree to provide the required collateral as noted.

As of June 30, 2023, the District's bank balance was not exposed to custodial credit risk because it was insured and properly collateralized with securities held by the pledging financial institution's trust department or agent and in the District's name.

Pooled		
Cash		<u>\$ (293,249)</u>
Non-pooled		
OPEB Revocable Trust Fund		
Certificates of deposit		<u>\$ 795,000</u>

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments**

As of June 30, 2023, the District had the following investments:

Investment	Maturities	Fair Value	Percent of Total	Type	Credit Rating
Pooled					
MNTrust investment shares	6/30/23	\$ 4,960,266	38.69%	MMA	AAAm
MNTrust Full Flex	6/30/23	<u>7,860,995</u>	61.31%	SDA	AAAm
Total pooled		<u>\$ 12,821,261</u>	100.00%		
Investment	Maturities	Fair Value	Percent of Total	Type	Credit Rating
OPEB Revocable Trust Fund non-pooled					
MNTRUST investment shares	6/30/23	\$ 49,841	1.54%	MMA	Aa2
Desert Sands USD-REF	8/1/23	220,297	6.83%	SEC	Aa2
NYC-D2-TXBL	12/1/23	990,390	30.69%	SEC	Aa1
Schenectady Co	12/15/23	223,340	6.92%	SEC	Aaa
Oklahoma City TXBL	3/1/24	197,888	6.13%	SEC	Aaa
US Treasury	10/15/24	659,340	20.43%	SEC	Aaa
US Treasury	11/30/24	421,470	13.06%	SEC	Aaa
US Treasury	11/30/24	248,187	7.69%	SEC	Aaa
US Treasury	11/30/25	<u>216,600</u>	<u>6.71%</u>	SEC	Aaa
Total OPEB Revocable Trust Fund non-pooled investments		<u>\$ 3,227,353</u>	100.00%		

MNTrust is an external investment pool not registered with the SEC and invests according to *Minnesota Statutes*. The fair value position in the pool is the same as the value of the pooled shares.

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* §§118A.04 and 118A.05 limit investments to the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy limits its investments to those allowed by state statutes. Additionally, investment in commercial paper is limited to those rated in the highest classifications by at least two of the four nationally recognized rating services.

**Interest Rate Risk:** This is the risk that market values of securities in a portfolio would decrease due to changes in market interest rates. The District's investment policy states investment maturities shall be scheduled to coincide with projected District cash flow needs.

**Concentration of Credit Risk:** This is the risk of loss attributed to the magnitude of an investment in a single issuer. The District's investment policy places no limit on the amount the District may invest in any one issuer, though it does state the District will limit investments to avoid over concentration in securities from a specific issuer or business sector. As of June 30, 2023, the District was exposed to concentration of credit risk as more than 5% of its total investments were invested in individual investments as indicated by the table on the previous pages.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Custodial Credit Risk – Investments: This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy requires all investments be held in third party safekeeping by an institution designated as a custodial agent and all investments shall be fully collateralized.

The District has the following recurring fair value measurements as of June 30, 2023:

- \$3,177,512 of investments are significant other observable inputs (Level 2 inputs)

**C. Deposits and Investments**

Summary of cash, deposits, and investments as of June 30, 2023:

Petty cash	\$	400
Deposits (Note 3.A.)		
Pooled		(293,249)
Non-pooled		795,000
Investments (Note 3.B.)		
Pooled		12,821,261
Non-pooled		<u>3,227,353</u>
Total deposits and investments		<u><u>\$ 16,550,765</u></u>

Cash, deposits, and investments are presented in the June 30, 2023, financial statements as follows:

Statement of Net Position		
Cash and investments		<u><u>\$ 16,550,765</u></u>

**NOTE 3 – INTERFUND ACTIVITY**

**A. Transfers**

	Transfers In		Total
	Other		
	Nonmajor Funds		
Transfers out			
General Fund	<u>\$ 865,225</u>		<u>\$ 865,225</u>

These transfers were performed to distribute levy dollars dedicated to specific funds in accordance with bond documents and levy.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

**NOTE 3 – INTERFUND ACTIVITY (CONTINUED)**

**B. Interfund Receivable/Payable**

An interfund receivable/payable was established between the Post Employment Benefits Revocable Trust Fund, Community Service Fund, and the General Fund to account for cash deficits in the Community Service and Post Employment Benefits Revocable Trust Funds. There is a \$496,922 interfund receivable for the General fund and a (\$216,396) and a (\$280,526) Interfund Payable for the Community Service Fund and Post Employment Benefits Revocable Trust Fund.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Adjustments	Increases	Decreases	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 657,500	\$ -	\$ -	\$ -	\$ 657,500
Construction in progress	1,777,277	-	2,773,593	3,888,064	662,806
Total capital assets not being depreciated	<u>2,434,777</u>	<u>-</u>	<u>2,773,593</u>	<u>3,888,064</u>	<u>1,320,306</u>
Other capital assets					
Buildings	93,759,484	-	3,704,890	-	97,464,374
Land improvements	4,755,074	-	616,938	124,407	5,247,605
Furniture and equipment	4,048,323	-	1,269,402	117,672	5,200,053
Leased buildings	718,809	-	-	-	718,809
Leased equipment	163,615	-	-	-	163,615
Subscription asset	-	54,114	-	-	54,114
Total other capital assets at historical cost	<u>103,445,305</u>	<u>54,114</u>	<u>5,591,230</u>	<u>242,079</u>	<u>108,848,570</u>
Less accumulated depreciation for					
Buildings	49,918,848	-	3,640,456	-	53,559,304
Land improvements	1,747,064	-	228,329	124,407	1,850,986
Furniture and equipment	2,509,288	-	491,358	91,036	2,909,610
Less accumulated amortization for					
Leased buildings	168,685	-	168,684	-	337,369
Leased equipment	14,730	-	35,798	-	50,528
Subscription asset	-	-	18,038	-	18,038
Total accumulated depreciation and amortization	<u>54,358,615</u>	<u>-</u>	<u>4,582,663</u>	<u>215,443</u>	<u>58,725,835</u>
Total other capital assets, net	<u>49,086,690</u>	<u>54,114</u>	<u>1,008,567</u>	<u>26,636</u>	<u>50,122,735</u>
Governmental activities, capital assets, net	<u>\$ 51,521,467</u>	<u>\$ 54,114</u>	<u>\$ 3,782,160</u>	<u>\$ 3,914,700</u>	<u>\$ 51,443,041</u>

See Note 11 for discussion regarding the adjustment.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

Depreciation/ amortization expense of \$4,582,663 for the year ended June 30, 2023, was charged to the following governmental functions:

District support services	\$ 45,438
Regular instruction	146,014
Vocational Instruction	597
Special education instruction	9,322
Instructional support services	342,540
Pupil support services	742
Food service	38,355
Community education and services	135,505
Unallocated	<u>3,864,150</u>
Total depreciation/ amortization expense	<u><u>\$ 4,582,663</u></u>

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

**NOTE 5 – LONG-TERM DEBT**

**A. Components of Long-Term Liabilities**

Long-term liabilities as of June 30, 2023, consisted of the following:

	Interest Rate	Maturity Date	Original Issue	Balance	Due Within One Year
G.O. bonds					
G.O. School Building Bonds Series 2016A	3.00%-5.00%	02/01/35	\$ 25,890,000	\$ 24,870,000	\$ 215,000
G.O. Alternative Facilities Bonds Series 2016B	4.00%-5.00%	02/01/28	16,740,000	9,730,000	1,395,000
G.O. Abatement Bonds Series 2017A	3.00%	02/01/27	1,960,000	930,000	220,000
G.O. Taxable OPEB Refunding Bonds Series 2018A	2.95%-3.40%	02/01/24	2,450,000	525,000	525,000
G.O. School Building Refunding Bonds Series 2020A	5.00%	02/01/26	4,475,000	2,830,000	925,000
Unamortized bond discounts and premiums, net				2,797,497	-
Total G.O. bonds (net of unamortized premium)				41,682,497	3,280,000
Financed purchases					
Elementary additions agreement	2.75%	02/01/28	3,400,000	1,285,198	243,194
Technology agreement	3.65%	08/31/23	92,270	9,747	9,747
Technology agreement	3.56%	02/28/24	175,745	18,212	18,212
Technology agreement	2.98%	04/22/25	410,880	166,656	82,105
Technology agreement	3.00%	08/23/25	308,400	166,848	69,284
Technology agreement	3.00%	08/23/25	14,135	7,647	3,176
Technology agreement	3.02%	11/14/26	129,110	81,760	22,760
Technology agreement	2.96%	09/20/25	128,500	69,520	28,869
Technology agreement	5.56%	02/06/26	94,500	65,814	24,720
Technology agreement	5.48%	11/15/26	69,300	52,053	14,323
Total financed purchases				1,923,455	516,390
Lease liabilities					
Building lease	3.00%	05/31/27	567,047	390,347	93,912
Building lease	3.00%	07/31/23	151,761	6,342	6,342
Copier lease	3.00%	10/27/26	42,987	29,367	8,504
Copier lease	3.00%	05/21/27	98,658	78,519	19,180
Copier lease	3.00%	07/21/24	21,970	7,951	7,330
Total lease liabilities				512,526	135,268
Subscription liability				36,779	18,029
Vacation payable				457,533	457,533
Severance payable				207,452	94,371
Total all long-term liabilities				<u>\$ 44,820,242</u>	<u>\$ 4,501,591</u>

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

**A. Components of Long-Term Liabilities (Continued)**

The long-term bond, financed purchases, lease liabilities and subscription liability listed above were issued to finance the acquisition and construction, or improvements of capital facilities, or to refinance (refund) previous bond issues. Long-term liabilities other than bonds are typically liquidated through the General Fund.

**B. Minimum Principal and Interest Payments for Long-Term Liabilities**

Year Ending, June 30,	G.O. Bonds			Financed Purchases		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 3,280,000	\$ 1,535,550	\$ 4,815,550	\$ 516,390	\$ 56,375	\$ 572,765
2025	3,455,000	1,384,350	4,839,350	503,638	40,147	543,785
2026	3,620,000	1,216,200	4,836,200	350,209	24,433	374,642
2027	3,870,000	1,039,900	4,909,900	281,949	13,637	295,586
2028	3,795,000	861,350	4,656,350	271,269	5,608	276,877
2029-2033	14,430,000	2,461,050	16,891,050	-	-	-
2034-2035	6,435,000	291,000	6,726,000	-	-	-
<b>Total</b>	<b>\$ 38,885,000</b>	<b>\$ 8,789,400</b>	<b>\$ 47,674,400</b>	<b>\$ 1,923,455</b>	<b>\$ 140,200</b>	<b>\$ 2,063,655</b>

Year Ending, June 30,	Lease Liability			Subscription Liability		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 135,268	\$ 13,439	\$ 148,707	\$ 18,029	\$ 1,471	\$ 19,500
2025	126,926	9,575	136,501	18,750	750	19,500
2026	131,170	8,423	139,593	-	-	-
2027	119,162	1,768	120,930	-	-	-
<b>Total</b>	<b>\$ 512,526</b>	<b>\$ 33,205</b>	<b>\$ 545,731</b>	<b>\$ 36,779</b>	<b>\$ 2,221</b>	<b>\$ 39,000</b>

**C. Changes in Long-Term Liabilities**

	Beginning Balance	Adjustment	Additions	Reductions	Ending Balance
Long-term liabilities					
G.O. Bonds	\$ 42,025,000	\$ -	\$ -	\$ 3,140,000	\$ 38,885,000
Unamortized discount and premium, net	3,317,713	-	-	520,216	2,797,497
Financed purchases	2,401,781	-	163,800	642,126	1,923,455
Lease liability	711,393	-	-	198,867	512,526
Subscription liability	-	54,114	-	17,335	36,779
Vacation payable	401,003	-	632,274	575,744	457,533
Severance benefits payable	301,896	-	-	94,444	207,452
<b>Total long-term liabilities</b>	<b>\$ 49,158,786</b>	<b>\$ 54,114</b>	<b>\$ 796,074</b>	<b>\$ 5,188,732</b>	<b>\$ 44,820,242</b>

See Note 11 for discussion regarding the adjustment.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

**D. Financed Purchases**

On August 1, 2019, the District entered into a purchase agreement for technology. The capital obligation totaled \$92,270. The agreement includes annual principal and interest payments ranging from \$10,108 to \$22,038.

On February 28, 2020, the District entered into a purchase agreement for technology. The capital obligation totaled \$175,745. The agreement includes annual principal and interest payments ranging from \$18,872 to \$41,995.

On April 22, 2021, the District entered into a purchase agreement for technology. The capital obligation totaled \$410,880. The agreement includes annual principal and interest payments of \$87,070.

On June 9, 2021, the District entered into a purchase agreement for technology. The capital obligation totaled \$308,400. The agreement includes annual principal and interest payments ranging from \$26,988 to \$74,284.

On June 9, 2021, the District entered into a purchase agreement for technology. The capital obligation totaled \$14,135. The agreement includes annual principal and interest payments ranging from \$1,237 to \$3,405.

On June 24, 2021, the District entered into a purchase agreement for technology. The capital obligation totaled \$129,110. The agreement includes annual principal and interest payments ranging from \$11,713 to \$25,267.

On July 23, 2021, the District entered into a purchase agreement for technology. The capital obligation totaled \$128,500. The agreement includes annual principal and interest payments ranging from \$11,245 to \$30,952.

On August 11, 2022, the District entered into a purchase agreement for technology. The capital obligation totaled \$69,300. The agreement includes annual principal and interest payments ranging from \$6,997 to \$17,247.

On November 29, 2022, the District entered into a purchase agreement for technology. The capital obligation totaled \$94,500. The agreement includes annual principal and interest payments ranging from \$15,782 to \$28,686.

**E. Lease Liabilities**

On June 1, 2017, the District entered into a lease for building space. The capital obligation totaled \$567,047. The agreement includes annual principal and interest payments ranging from \$93,764 to \$107,280.

On August 1, 2018, the District entered into a lease agreement for building space. The capital obligation totaled \$151,761. The agreement includes annual principal and interest payments ranging from \$74,282 to \$82,496.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

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

**E. Lease Liabilities (Continued)**

On August 6, 2019, the District entered into a lease agreement for copiers. The capital obligation totaled \$34,638. The agreement includes monthly principal and interest payments totaling \$622.

On October 28, 2021, the District entered into a lease agreement for copiers. The capital obligation totaled \$42,987. The agreement includes monthly principal and interest payments totaling \$772.

On May 11, 2022, the District entered into a lease agreement for copiers. The capital obligation totaled \$98,658. The agreement includes monthly principal and interest payments totaling \$1,773.

**F. Subscription Liability**

On July 1, 2020, the District entered into a subscription-based information technology arrangement (SBITA) with Finalsite. The arrangement expires on June 30, 2025. The agreement includes annual principal and interest payments totaling \$19,500.

**NOTE 6 – FUND BALANCES**

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities or as required by other outside parties.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

**NOTE 6 – FUND BALANCES (CONTINUED)**

**Fund Equity**

Fund equity balances are classified as follows to reflect the limitations and restrictions of the respective funds.

	General Fund	Debt Service	Other Nonmajor Funds	Total
Nonspendable for				
Inventories	\$ -	\$ -	\$ 22,213	\$ 22,213
Prepaid items	193,913	-	21,658	215,571
Total nonspendable	<u>193,913</u>	<u>-</u>	<u>43,871</u>	<u>237,784</u>
Restricted/reserved for				
Student Activities	107,460	-	-	107,460
Safe Schools	179,791	-	-	179,791
Operating Capital	98,629	-	-	98,629
Medical Assistance	1,714,395	-	-	1,714,395
ECFE	-	-	38,664	38,664
School Readiness	-	-	90,757	90,757
Capital Projects Levy	-	-	4,000	4,000
Debt Service	-	1,056,280	126,215	1,182,495
Food Service	-	-	876,027	876,027
Community Service	-	-	60,344	60,344
Total Restricted/reserved	<u>2,100,275</u>	<u>1,056,280</u>	<u>1,196,007</u>	<u>4,352,562</u>
Assigned for				
Students	207,955	-	-	207,955
Separation/Retirement Benefits	350,589	-	-	350,589
Curriculum adoption	250,000	-	-	250,000
Total assigned	<u>808,544</u>	<u>-</u>	<u>-</u>	<u>808,544</u>
Unassigned for				
Capital Projects Levy	(27,025)	-	-	(27,025)
Community Education	-	-	(660,292)	(660,292)
Long Term Facilities Maintenance	(507,735)	-	-	(507,735)
Unassigned	2,886,839	-	-	2,886,839
Total unassigned	<u>2,352,079</u>	<u>-</u>	<u>(660,292)</u>	<u>1,691,787</u>
Total fund balance	<u>\$ 5,454,811</u>	<u>\$ 1,056,280</u>	<u>\$ 579,586</u>	<u>\$ 7,090,677</u>

\*Negative restricted/reserved fund balances have been reclassified to unassigned for the basic financial statements in accordance with GASB Statement No. 54.

Nonspendable for Inventories and Prepaid Items – A portion of the fund balance has been spent on inventory and prepaid expenses and is not available for other uses.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

**NOTE 6 – FUND BALANCES (CONTINUED)**

**Fund Equity (Continued)**

Restricted/Reserved for Student Activities – This balance represents available resources to be used for the extracurricular activity funds raised by the students.

Restricted/Reserved for Safe Schools – Crime Levy – The unspent resources available from the levy must be reserved in this account for future use.

Restricted/Reserved for Operating Capital – This balance represents available resources in the General Fund to be used to purchase equipment and facilities.

Restricted/Reserved for Medical Assistance – This balance represents available resources to be used for medical assistance expenditures (*Minnesota Statutes* § 125A.21, subd. 3).

Restricted/Reserved for Early Childhood and Family Education – This balance represents the resources available to provide for services for early childhood and family education programming.

Restricted/Reserved for School Readiness – This balance represents the resources available to provide for services for school readiness programs. Related to Finance Code 344, School Readiness *Minnesota Statutes* § 124D.16.

Restricted/Reserved for Capital Projects Levy – This balance represents available resources from the capital projects levy to be used for building construction and other projects under *Minnesota Statutes* § 126C.10, subd. 14. All interest income attributable to the capital projects levy must be credited to this account.

Restricted/Reserved for Debt Service – This balance represents the positive fund balance of the Debt Service Fund.

Restricted for Food Service – This balance represents the positive fund balance of the Food Service Fund.

Restricted for Community Service – This balance represents the positive fund balance of the Community Service Fund not set aside in other restrictions.

Assigned for Students – This balance represents resources set aside for each building based on fundraising done by students and donations for various programs.

Assigned for Separation/Retirement Benefits – This balance represents resources set aside for future separation and retirement obligations.

Assigned for curriculum adoption – This balance represents resources set aside for curriculum adoption.

Unassigned for Capital Projects Levy – This balance represents available resources from the capital projects levy to be used for building construction and other projects under *Minnesota Statutes* § 126C.10, subd. 14. All interest income attributable to the capital projects levy must be credited to this account.

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 6 – FUND BALANCES (CONTINUED)**

**Fund Equity (Continued)**

Unassigned for Community Education – This balance represents the resources available to provide programming such as: Nonvocational, recreational and leisure time activities, programs for adults with disabilities, noncredit summer programs, adult basic education programs, youth development and youth service programming, early childhood and family education, and extended day programs.

Unassigned for Long-Term Facilities Maintenance (LTFM) – This balance represents available resources to be used for LTFM projects in accordance with the 10-year plan (Minnesota Statutes § 123B.595, subd. 12).

Net position restricted for other purposes is comprised of the positive General Fund and total Special Revenue Funds restricted balances.

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

The District participates in various pension plans. Total pension expense for the year ended June 30, 2023, was \$(3,521,414). The components of pension expense are noted in the following plan summaries.

The General Fund, Food Service Fund, and Community Service Funds typically liquidate the liability related to pensions.

**Teachers' Retirement Association**

**A. Plan Description**

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

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

**B. Benefits Provided**

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

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

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

*Tier I Benefits*

Tier 1	Step Rate Formula	Percentage
Basic	First ten years of service	2.2% per year
	All years after	2.7% per year
Coordinated	First ten years if service years are up to July 1, 2006	1.2% per year
	First ten years if service years are July 1, 2006, or after	1.4% per year
	All other years of service if service years are up to July 1, 2006	1.7% per year
	All other years of service if service years are July 1, 2006, or after	1.9% per year

With these provisions:

- Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- 3% per year early retirement reduction factor for all years under normal retirement age.
- 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% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006, and after, a level formula of 1.9% per year for Coordinated members and 2.7% for Basic 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 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.

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

*Tier II Benefits (Continued)*

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.

**C. Contribution Rate**

Per *Minnesota Statutes*, Chapter 354 sets the contribution rates for employees and employers. Rates for , each fiscal year ended June 30, 2021 June 30, 2022, and June 30, 2023, were:

	<u>June 30, 2021</u>		<u>June 30, 2022</u>		<u>June 30, 2023</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
Basic	11.0%	12.13%	11.0%	12.34%	11.0%	12.55%
Coordinated	7.5%	8.13%	7.5%	8.34%	7.5%	8.55%

The following is a reconciliation of employer contributions in TRA's fiscal year 2022 ACFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations. Amounts are reported in thousands.

Employer contributions reported in TRA's ACFR Statement of Changes in Fiduciary Net Position	\$ 482,679
Add employer contributions not related to future contribution efforts	(2,178)
Deduct TRA's contributions not included in allocation	<u>(572)</u>
Total employer contributions	479,929
Total non-employer contributions	<u>35,590</u>
Total contributions reported in <i>Schedule of Employer and Non-Employer Allocations</i>	<u><u>\$ 515,519</u></u>

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**C. Contribution Rate (Continued)**

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

**D. Actuarial Assumptions**

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

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**Actuarial Information**

Valuation date	July 1, 2022
Measurement date	June 30, 2022
Experience study	June 28, 2019 (demographic and economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% after June 30, 2028. 3.25% to 9.25% thereafter
Projected salary increase	2.85% to 8.85% before July 1, 2028, and 3.25 to 9.25 thereafter.
Cost of living adjustment	0.1% each year up to 1.5% annually.

**Mortality Assumptions**

Pre-retirement	RP 2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP 2015 scale.
Post-retirement	RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projections uses the MP 2015 scale.
Post-disability	RP 2014 disabled retiree mortality table, without adjustment.

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**D. Actuarial Assumptions (Continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	33.5 %	5.10 %
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	<u>100.0 %</u>	

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2023 is six years. The "Difference Between Expected and Actual Experience," "Changes of Assumptions," and "Changes in Proportion" use the amortization period of six years in the schedule presented. The amortization period for "Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments" is over a period of five years as required by GASB 68.

Changes in actuarial assumptions since the 2021 valuation:

- None

**E. Discount Rate**

The discount rate used to measure the total pension liability was 7.0%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2022 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 (SEIR).

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**F. Net Pension Liability**

On June 30, 2023, the District reported a liability of \$26,937,132 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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 TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. District proportionate share was 0.3364% at the end of the measurement period and 0.3217% for the beginning of the year.

The pension liability amount reflected a reduction due to direct aid provided to 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 net pension liability	\$ 26,937,132
State's proportionate share of the net pension liability associated with the District	1,997,329

For the year ended June 30, 2023, the District recognized pension expense of \$(4,577,465). Included in this amount, the District recognized \$274,639 as pension expense for the support provided by direct aid.

On June 30, 2023, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 376,146	\$ 228,214
Net collective difference between projected and actual earnings on plan investments	1,134,740	-
Changes in assumptions	4,126,513	5,776,698
Changes in proportion	1,207,961	636,401
District's contributions subsequent to measurement date	1,772,923	-
Total	\$ 8,618,283	\$ 6,641,313

The \$1,772,923 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**F. Net Pension Liability (Continued)**

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2024	\$ (4,656,482)
2025	685,745
2026	399,810
2027	3,648,760
2028	126,214
Total	\$ 204,047

**G. Pension Liability Sensitivity**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.0%) and 1 percent higher (8.0%) than the current rate.

District proportionate share of NPL		
1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
\$ 42,464,922	\$ 26,937,132	\$ 14,209,186

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

**H. Pension Plan Fiduciary Net Position**

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

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Public Employees' Retirement Association**

**A. Plan Description**

The District participates in the following cost-sharing multiple-employer defined benefit pension plan administered by PERA. PERA's defined benefit pension plan is established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

The General Employees Retirement Plan covers certain full time and part time employees of the District. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**B. Benefits Provided**

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

General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. 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. 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.

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**C. Contributions**

*Minnesota Statutes* Chapter 353 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2023, were \$548,029. The District's contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

General Employees Fund Pension Costs

At June 30, 2023, the District reported a liability of \$7,626,992 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 non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$223,548. The net pension liability was measured as of June 30, 2022, 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 PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0963% at the end of the measurement period and 0.0893% for the beginning of the period.

District's proportionate share of net pension liability	\$ 7,626,992
State's proportionate share of the net pension liability associated with the District	<u>223,548</u>
Total	<u>\$ 7,850,540</u>

For the year ended June 30, 2023, the District recognized pension expense of \$1,056,051 for its proportionate share of the General Employees Plan's pension expense. Included in this amount, the District recognized \$33,403 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

At June 30, 2023, the District reported its proportionate share of deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 63,706	\$ 75,530
Changes in actuarial assumptions	1,604,445	28,669
Net collective difference between projected and actual investments earnings	322,739	-
Change in proportion	233,193	63,581
Contributions paid to PERA subsequent to the measurement date	548,029	-
Total	\$ 2,772,112	\$ 167,780

The \$548,029 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 ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2024	\$ 686,814
2025	777,460
2026	(97,716)
2027	689,745
Total	\$ 2,056,303

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

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

General Employees Fund Pension Costs (Continued)

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

Asset Class	Final Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5 %	5.10 %
International stocks	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	100.0 %	

**F. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. 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 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2022, actuarial valuation.

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**F. Actuarial Methods and Assumptions (Continued)**

The following changes in actuarial assumptions and plan provisions occurred in 2022:

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2022 was 6.5%. 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 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.

**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:

	1% Decrease in Discount Rate 5.5%	Current Discount Rate 6.5%	1% Increase in Discount Rate 7.5%
District's proportionate share of the PERA net pension liability	\$ 12,047,233	\$ 7,626,992	\$ 4,001,712

**I. Pension Plan Fiduciary Net Position**

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

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN**

**A. Plan Description**

The District's defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible retirees. The plan offers medical coverage. It is the District's policy to periodically review its medical coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for District employees and retirees.

**B. Benefits Paid**

The District provides post-employment retirement benefits to pay health and life insurance premiums for certain retired District personnel. Benefits are paid on behalf of retired administrative personnel to Medicare eligibility and other qualified staff to Medicare eligibility at which time benefits cease. The General Fund, Food Service Fund and Community Service Fund typically liquidate the Liability related to OPEB.

**C. Members**

As of June 30, 2022, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	451
Total	465

**D. Contributions**

Retirees contribute to the health care plan at the same rate as District employees. This results in the retirees receiving an implicit rate subsidy. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2023, the District contributed \$285,367 to the plan.

**E. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Discount Rate	3.80%
Expected Return	n/a
Inflation	2.50%
Healthcare cost trend increases	6.50% in 2022, grading to 5.00% over 6 years and then to 4.00% over next 48 years.
Mortality Assumption	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**E. Actuarial Assumptions (Continued)**

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2021 through June 30, 2022.

Assumption Changes

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General Teachers with MP-2021 Generational Improvement Scale.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.
- The discount rate was changed from 2.10% to 3.80%.
- These changes decreased the liability \$216,229.

**F. Total OPEB Liability**

The District's total OPEB liability of \$2,497,107 was measured as of July 1, 2022, and was determined by an actuarial valuation as of that date.

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balances at July 1, 2022	<u>\$ 3,032,585</u>
Changes for the year	
Service cost	268,683
Interest	65,758
Differences between expected and actual economic experience	(317,439)
Changes in assumptions	(216,229)
Plan changes	5,393
Benefit payments	<u>(341,644)</u>
Net changes	<u>(535,478)</u>
Balances at July 1, 2022	<u><u>\$ 2,497,107</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.10% in 2022 to 3.80% in 2023.

**Independent School District No. 14**  
**Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**G. OPEB Liability Sensitivity**

The following presents the District's total OPEB liability calculated using the discount rate of 3.80% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

	1% Decrease in Discount Rate (2.8%)	Current Discount Rate (3.80%)	1% Increase in Discount Rate (4.80%)
Total OPEB liability (asset)	\$ 2,650,997	\$ 2,497,107	\$ 2,350,578

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% lower and 1% higher than the current healthcare cost trend rates.

	1% Decrease (5.50% Decreasing to 4.0%)	Current (6.50% Decreasing to 5.0%)	1% Increase (7.50 Decreasing to 6.0%)
Total OPEB liability (asset)	\$ 2,261,318	\$ 2,497,107	\$ 2,780,666

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the District recognized OPEB expense of \$113,636. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Gains	\$ -	\$ 671,269
Changes of assumptions	51,936	215,677
Contributions made subsequent to the measurement date	285,367	-
Total	<u>\$ 337,303</u>	<u>\$ 886,946</u>

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB (Continued)**

The \$285,367 reported as a deferred outflow of resources related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. The remaining balances will be recognized in future years as follows:

Year Ended June 30,	Total
2024	\$ (226,198)
2025	(226,198)
2026	(113,897)
2027	(121,693)
2028	(70,790)
Thereafter	(76,234)
Total	\$ (835,010)

**NOTE 9 – RISK MANAGEMENT SELF INSURANCE**

On July 1, 2006, the District began to self-insure for dental insurance. Under this program, the fund provides up to a maximum of \$2,000 of benefit per covered person per calendar year. The General, Food Service, and Community Service Funds of the District participate in the program and make payments to the dental insurance plan recorded in the General Fund. Based on the requirements of GASB Statement No. 10, a liability is reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated.

Payments are made based on actuarial estimates of the amounts needed to pay claims. The Self-Insured Dental Benefits Internal Service Fund includes a reserve of \$340,008 for catastrophe losses. The total claims liability reported in the Fund at June 30, 2023, is \$20,579 and include amounts for known claims. These estimates are determined based on the probability that a loss has occurred and the amount of the loss can be reasonably estimated.

On July 1, 2015, the District began to self-insure for health insurance. A stop-loss policy was purchased that limits the District's loss to \$125,000 of claims per person at which point the reinsurance coverage is available. The District also has aggregate stop-loss coverage in place which limits the District's liability to 115% of the current year's total expected annual claims at which point the reinsurance coverage is available.

**Independent School District No. 14  
Notes to Basic Financial Statements**

**NOTE 9 – RISK MANAGEMENT SELF INSURANCE (CONTINUED)**

The General, Food Service, and Community Service Funds of the District participate in the program and make payments to the Self-Insured Medical Benefits Internal Service Fund. Based on the requirements of GASB Statement No. 10, a liability is reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. Participants in the program make premium payments to the fund based on the insurance premium. The Self-Insured Medical Benefits Internal Service Fund includes a reserve of \$5,858,610 for catastrophe losses. The total claims liability reported in the Fund at June 30, 2023, is \$451,937 and include amounts for known claims and for estimated incurred but not reported claims. These estimates are determined based on the probability that a loss has occurred, and the amount of the loss can be reasonably estimated.

Changes in the Fund's claims liability amounts for the past three years were as follows:

	Balance, Beginning of Year	Claims, Expense and Estimates	Claims Payments	Balance, End of Year
2020-2021	\$ 291,881	\$ 5,117,456	\$ (5,079,414)	\$ 329,923
2021-2022	329,923	5,714,653	(5,667,496)	377,080
2022-2023	377,080	6,207,316	(6,111,880)	472,516

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

**A. Construction Commitments**

The District has in process various multi-year construction and repair projects which were not completed in the current fiscal year. As of June 30, 2023, outstanding commitments for these multi-year projects total approximately \$1,046,385.

**NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended June 30, 2023, the District implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This resulted in the District recognizing a subscription asset and subscription liability. Subscriptions in effect prior to implementation year were recognized as if they were issued as of July 1, 2022. Due to this, there is no effect on the beginning net position of the district.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Independent School District No. 14**  
**Schedule of Changes in Total OPEB Liability**  
**and Related Ratios**

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Total OPEB Liability						
Service cost	\$ 268,733	\$ 261,627	\$ 285,365	\$ 304,076	\$ 325,631	\$ 268,683
Interest	117,244	120,305	105,136	96,599	74,564	65,758
Differenced between expected and actual experience	-	(790,649)	-	(303,240)	-	(317,439)
Changes of assumptions	-	4,521	54,604	(53,093)	38,143	(216,229)
Plan changes	-	159,928	-	284,835	-	5,393
Benefit payments	(303,571)	(273,818)	(354,893)	(347,921)	(371,668)	(341,644)
Net change in total OPEB liability	<u>82,406</u>	<u>(518,086)</u>	<u>90,212</u>	<u>(18,744)</u>	<u>66,670</u>	<u>(535,478)</u>
Beginning of year	<u>3,330,127</u>	<u>3,412,533</u>	<u>2,894,447</u>	<u>2,984,659</u>	<u>2,965,915</u>	<u>3,032,585</u>
End of year	<u>\$ 3,412,533</u>	<u>\$ 2,894,447</u>	<u>\$ 2,984,659</u>	<u>\$ 2,965,915</u>	<u>\$ 3,032,585</u>	<u>\$ 2,497,107</u>
Covered payroll	\$ 21,815,879	\$ 22,997,695	\$ 23,687,626	\$ 24,057,473	\$ 24,779,197	\$ 26,211,224
Total OPEB liability as a percentage of covered-employee payroll	15.64%	12.59%	12.60%	12.33%	12.24%	9.53%

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

**Independent School District No. 14**  
**Schedule of District's and Non-Employer Proportionate Share**  
**of Net Pension Liability**  
**Last Ten Years General Employees Retirement Fund**

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionated Share of the Net Pension Liability	District's Proportionate 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 (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.1101%	\$ 5,171,946	\$ -	\$ 5,171,946	\$ 5,778,869	89.5%	78.7%
2015	0.0986%	5,109,964	-	5,109,964	5,696,880	89.7%	76.8%
2016	0.0953%	7,737,887	101,013	7,838,900	5,910,760	130.9%	68.9%
2017	0.0955%	6,096,657	76,662	6,173,319	6,152,440	99.1%	75.9%
2018	0.0940%	5,214,735	171,082	5,385,817	6,317,693	82.5%	79.5%
2019	0.0936%	5,174,934	160,993	5,335,927	6,627,653	78.1%	80.2%
2020	0.0890%	5,335,957	164,642	5,500,599	6,349,147	84.0%	79.1%
2021	0.0893%	3,813,510	116,549	3,930,059	6,432,507	59.3%	87.0%
2022	0.0963%	7,626,992	223,548	7,850,540	7,214,773	105.7%	76.7%

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

**Schedule of District's and Non-Employer Proportionate Share**  
**of Net Pension Liability**  
**Last Ten Years General Employees Retirement Fund**

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionated Share of the Net Pension Liability	District's Proportionate 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 (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.3144%	\$ 14,487,326	\$ 1,019,111	\$ 15,506,437	\$ 14,351,614	100.9%	81.5%
2015	0.3011%	18,626,013	2,284,436	20,910,449	15,281,867	121.9%	76.8%
2016	0.3130%	74,657,968	7,493,341	82,151,309	16,280,760	458.6%	44.9%
2017	0.3287%	65,614,483	6,343,192	71,957,675	17,693,453	370.8%	51.6%
2018	0.3409%	21,411,711	2,011,542	23,423,253	18,836,973	113.7%	78.1%
2019	0.3274%	20,868,545	1,846,938	22,715,483	18,586,874	112.3%	78.2%
2020	0.3163%	23,368,668	1,958,323	25,326,991	18,383,674	127.1%	75.5%
2021	0.3217%	14,078,554	1,187,260	15,265,814	19,250,221	73.1%	86.6%
2022	0.3364%	26,937,132	1,997,329	28,934,461	20,790,779	129.6%	76.2%

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

**Independent School District No. 14  
Schedule of District Contributions  
General Employees Retirement Fund  
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 418,968	\$ 418,968	\$ -	\$ 5,778,869	7.25%
2015	427,266	427,266	-	5,696,880	7.50%
2016	443,307	443,307	-	5,910,760	7.50%
2017	461,433	461,433	-	6,152,440	7.50%
2018	473,827	473,827	-	6,317,693	7.50%
2019	497,074	497,074	-	6,627,653	7.50%
2020	476,186	476,186	-	6,349,147	7.50%
2021	482,438	482,438	-	6,432,507	7.50%
2022	541,108	541,108	-	7,214,773	7.50%
2023	548,029	548,029	-	7,307,053	7.50%

**Schedule of District Contributions  
TRA Retirement Fund  
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,004,613	\$ 1,004,613	\$ -	\$ 14,351,614	7.0%
2015	1,146,140	1,146,140	-	15,281,867	7.5%
2016	1,221,057	1,221,057	-	16,280,760	7.5%
2017	1,327,009	1,327,009	-	17,693,453	7.5%
2018	1,412,773	1,412,773	-	18,836,973	7.5%
2019	1,433,048	1,433,048	-	18,586,874	7.7%
2020	1,455,987	1,455,987	-	18,383,674	7.9%
2021	1,565,043	1,565,043	-	19,250,221	8.1%
2022	1,733,951	1,733,951	-	20,790,779	8.3%
2023	1,772,923	1,772,923	-	20,735,942	8.6%

**Independent School District No. 14**  
**Notes to the Required Supplementary Information**

**TRA Retirement Fund**

**2022 Changes**

Changes in Actuarial Assumptions

- None

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.5% to 7.0%.

**2020 Changes**

Changes in Actuarial Assumptions

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

**2019 Changes**

Changes in Actuarial Assumptions

- None

**2018 Changes**

Changes in Actuarial Assumptions

- The discount rate was increased to 7.5% from 5.12%.
- The cost of living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% 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 2.5% if the funded ratio was at least 90% 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 July 1, 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 0.0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

**Independent School District No. 14**  
**Notes to the Required Supplementary Information**

**TRA Retirement Fund (Continued)**

**2017 Changes**

Changes in Actuarial Assumptions

- The discount rate was increased to 5.12% from 4.66%.
- The cost-of-living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

**2016 Changes**

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years, and female rates set back five years. Generational projection uses the MP 2015 scale.
- The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years, and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

**2015 Changes**

Changes of Benefit Terms

- The DTRFA was merged into TRA on June 30, 2015.

**Independent School District No. 14**  
**Notes to the Required Supplementary Information**

**TRA Retirement Fund (Continued)**

**2015 Changes (Continued)**

Changes in Actuarial Assumptions

- The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%.

**Independent School District No. 14**  
**Notes to the Required Supplementary Information**

**General Employees Fund**

**2022 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

**Independent School District No. 14**  
**Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2019 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changes prospectively, requiring \$16 million due per year through 2031.

**2018 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

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 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, 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 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

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

**Independent School District No. 14**  
**Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2016 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**Independent School District No. 14**  
**Notes to the Required Supplementary Information**

**Other Post Employment Benefits**

**2023 Changes**

Plan Changes

- A medical subsidy was added for the Superintendent with 6 years of service. The district will provide full medical coverage up to a max of \$7,500 per year until age 65.

Assumption Changes

- The health care trend rates, mortality tables, salary increase rates for non-teachers, and withdrawal rates were updated.
- The discount rate was changed from 2.10% to 3.80%

**2022 Changes**

Plan Changes; None

Assumption Changes

- The discount rate was changed from 2.40% to 2.10%

**2021 Changes**

Plan Changes; None

Assumption Changes

- The health care 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-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.10% to 2.40%.

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**SUPPLEMENTARY INFORMATION**

**Independent School District No. 14**  
**Combining Balance Sheet -**  
**Nonmajor Governmental Funds**  
**June 30, 2023**

	Special Revenue		Debt Service		Total Nonmajor Funds
	Food Service	Community Service	Post Employment Benefits Debt Service	Capital Projects	
<b>Assets</b>					
Cash and investments	\$ 890,959	\$ -	\$ 327,696	\$ 4,000	\$ 1,222,655
Current property taxes receivable	-	218,453	336,933	-	555,386
Delinquent property taxes receivable	-	4,109	5,939	-	10,048
Accounts receivable, net of allowance	160	37,556	-	-	37,716
Due from Department of Education	3,560	35,238	-	-	38,798
Due from other Minnesota school districts	-	17,234	-	-	17,234
Due from federal government through Department of Education	85,066	-	-	-	85,066
Due from other governmental units	-	20,465	-	-	20,465
Inventory	22,213	-	-	-	22,213
Prepaid items	7,238	14,420	-	-	21,658
	<u>\$ 1,009,196</u>	<u>\$ 347,475</u>	<u>\$ 670,568</u>	<u>\$ 4,000</u>	<u>\$ 2,031,239</u>
<b>Liabilities</b>					
Accounts payable	\$ 10,319	\$ 24,406	\$ -	\$ -	\$ 34,725
Contracts payable	37,610	-	-	-	37,610
Salaries and benefits payable	6,280	95,509	-	-	101,789
Due to other Minnesota districts	-	125	-	-	125
Due to other governmental units	-	82,130	-	-	82,130
Due to other funds	-	216,396	-	-	216,396
Unearned revenue	49,509	31,777	-	-	81,286
Total liabilities	<u>103,718</u>	<u>450,343</u>	<u>-</u>	<u>-</u>	<u>554,061</u>
<b>Deferred Outflows of Resources</b>					
Unavailable revenue - delinquent property taxes	-	3,579	5,049	-	8,628
Property taxes levied for subsequent year's expenditures	-	349,660	539,304	-	888,964
Total deferred inflows of resources	<u>-</u>	<u>353,239</u>	<u>544,353</u>	<u>-</u>	<u>897,592</u>
<b>Fund Balances</b>					
Nonspendable	29,451	14,420	-	-	43,871
Restricted	876,027	189,765	126,215	4,000	1,196,007
Unassigned	-	(660,292)	-	-	(660,292)
Total fund balances	<u>905,478</u>	<u>(456,107)</u>	<u>126,215</u>	<u>4,000</u>	<u>579,586</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,009,196</u>	<u>\$ 347,475</u>	<u>\$ 670,568</u>	<u>\$ 4,000</u>	<u>\$ 2,031,239</u>

**Independent School District No. 14**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**and Changes in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended June 30, 2023**

	<u>Special Revenue</u>		<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
	<u>Food Service</u>	<u>Community Service</u>	<u>Post Employment Benefits Debt Service</u>	<u>Capital Projects</u>	
<b>Revenues</b>					
Local property taxes	\$ -	\$ 374,086	\$ 544,089	\$ -	\$ 918,175
Other local and county revenues	14,527	1,255,697	10,440	-	1,280,664
Revenue from state sources	93,214	632,254	-	-	725,468
Revenue from federal sources	2,023,977	190,383	-	-	2,214,360
Sales and other conversion of assets	227,836	-	-	-	227,836
Total revenues	<u>2,359,554</u>	<u>2,452,420</u>	<u>554,529</u>	<u>-</u>	<u>5,366,503</u>
<b>Expenditures</b>					
Current					
Food service	2,265,312	-	-	-	2,265,312
Community education and services	-	2,661,344	-	-	2,661,344
Capital outlay					
Sites and buildings	-	-	-	730,961	730,961
Food service	191,233	-	-	-	191,233
Debt service					
Principal	-	59,176	505,000	-	564,176
Interest and fiscal charges	-	1,711	34,991	-	36,702
Total expenditures	<u>2,456,545</u>	<u>2,722,231</u>	<u>539,991</u>	<u>730,961</u>	<u>6,449,728</u>
Excess of revenues over (under) expenditures	(96,991)	(269,811)	14,538	(730,961)	(1,083,225)
<b>Other Financing Sources</b>					
Transfers in	-	134,233	-	730,992	865,225
Net change in fund balances	(96,991)	(135,578)	14,538	31	(218,000)
<b>Fund Balances</b>					
Beginning of year	<u>1,002,469</u>	<u>(320,529)</u>	<u>111,677</u>	<u>3,969</u>	<u>797,586</u>
End of year	<u>\$ 905,478</u>	<u>\$ (456,107)</u>	<u>\$ 126,215</u>	<u>\$ 4,000</u>	<u>\$ 579,586</u>

**Independent School District No. 14**  
**Combining Statement of Net Position - Internal Service Funds**  
**June 30, 2023**

	Self Insurance	OPEB Revocable Trust	Total Internal Service Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 7,876,969	\$ -	\$ 7,876,969
Investments	-	3,972,512	3,972,512
Accounts receivable	51	13,676	13,727
Interest receivable	-	26,546	26,546
	<u>\$ 7,877,020</u>	<u>\$ 4,012,734</u>	<u>\$ 11,889,754</u>
<b>Liabilities</b>			
Accounts payable	\$ 175,544	\$ -	\$ 175,544
Incurred but not reported claims	296,972	-	296,972
Due to other funds	-	280,526	280,526
Unearned revenue	1,205,886	-	1,205,886
	<u>1,678,402</u>	<u>280,526</u>	<u>1,958,928</u>
<b>Net Position</b>			
Unrestricted	<u>6,198,618</u>	<u>3,732,208</u>	<u>9,930,826</u>
	<u>\$ 7,877,020</u>	<u>\$ 4,012,734</u>	<u>\$ 11,889,754</u>
Total liabilities and net position			

**Independent School District No. 14**  
**Combining Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Internal Service Funds**  
**Year Ended June 30, 2023**

	<u>Self Insurance</u>	<u>OPEB Revocable Trust</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues</b>			
Charges for services	\$ 6,212,905	\$ 175,341	\$ 6,388,246
<b>Operating Expense</b>			
Insurance	5,566,231	459,256	6,025,487
Administrative	641,085	-	641,085
Total operating expenses	<u>6,207,316</u>	<u>459,256</u>	<u>6,666,572</u>
Operating income (loss)	5,589	(283,915)	(278,326)
<b>Nonoperating Revenues</b>			
Investment income	<u>-</u>	<u>45,242</u>	<u>45,242</u>
Change in net position	5,589	(238,673)	(233,084)
<b>Net Position</b>			
Beginning of year	<u>6,193,029</u>	<u>3,970,881</u>	<u>10,163,910</u>
End of year	<u>\$ 6,198,618</u>	<u>\$ 3,732,208</u>	<u>\$ 9,930,826</u>

**Independent School District No. 14**  
**Combining Statement of Cash Flows - Internal Service Funds**  
**Year Ended June 30, 2023**

	Self Insurance	OPEB Revocable Trust	Total Internal Service Funds
<b>Cash Flows - Operating Activities</b>			
Receipts from district contribution	\$ -	\$ 176,635	\$ 176,635
Receipts from employees	6,260,456	-	6,260,456
Payments to vendors	(6,111,880)	(459,256)	(6,571,136)
Net cash flows - operating activities	148,576	(282,621)	(134,045)
<b>Financing Activities</b>			
Reduction in due to other funds	-	(60,022)	(60,022)
Net cash flows - financing activities	-	(60,022)	(60,022)
<b>Cash Flows - Investing Activities</b>			
Net sale/(purchase) of investments	-	275,305	275,305
Interest received	-	67,338	67,338
Net cash flows - investing activities	-	342,643	342,643
Net change in cash and cash equivalents	148,576	-	148,576
<b>Cash and Cash Equivalents</b>			
Beginning of year	7,728,393	-	7,728,393
End of year	\$ 7,876,969	\$ -	\$ 7,876,969
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>			
Operating income (loss)	\$ 5,589	\$ (283,915)	\$ (278,326)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities			
Accounts receivable	1,546	1,294	2,840
Unearned revenue	46,005	-	46,005
Accounts payable	95,436	-	95,436
Net cash flows - operating activities	\$ 148,576	\$ (282,621)	\$ (134,045)

**Independent School District No. 14**  
**Uniform Financial Accounting and Reporting Standards**  
**Compliance Table**  
**Year Ended June 30, 2023**

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
<b>01 GENERAL FUND</b>				<b>06 BUILDING CONSTRUCTION FUND</b>			
Total revenue	\$ 50,768,444	\$ 50,768,443	\$ 1	Total revenue	\$ -	\$ -	\$ -
Total expenditures	51,836,532	51,836,534	(2)	Total expenditures	730,961	730,961	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
4.60 Nonspendable fund balance	193,913	193,913	-	4.60 Nonspendable fund balance	-	-	-
<i>Restricted/reserved:</i>				<i>Restricted/reserved:</i>			
4.01 Student Activities	107,460	107,460	-	4.07 Capital Projects Levy	4,000	4,000	-
4.02 Scholarships	-	-	-	4.13 Building Projects funded by COP	-	-	-
4.07 Capital Projects Levy	(27,025)	(27,025)	-	4.67 Long-term Facilities Maintenance	-	-	-
4.08 Cooperative Programs	-	-	-	<i>Restricted:</i>			
4.13 Alternative Facility Program	-	-	-	4.64 Restricted fund balance	-	-	-
4.14 Operating Debt	-	-	-	<i>Unassigned:</i>			
4.16 Levy Reduction	-	-	-	4.63 Unassigned fund balance	-	-	-
4.17 Taconite Building Maintenance	-	-	-				
4.24 Operating Capital	98,629	98,629	-	<b>07 DEBT SERVICE FUND</b>			
4.26 \$25 Taconite	-	-	-	Total revenue	\$ 4,407,702	\$ 4,407,703	\$ (1)
4.27 Disabled Accessibility	-	-	-	Total expenditures	4,282,049	4,282,050	(1)
4.28 Learning and Development	-	-	-	<i>Nonspendable:</i>			
4.34 Area Learning Center	-	-	-	4.60 Nonspendable fund balance	-	-	-
4.35 Contracted Alternative Programs	-	-	-	<i>Restricted/reserved:</i>			
4.36 State Approved Alternative Program	-	-	-	4.25 Bond refunding	-	-	-
4.38 Gifted And Talented	-	-	-	4.33 Maximum effort loan aid	-	-	-
4.41 Basic Skills Programs	-	-	-	4.51 QZAB payments	-	-	-
4.45 Career Technical Programs	-	-	-	4.67 LTFM	-	-	-
4.48 Achievement And Integration Revenue	-	-	-	<i>Restricted:</i>			
4.49 Safe School Crime	179,791	179,791	-	4.64 Restricted fund balance	1,056,280	1,056,280	-
4.51 QZAB Payments	-	-	-	<i>Unassigned:</i>			
4.52 Opeb Liabilities Not Held In Trust	-	-	-	4.63 Unassigned fund balance	-	-	-
4.53 Unfunded Severance And Retirement Levy	-	-	-				
4.59 Basic Skills Extended Time	-	-	-	<b>08 TRUST FUND</b>			
4.67 Long-term Facilities Maintenance	(507,735)	(507,735)	-	Total revenue	\$ -	\$ -	\$ -
4.72 Medical Assistance	1,714,395	1,714,395	-	Total expenditures	-	-	-
4.64 Restricted Fund Balance	-	-	-	<i>Unassigned:</i>			
4.75 Title VII - Impact Aid	-	-	-	4.01 Student Activities	-	-	-
4.76 Payments in Lieu of Taxes	-	-	-	4.02 Scholarships	-	-	-
<i>Restricted:</i>				4.22 Net position	-	-	-
4.64 Restricted fund balance	-	-	-				
<i>Committed:</i>				<b>18 CUSTODIAL</b>			
4.18 Committed for separation	-	-	-	Total revenue	-	-	-
4.61 Committed	-	-	-	Total expenditures	-	-	-
<i>Assigned:</i>				<i>Restricted/Reserved:</i>			
4.62 Assigned fund balance	808,544	808,544	-	4.01 Student Activities	-	-	-
<i>Unassigned:</i>				4.02 Scholarships	-	-	-
4.22 Unassigned fund balance	2,886,839	2,886,837	2	4.48 Achievement and Integration	-	-	-
				4.64 Restricted	-	-	-
<b>02 FOOD SERVICES FUND</b>				<b>20 INTERNAL SERVICE FUND</b>			
Total revenue	\$ 2,359,554	\$ 2,359,555	\$ (1)	Total revenue	\$ 6,212,905	\$ 6,212,905	\$ -
Total expenditures	2,456,545	2,456,547	(2)	Total expenditures	6,207,316	6,207,315	1
<i>Nonspendable:</i>				<i>Unassigned:</i>			
460 Nonspendable fund balance	29,451	29,451	-	4.22 Net position	6,198,618	6,198,620	(2)
See notes to required supplementary information.							
452 OPEB Liabilities not Held in Trust	-	-	-	<b>25 OPEB REVOCABLE TRUST</b>			
<i>Restricted:</i>				Total revenue	\$ 220,583	\$ 220,584	\$ (1)
464 Restricted fund balance	876,027	876,028	(1)	Total expenditures	459,256	459,256	-
<i>Unassigned:</i>				<i>Unassigned:</i>			
463 Unassigned fund balance	-	-	-	4.22 Net position	3,732,208	3,732,208	-
<b>04 COMMUNITY SERVICE FUND</b>				<b>45 OPEB IRREVOCABLE TRUST</b>			
Total revenue	\$ 2,452,420	\$ 2,452,419	\$ 1	Total expenditures	\$ -	\$ -	\$ -
Total expenditures	2,722,231	2,722,231	-	Total revenue	-	-	-
<i>Nonspendable:</i>				4.22 Net position	-	-	-
460 Nonspendable fund balance	14,420	14,420	-				
<i>Restricted/reserved:</i>				<b>47 OPEB DEBT SERVICE</b>			
426 \$25 taconite	-	-	-	Total revenue	\$ 554,529	\$ 554,529	\$ -
431 Community Education	(660,292)	(660,292)	-	Total expenditures	539,991	539,990	1
432 ECFE	38,664	38,664	-	<i>Nonspendable:</i>			
444 School Readiness	90,757	90,757	-	4.60 Nonspendable fund balance	-	-	-
447 Adult Basic Education	-	-	-	<i>Restricted:</i>			
452 OPEB Liabilities not Held in Trust	-	-	-	4.25 Bond refundings	-	-	-
<i>Restricted:</i>				4.64 Restricted fund balance	126,215	126,216	(1)
464 Restricted fund balance	60,344	60,344	-	<i>Unassigned:</i>			
<i>Unassigned:</i>				4.63 Unassigned fund balance	-	-	-
463 Unassigned fund balance	-	-	-				

**Independent School District No. 14  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023**

Federal Agency/Pass Through Agency/Program Title	Federal Assistance Listing Number	Expenditures
<b>U.S. Department of Agriculture</b>		
Through Minnesota Department of Education		
Child Nutrition Cluster		
Commodities Programs	10.555	\$ 134,666
School Breakfast	10.553	450,275
National School Lunch	10.555	1,129,224
Fresh Fruit and Vegetables	10.582	68,576
COVID 19 - Summer Food Service	10.559	56,210
Total Child Nutrition Cluster		<u>1,838,951</u>
Child and Adult Care Food Program	10.558	185,026
Total U.S. Department of Agriculture		<u>2,023,977</u>
<b>U.S. Department of Treasury</b>		
Through Minnesota Department of Education		
State Local Fiscal and Recovery Funds		
COVID 19 - American Rescue Plan Summer Academic Enrichment and Mental Health	21.027	68,654
COVID 19 - Summer Preschool Program	21.027	41,568
COVID 19 - Pandemic Enrollment Loss	21.027	83,610
COVID 19 - Expanded MN High School Certified Nursing Assistance	21.027	15,000
COVID 19 - One-Time Supplemental Stabilization Grant	21.027	3,648
Total State Local Fiscal and Recovery Funds		<u>212,480</u>
Through Minnesota Department of Human Services		
COVID 19 - Other Coronavirus Aid/Relief	21.019	3,135
Total U.S. Department of Treasury		<u>215,615</u>
<b>U.S. Department of Education</b>		
Through Minnesota Department of Education		
Title I, Part A	84.010	452,836
Title II, Part A - Improving Teacher Quality	84.367	82,962
Title III, Part A - English Language Acquisition	84.365	50,034
Title IV, Part A, Student Support and Academic Enrichment	84.424	31,546
Special Education Cluster		
Special Education	84.027	570,865
IDEA, Part B Section 611 Mandatory Coordinated Early Intervening Services	84.027	116,877
COVID-19 - ARP IDEA Coordinated Early Intervening Services	84.027X	34,847
COVID 19 - ARP IDEA Part B Section 611	84.027X	134,076
Special Education - Preschool Grant	84.173	17,146
COVID 19 - ARP IDEA Part B Section 619	84.173X	4,882
Total Special Education Cluster		<u>878,693</u>
Education Stabilization Fund		
COVID 19 - Elementary and Secondary School Education Relief (ESSER) II Fund	84.425D	432,728
COVID 19 - Elementary and Secondary School Education Relief (ESSER) III Fund	84.425U	2,585,168
COVID 19 - Elementary and Secondary School Education Relief (ESSER) III Fund Learning Loss	84.425U	130,109
COVID 19 - American Rescue Plan - Homeless I	84.425W	7,956
COVID 19 - Learning Recovery - Lost Instructional Time	84.425U	315,841
Total Education Stabilization Funds		<u>3,471,802</u>
Infants and Toddlers	84.181	16,021
Carl Perkins	84.048A	11,722
Through Northwest Suburban Integration District:		
Global Studies Magnet Grant	84.165A	102,349
Total U.S. Department of Education		<u>5,097,965</u>
<b>U.S. Department of Health and Human Services</b>		
Through Minnesota Department of Human Services		
COVID 19 - Public Health Support Funds for Child Care	93.575	145,166
COVID 19 - MN Covid Testing	93.323	69,365
Total U.S. Department of Health and Human Services		<u>214,531</u>
<b>U.S. Department of the Interior</b>		
Through Minnesota Chippewa Tribe		
Johnson-O'Malley Indian Education Assistance to Schools	15.130	1,917
Total Department of Homeland Security		<u>1,917</u>
<b>U.S. Federal Communications Commission</b>		
Through Universal Service Administrative Co.		
COVID 19 - Emergency Connectivity Fund Program	32.009	889,947
Total Department of Homeland Security		<u>889,947</u>
Total federal expenditures		<u>\$ 8,443,952</u>

See notes to schedule of expenditures of federal awards.

**Independent School District No. 14**  
**Notes to the Schedule of Expenditures of Federal Awards**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes of net assets, or cash flows of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – PASS-THROUGH GRANT NUMBERS**

All pass-through entities listed above use the same Assistance Listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

**NOTE 4 – INVENTORY**

Inventories of commodities donated by the U.S. Department of Agriculture are recorded at market value in the Food Service Fund as inventory. Revenue and expenditures are recorded when commodities are used.

**NOTE 5 – INDIRECT COST RATE**

The District did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.

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**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***

**Independent Auditor's Report**

To the School Board  
Independent School District No. 14  
Fridley, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 14, Fridley, Minnesota, as of and for the year ending June 30, 2023, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 14, 2023.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance that we consider to be a significant deficiency in internal control, described as Audit Finding 2023-001.

### **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*.

### **District's Response to the Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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



St. Cloud, Minnesota  
December 14, 2023

**Report on Compliance for Each Major  
Federal Program and on Internal Control over  
Compliance Required by the Uniform Guidance**

**Independent Auditor's Report**

To the School Board  
Independent School District No. 14  
Fridley, Minnesota

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

**Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control over Compliance**

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

**Report on Internal Control over Compliance (Continued)**

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

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

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



St. Cloud, Minnesota  
December 14, 2023

**Independent School District No. 14  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).
Internal control over financial reporting:	
• Material weaknesses(es) identified?	No
• Significant deficiency(ies) identified?	Yes, Audit Finding 2023-001
Noncompliance material to basic financial statements noted?	No

**Federal Awards**

Type of auditor's report issued on compliance for Major programs:	Unmodified'
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Any audit findings disclosed that are required to be Reported in accordance with 2CFR 200.516?	No

**Identification of Major Programs**

Assistance Listing No.:	84.425, 84.425D, 84.425U, 84.425W
Name of Federal Program or Cluster:	Education Stabilization Fund
Assistance Listing No.:	10.553, 10.555, 10.558, 10.559
Name of Federal Program or Cluster:	Child Nutrition
Assistance Listing No.:	21.027
Name of Federal Program or Cluster:	Coronavirus Local State Fiscal Recovery Funds
Assistance Listing No.:	32.009
Name of Federal Program or Cluster:	Emergency Connectivity Funds
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low risk auditee?	Yes

**Independent School District No. 14  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Audit Finding 2023-001**

*Criteria:*

Internal control that supports the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

*Condition:*

During the year ended June 30, 2023, the District had a lack of segregation of accounting duties due to a limited number of office employees. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- The Accounts Payable Clerk enters invoices into the system and prepares the checks.
- The Accounting Supervisor has access to all areas of the accounting system.
- The Accounting Supervisor and Payroll Specialist have overlapping duties within the payroll process.

*Context:*

This finding impacts the internal control for all significant accounting functions.

*Effect:*

The lack of adequate segregation of accounting duties could adversely affect the District's ability to initiate, record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

*Cause:*

There are a limited number of office employees.

*Recommendation:*

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

**Independent School District No. 14  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Audit Finding 2023-001 (Continued)**

*Responsible Official's Response:*

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Finding  
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
  - As a mitigating control, the Accounting Supervisor receives a system report of checks prior to the preparation of checks for review. In addition, the Accounting Supervisor reviews the edit to the check register to verify that the edit was not changed after review.
  - The Accounting Supervisor has access to all areas of the accounting system. Segregation will be reviewed to determine whether access can feasibly be limited.
  - Payroll responsibilities will be reviewed once the HRIS system is fully built out and functional.
3. Official Responsible for Ensuring CAP  
Brenda Lewis, Superintendent is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP  
The planned completion date for the CAP is June 30, 2024.
5. Plan to Monitor Completion of CAP  
The School Board will be monitoring this CAP.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There are no federal award findings or questioned costs.

**SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

There are no prior year federal award findings or questioned costs.

**Minnesota Legal Compliance**

**Independent Auditor's Report**

To the School Board  
Independent School District No. 14  
Fridley, 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 Independent School District No. 14, Fridley, Minnesota, as of and for the year ended June 30, 2023, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 14, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for school districts 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.

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



St. Cloud, Minnesota  
December 14, 2023

**Independent School District No. 14  
Fridley, Minnesota**

**Communications Letter**

**June 30, 2023**



**Independent School District No. 14**  
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## Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

To the School Board and Management  
Independent School District No. 14  
Fridley, Minnesota

In planning and performing our audit of the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 14, Fridley, Minnesota, as of and for the year ended June 30, 2023, 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, 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 over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. The significant deficiency identified is stated within this letter.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated December 14, 2023, on such statements.

The purpose of this communication, which is an integral part of our audit, is to describe for the School Board, and others within the District and state oversight agencies the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

A handwritten signature in cursive script that reads "BergankDV, Ltd.".

St. Cloud, Minnesota  
December 14, 2023

**Independent School District No. 14  
Significant Deficiency**

**Lack of Segregation of Accounting Duties**

The District has a lack of segregation of accounting duties due to a limited number of office employees. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- The Accounts Payable Clerk enters invoices into the system and prepares the checks.
- The Accounting Supervisor has access to all areas of the accounting system.
- The Accounting Supervisor and Payroll Specialist have overlapping duties within the payroll process.

This lack of adequate segregation of accounting duties could adversely affect the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation but due to the number of accounting staff needed to properly segregate all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct.

## **Independent School District No. 14 Required Communication**

We have audited the basic 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, 2023. Professional standards require that we advise you of the following matters related to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic audit financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Our Responsibility in Relation to *Government Auditing Standards***

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

## **Independent School District No. 14 Required Communication**

### **Our Responsibility in Relation to Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)**

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examined on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it did not provide a legal determination on the District's compliance with those requirements.

In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

### **Significant Risks Identified**

We have identified the following significant risks:

- Management Override of Controls – Overall Financial Statements – Management over of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- Improper Revenue Recognition – Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources.

### **Qualitative Aspects of the District's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**Independent School District No. 14  
Required Communication**

**Qualitative Aspects of the District's Significant Accounting Practices (Continued)**

*Significant Accounting Estimates*

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on 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 basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements relate to:

Depreciation – The District is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

General Education and Special Education Aid – General Education Aid is an estimate until average daily membership (ADM) values are final. Since this is normally not done until after the reporting deadline, this Aid is an estimate. Special Education Aid is dependent on the availability of funds and complex formulas that are finalized after reporting deadlines.

Total Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB – These balances are based on an actuarial study using the estimates of future obligations of the District for post-employment benefits.

Net Pension Liability, Deferred Outflows of Resources Related to Pension Activity, and Deferred Inflows of Resources Related to Pension Activity – These balances are based on an allocation by the pension plans using estimates based on contributions.

Lease Liability and Right-to-Use Lease Assets – These balances are based on estimates and judgments determined by the District related to the discount rate, lease term, and lease payments.

Subscription Liability and Right-to-Use Subscription Assets – These balances are based on estimates and judgments determined by the District related to the discount rate, subscription term, and subscription payments.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

*Financial Statement Disclosures*

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

**Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Independent School District No. 14 Required Communication**

### **Uncorrected and Corrected Misstatements**

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit.

We identified the following uncorrected misstatements of the financial statements. Management has determined their effect is immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole and each opinion unit.

- In-kind state contribution related to pensions
- State receivable and related revenue

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the basic financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating, and regulatory conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditor.

### **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

**Independent School District No. 14  
Required Communication**

**Other Information Included in Annual Reports (Continued)**

We applied certain limited procedures to the RSI that supplements 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.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

The following pages provide graphic representation of select data pertaining to the financial position and operations of the District for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours.

**Independent School District No. 14  
Financial Analysis**

**Average Daily Membership and Pupil Units**

The largest single funding source for Minnesota school districts is basic General Education Aid. Each year, the State 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 ADM. Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2014	\$ 5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%

\* General Education Aid - Of the \$529 increase over 2014, \$105 is for inflation at 1.9%, the remaining \$424 is a shifting of revenue to adjust for pupil weight changes, pension adjustment changes and other restructuring.

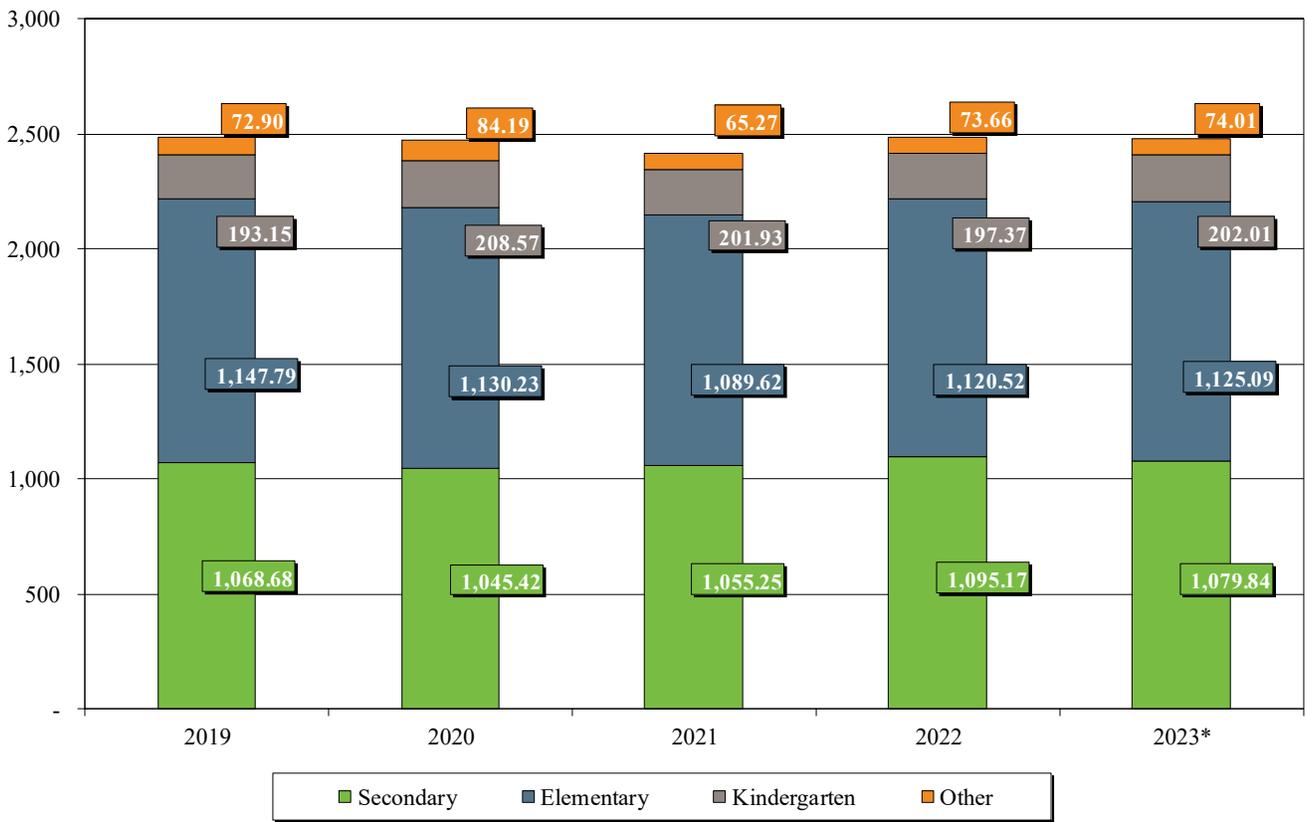
## Independent School District No. 14 Financial Analysis

### Average Daily Membership and Pupil Units (Continued)

Approximately 69% of the District’s General Fund revenue is from the state. A majority of this funding is based on student counts, so an understanding of the District’s population trends is critical to overall budgeting plans. The following summarizes resident ADM of the District over the past five years ended June 30:

Resident ADM	2019	2020	2021	2022	2023*
Other	72.90	84.19	65.27	73.66	74.01
Kindergarten	193.15	208.57	201.93	197.37	202.01
Elementary	1,147.79	1,130.23	1,089.62	1,120.52	1,125.09
Secondary	1,068.68	1,045.42	1,055.25	1,095.17	1,079.84
<b>Total Resident ADM</b>	<b>2,482.52</b>	<b>2,468.41</b>	<b>2,412.07</b>	<b>2,486.72</b>	<b>2,480.95</b>

**Resident ADM**



\* Estimate

The chart and graph above show a decrease in resident ADM from 2022 to 2023 of 5.77 ADM, or 0.23%.

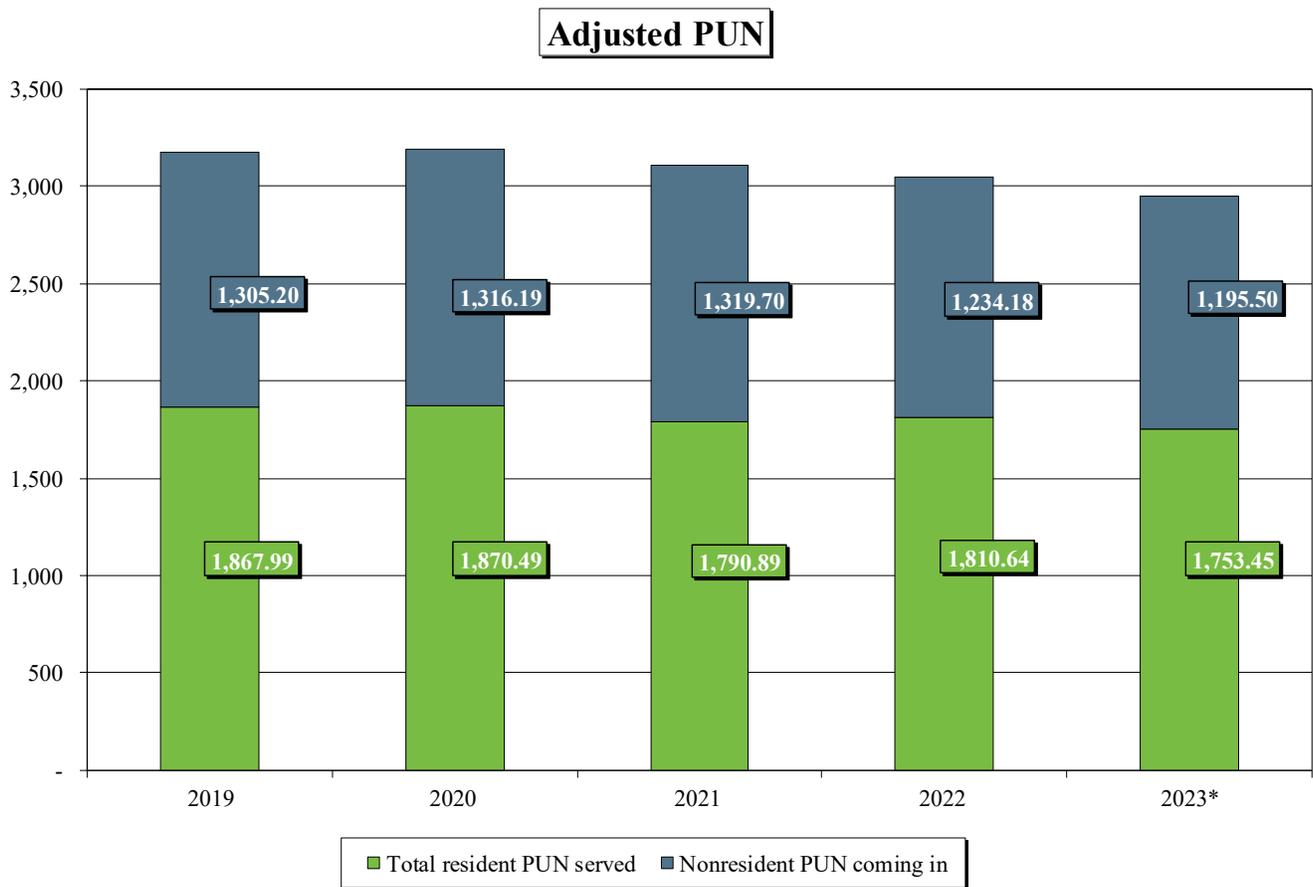
## Independent School District No. 14 Financial Analysis

### Average Daily Membership and Pupil Units (Continued)

	Pre-Kindergarten	Handicapped Kindergarten	Kindergarten Half	Kindergarten Full	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2019-2023	1.000	1.000	0.550	1.000	1.000	1.000	1.200

The PUN served table and graph below converts the resident ADM into weighted or adjusted pupil unit data for the past five years taking into consideration the above weighting factors and open enrollment.

PUN	2019	2020	2021	2022	2023*
Residents	2,695.88	2,677.49	2,623.03	2,705.77	2,696.92
Resident PUN going elsewhere	(827.89)	(807.00)	(832.14)	(895.13)	(943.47)
Total resident PUN served	1,867.99	1,870.49	1,790.89	1,810.64	1,753.45
Nonresident PUN coming in	1,305.20	1,316.19	1,319.70	1,234.18	1,195.50
<b>Total Adjusted PUN</b>	<b>3,173.19</b>	<b>3,186.68</b>	<b>3,110.59</b>	<b>3,044.82</b>	<b>2,948.95</b>



\* Estimate

## Independent School District No. 14 Financial Analysis

### Average Daily Membership and Pupil Units (Continued)

In 2023, resident PUN decreased 8.85, or 0.33%. PUN served decreased 95.87 PUN or 3.15%, a result of an increase in resident PUN going elsewhere of 48.34 or 5.40% and a decrease in nonresident PUN coming in of 38.68 or 3.13%. The District continues to have a net gain from open enrollment. Nonresident PUN make up 40.5% of PUN served.

The following graph illustrates the percentage change from year-to-year in resident ADM and PUN served:

**Change in ADM and PUN Served**



\* Estimate

**Independent School District No. 14  
Financial Analysis**

**General Fund Revenues Budget and Actual**

The graph below outlines the District's final budget and actual results for the General Fund:

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Local property taxes	\$ 8,054,141	\$ 8,062,608	\$ 7,912,584	\$ (150,024)
Other local revenues	1,007,278	1,119,628	1,541,392	421,764
Revenue from state sources	35,564,662	34,702,743	35,079,255	376,512
Revenue from federal sources	3,857,407	5,015,557	6,229,383	1,213,826
Sales and other conversion of assets	4,456	5,900	5,830	(70)
Total revenues	<u>48,487,944</u>	<u>48,906,436</u>	<u>50,768,444</u>	<u>1,862,008</u>
<b>Expenditures</b>				
Administration	1,794,494	2,059,596	1,937,174	(122,422)
District support services	2,410,307	2,449,282	3,009,817	560,535
Regular instruction	20,524,005	21,196,598	20,215,642	(980,956)
Vocational instruction	499,873	529,028	654,041	125,013
Special education instruction	9,229,080	8,888,796	9,336,023	447,227
Instructional support services	2,743,332	2,565,100	3,757,995	1,192,895
Pupil support services	5,016,184	5,155,587	5,595,953	440,366
Sites and buildings	5,645,218	5,295,979	6,192,287	896,308
Fiscal and other fixed cost programs	929,532	929,532	1,137,600	208,068
Total expenditures	<u>48,792,025</u>	<u>49,069,498</u>	<u>51,836,532</u>	<u>2,767,034</u>
Excess of revenues under expenditures	(304,081)	(163,062)	(1,068,088)	(905,026)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	1,000	915	(85)
Proceeds from financed purchases	-	-	163,800	163,800
Insurance recoveries	-	-	2,242	2,242
Transfers out	(730,992)	(865,225)	(865,225)	-
Total other financing sources (uses)	<u>(730,992)</u>	<u>(864,225)</u>	<u>(698,268)</u>	<u>165,957</u>
<b>Net change in fund balances</b>	<u>\$ (1,035,073)</u>	<u>\$ (1,027,287)</u>	<u>\$ (1,766,356)</u>	<u>\$ (739,069)</u>

The District approved a final General Fund revenue budget of \$48,906,436. With actual revenues coming in at \$50,768,444, the final budget produced a variance of \$1,862,002 or 3.8%. The largest variances were in revenues from federal sources. Revenues from federal sources were primarily over budget as a result of budgeting conservatively as the district was unsure which awards would be used. Other local revenues were over budget primarily due to interest earnings and market value adjustment due to better investment performance and market conditions. State source were over budget due to conservative budgets.

**Independent School District No. 14  
Financial Analysis**

**General Fund Revenues Budget and Actual (Continued)**

In total, General Fund expenditures were over budget 5.6% or \$2,767,034. District support service expenditures were over budget due to cooperative expenditures and technology purchases. Special education instruction was over budget due to more payments to other agencies than expected as well as more supplies and materials purchased with additional COVID funds. Instructional support services were over budget primarily due to technology purchases with emergency connectivity funds that were not budgeted for. Pupil support service expenditures were over budget as transportation costs increased at a higher rate than anticipated. Expenditures in sites and buildings were over budget as a result of budgeting for tennis court projects in regular instruction but paying out of sites and buildings as well as timing of project completion that more was completed in 2023 than anticipated. Offsetting these budget overages, regular instruction expenditures were under budget with employee wages and benefits coming in lower than anticipated as well as budgeting here for the tennis court project when it was paid out of sites and buildings.

**General Fund Sources of Revenue**

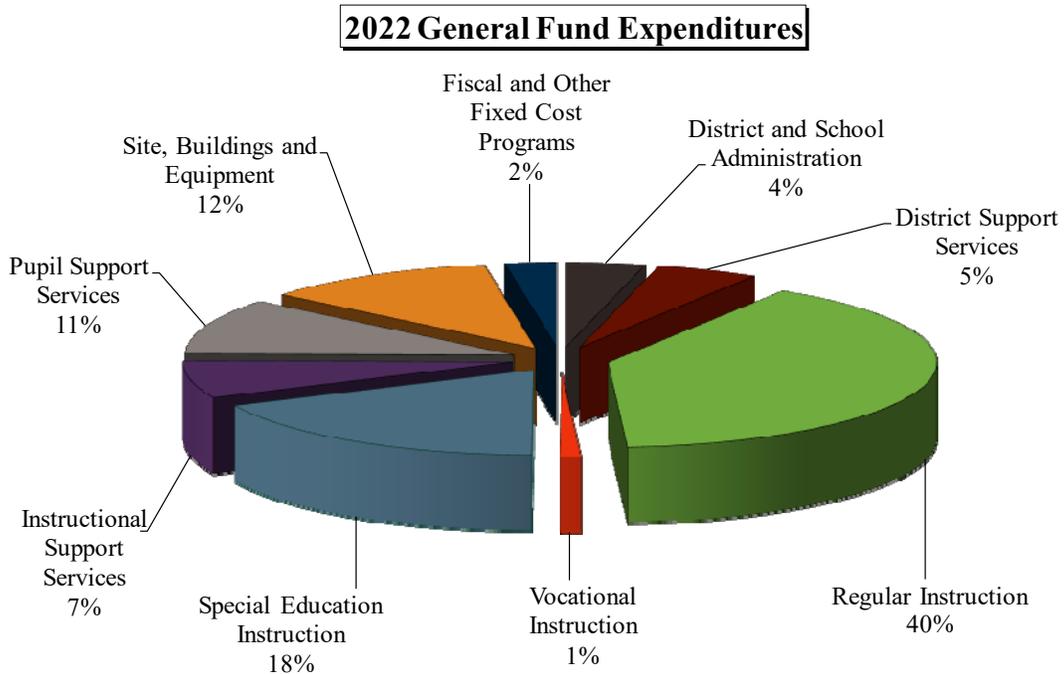
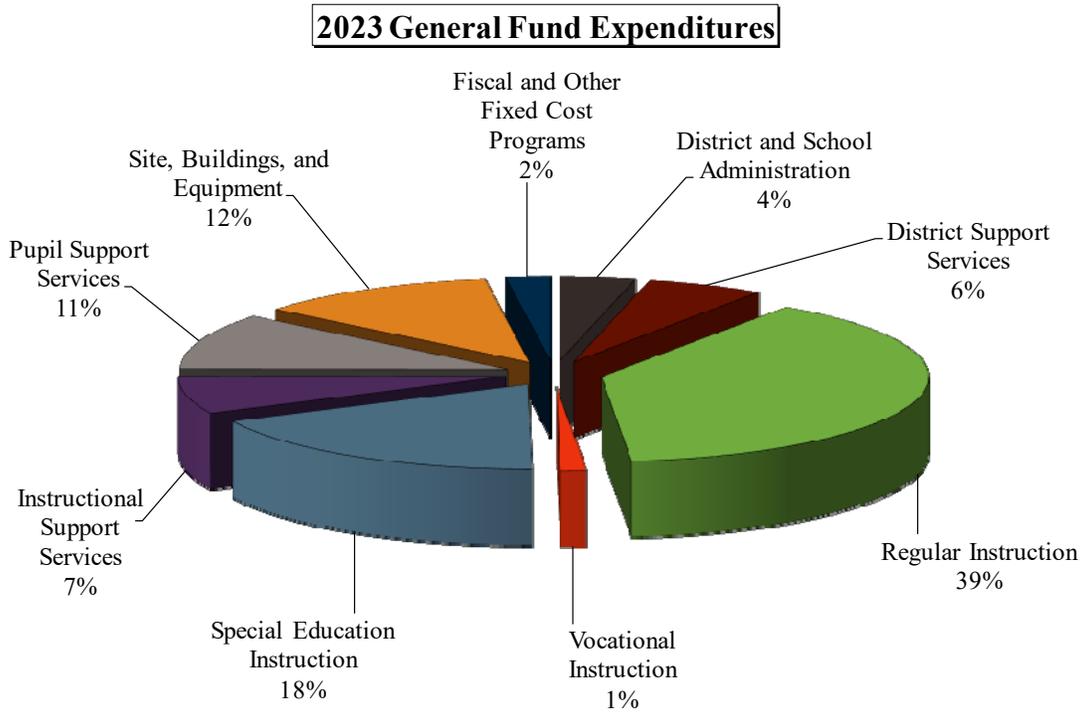
General Fund sources of revenue are summarized as follows:

	2019	2020	2021	2022	2023
Local property taxes	\$ 6,303,819	\$ 6,457,443	\$ 7,512,337	\$ 7,579,755	\$ 7,912,584
State sources	35,747,873	35,171,289	35,274,529	35,102,954	35,079,255
Other	2,732,712	2,765,323	4,308,999	3,965,803	7,776,605
<b>Total</b>	<b>\$ 44,784,404</b>	<b>\$ 44,394,055</b>	<b>\$ 47,095,865</b>	<b>\$ 46,648,512</b>	<b>\$ 50,768,444</b>

State sources are 69.1% of the total General Fund revenue, with local taxpayers contributing 15.6% of the funding and federal and other sources making up the remaining 15.3%. Total revenue for 2023 increased \$4,119,932 from \$46,648,512 in 2022 to \$50,768,444 in 2023. Property tax revenue increased due to an increase in levy. Other sources of revenue increased as a result of more federal funding sources due to receiving and using more COVID related grants in the current year as well as increased interest revenue with better market conditions. Revenue from state sources stayed consistent with prior year numbers.

# Independent School District No. 14 Financial Analysis

## General Fund Expenditures



The allocation of expenditures has remained fairly consistent from year-to-year as shown above. The three instruction categories, regular, vocational, and special education comprise 58% and 59% of the total expenditures for 2023 and 2022.

**Independent School District No. 14  
Financial Analysis**

**General Fund**

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

For the Year Ended June 30,	2019	2020	2021	2022	2023
Revenues	\$ 44,784,404	\$ 44,394,055	\$ 47,095,865	\$ 46,648,512	\$ 50,768,444
Expenditures excluding OPEB	43,302,652	42,338,911	44,687,856	48,902,728	51,836,532
Excess of revenues over (under) expenditures	1,481,752	2,055,144	2,408,009	(2,254,216)	(1,068,088)
Sale of capital assets	-	-	20,279	4,876	915
Proceeds from financed purchase	-	-	-	126,171	163,800
Insurance recovery	-	268,015	410,880	580,145	2,242
Transfers out	(725,740)	(832,061)	(708,586)	(827,336)	(865,225)
Fund balance, July 1	5,127,291	5,883,303	7,460,945	9,591,527	7,221,167
Change in accounting principle	-	86,544	-	-	-
<b>Fund Balance, June 30</b>	<b>\$ 5,883,303</b>	<b>\$ 7,460,945</b>	<b>\$ 9,591,527</b>	<b>\$ 7,221,167</b>	<b>\$ 5,454,811</b>
Components					
Nonspendable	\$ 144,601	\$ 207,678	\$ 341,966	\$ 523,972	\$ 193,913
Restricted for					
Student activities	-	68,462	79,365	86,689	107,460
Health and safety	-	-	-	-	-
Capital projects levy	4,019	279,040	177,408	64,950	(27,025)
Area learning center	-	-	-	40,908	-
Safe schools - crime levy	87,714	193,069	258,467	231,367	179,791
Operating capital	537,547	425,933	333,849	216,128	98,629
Long term facilities maintenance	25,658	60,196	1,004,602	145,458	(507,735)
Medical assistance	294,904	715,356	984,319	1,526,898	1,714,395
Assigned	2,246,081	2,599,775	3,291,873	1,276,042	808,544
Unassigned	2,542,779	2,911,436	3,119,678	3,108,755	2,886,839
<b>Total</b>	<b>\$ 5,883,303</b>	<b>\$ 7,460,945</b>	<b>\$ 9,591,527</b>	<b>\$ 7,221,167</b>	<b>\$ 5,454,811</b>

The District's General Fund revenues increased \$4,119,932, or 8.8%, from the prior year, while expenditures increased \$2,933,804, or 6.0%. District support services increased \$545,591 due to increased cooperative services and technology purchases. Regular instruction expenditures increased \$580,678 due to contract increases and additional positions with federal COVID funds as well as increased benefit costs. Special education increased \$542,407 due to increased payments to other agencies for special education services. Pupil Support Services increased \$341,984 due to increased bussing and transportation costs. Sites, buildings and equipment expenditures increased \$553,748 due to larger projects such as the tennis courts, high school loading dock improvements, and high school water relocation project.

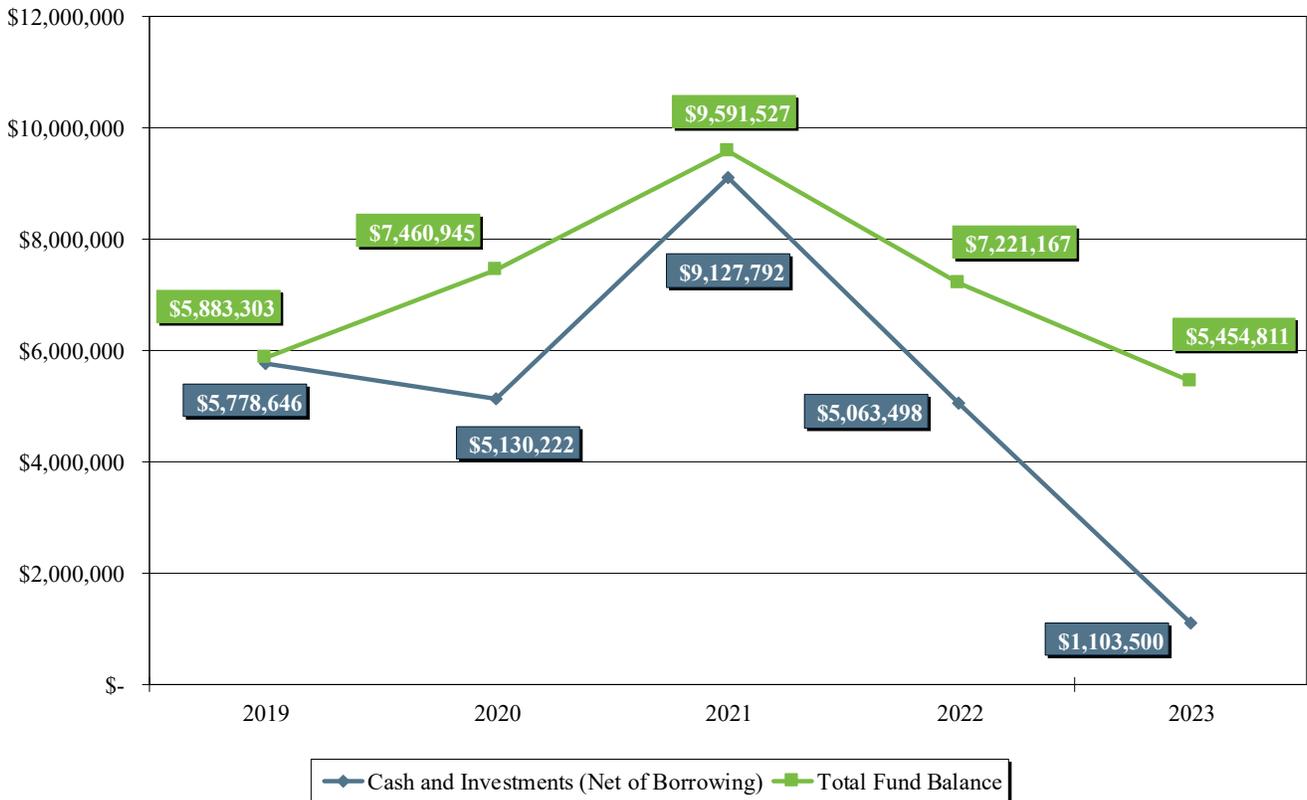
The District's expenditures exceeded revenues by \$1,068,088 for 2023. The District received financed purchase proceeds and monies from the sale of capital assets. The District transferred \$865,225 out to other funds for community education and capital project portions of the levy referendum.

## Independent School District No. 14 Financial Analysis

### General Fund Financial Position

Overall, the District's General Fund total fund balance decreased \$1,766,356 in 2023. The District's unassigned portion of fund balance decreased \$221,916 from 2022, ending the year with a balance of \$2,887,739.

**General Fund Financial Position**



## Independent School District No. 14 Financial Analysis

### Food Service Fund

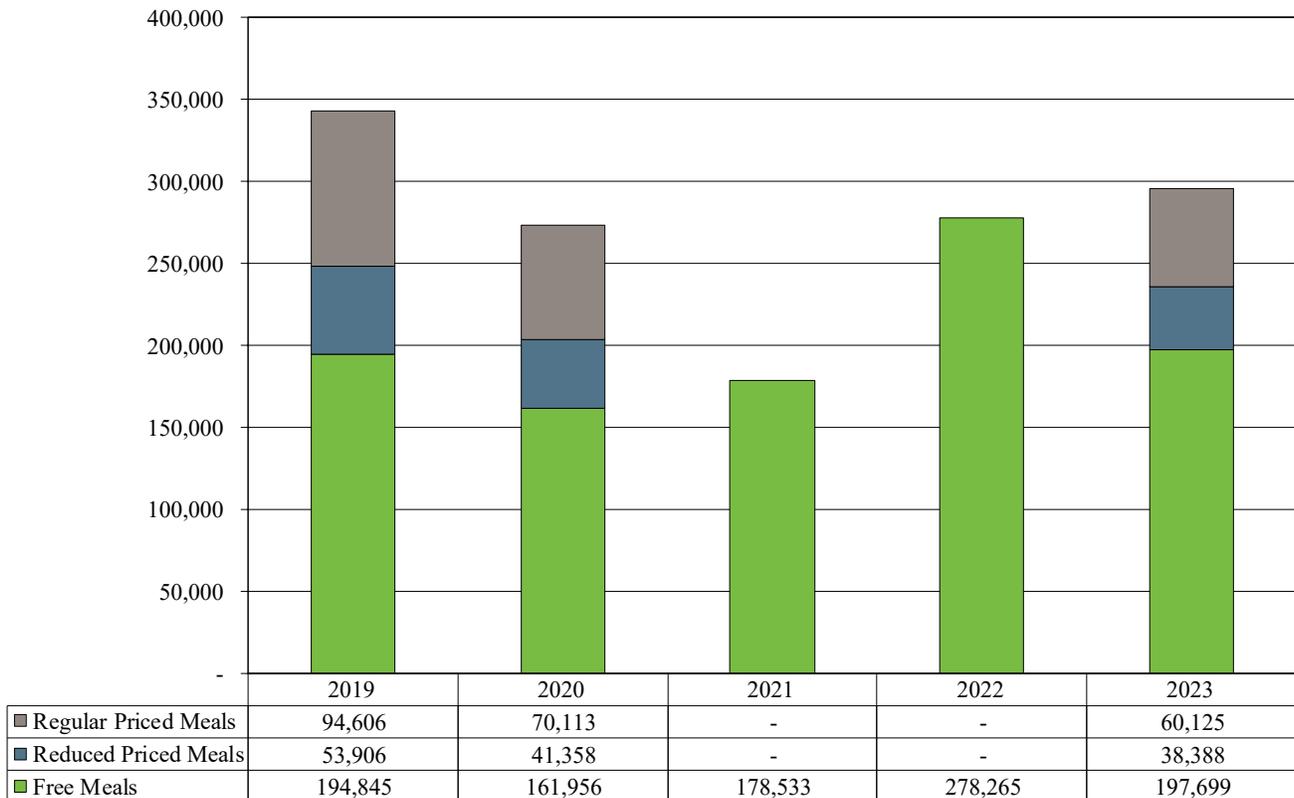
The following table presents five years of comparative operating results for the District's Food Service Fund.

For the Year Ended June 30,	2019	2020	2021	2022	2023
Revenues	\$ 2,200,263	\$ 1,799,299	\$ 1,609,953	\$ 2,323,742	\$ 2,359,554
Expenditures	2,092,615	1,749,648	1,596,883	1,958,341	2,456,545
Excess of revenues over (under) expenditures	107,648	49,651	13,070	365,401	(96,991)
Fund balance, July 1	466,699	574,347	623,998	637,068	1,002,469
<b>Fund Balance, June 30</b>	<b>\$ 574,347</b>	<b>\$ 623,998</b>	<b>\$ 637,068</b>	<b>\$ 1,002,469</b>	<b>\$ 905,478</b>

For the current year, there was a decrease in fund balance of \$96,991. Revenues increased by \$35,812, or 1.5%, and expenditures increased by \$498,204, or 25.4%. The fund balance represents over three month's expenditures based on 2023 levels. The increase in expenditures was also due to an increase in meals served and increased costs.

The following chart reflects the number and type of lunches served to students over the past five years:

**Lunches Served to Students**



**Independent School District No. 14  
Financial Analysis**

**Community Service Fund**

The following table presents five years of comparative operating results for the District's Community Service Fund:

For the year ended June 30,	2019	2020	2021	2022	2023
Revenues	\$ 2,913,111	\$ 2,377,623	\$ 1,762,074	\$ 2,274,864	\$ 2,452,420
Expenditures	3,128,632	2,712,966	2,328,968	2,696,594	2,722,231
Excess of revenues under expenditures	(215,521)	(335,343)	(566,894)	(421,730)	(269,811)
Other financing sources	216,343	284,989	110,297	154,242	134,233
Fund balance, July 1	453,088	453,910	403,556	(53,041)	(320,529)
<b>Fund Balance, June 30</b>	<b>\$ 453,910</b>	<b>\$ 403,556</b>	<b>\$ (53,041)</b>	<b>\$ (320,529)</b>	<b>\$ (456,107)</b>

For the year ended June 30,	2019	2020	2021	2022	2023
Components					
Nonspendable	\$ 6,765	\$ 5,040	\$ 6,051	\$ 7,203	\$ 14,420
Restricted for					
Community education	264,584	274,056	(260,873)	(515,697)	(660,292)
ECFE	65,849	4,906	29,373	25,985	38,664
School readiness	45,455	24,579	76,494	73,382	90,757
Community service	71,257	94,975	95,914	88,598	60,344
<b>Total</b>	<b>\$ 453,910</b>	<b>\$ 403,556</b>	<b>\$ (53,041)</b>	<b>\$ (320,529)</b>	<b>\$ (456,107)</b>

Expenditures exceeded revenues by \$269,811 in 2023. Revenues increased \$177,556, or 7.8%, from 2022 to 2023, while expenditures increased \$25,637, or 1.0%. The District transferred a total of \$134,233 from the General Fund to the Community Service Fund to allocate operating referendum dollars, to allocate a portion of lease levy for adult basic education. Revenue increased due to increased participation and increased rates in these programs. The community education restriction continues to be in deficit for a third year.

## **Independent School District No. 14 Legislative Summary**

The following is a brief summary of current legislative changes and issues affecting the funding of Minnesota school districts. More detailed and extensive summaries are available from the Minnesota Department of Education (MDE).

### **American Indian Education Aid**

Beginning in 2024, a school district or charter school enrolling at least 20 American Indian students will receive the greater of the sum of \$40,000 plus \$500 per American Indian student over the 20-count threshold or the amount of American Indian Education aid received in 2015.

### **American Rescue Plan (ARP) Act**

The ARP Act was signed into law on March 11, 2021, and focuses on returning to, and maintaining, safe in-person learning for all students.

The ARP includes \$1.3 billion for E-12 education in ESSER funds for Minnesota to help schools returning to, and maintaining, safe in-person learning for all students. Per the federal law, 90% of these funds have been allocated to eligible districts and charter schools. 9.5% of these funds are for flexible use by each state education agency to create a plan to meet the needs of students. Funds are eligible for spending through September 30, 2024.

### **Area Learning Center (ALC) Transportation Aid**

ALC transportation aid reimburses school districts for costs associated with transportation of students to and from an ALC program. Total statewide revenue is capped at \$1,000,000 annually. School districts can apply for this new funding stream for 2024 and beyond.

### **Basic Alternative Teacher Compensation Aid (Q-Comp)**

The total cap for basic alternative teacher compensation aid increased from \$88,118,000 to \$88,461,000 for 2024 and 2025 and \$89,486,000 for 2026 and beyond.

### **Basic General Education Aid**

The formula allowance for 2023 is set at \$6,863 and for 2024, the formula allowance is set at \$7,138, which is a 4% increase over 2023. The formula allowance for 2025 is \$7,281, or a 2% increase from 2024.

### **Basic Skills Revenue**

The allowable uses for basic skills funding for 2024 and beyond have changed. Guidance on specific changes is included in the 2024 UFARS Manual.

### **Building and Cybersecurity**

Local education agencies may apply for grants to improve security and cybersecurity. The grants may be used for security-related facility improvements and cybersecurity insurance premiums. State-wide funding of \$24,332,000 has been appropriated for these grants.

Safe school revenue has also been expanded to include cyber security measures.

## **Independent School District No. 14 Legislative Summary**

### **Compensatory Education Revenue**

The compensatory allowance for 2024 was updated and corresponds to increases in the basic formula allowance. A hold-harmless provision has been added for 2025 so that compensatory revenue for each site is the greater of its calculated revenue for 2025 or the 2024 actual revenue.

### **Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act**

The CRRSA Act was signed into law on December 27, 2020, and provided an additional \$2.75 billion for the Emergency Assistance for Nonpublic School Fund (EANS Fund) of which \$41,697,717 was awarded to Minnesota. Funds are eligible for spending through September 30, 2023.

### **Gender-Neutral Single-User Restroom Grants**

Local education agencies may apply for grants to remodel, construct, or repurpose space for gender-neutral single-user restrooms. Grants to school districts are capped at \$75,000 per site. State-wide funding of \$1,000,000 has been appropriated for these grants.

### **Lease Levy Authority**

*Minnesota Statutes* 2023 § 126C.40, subdivision 1 grants authority to intermediate, cooperative units, and joint powers districts to levy for the costs of leasing administrative and classroom space. Levy authority is capped at \$65 per adjusted pupil unit of the member district(s). The proportionate share of deferred maintenance expenditures of district-owned buildings or sites leased to an intermediate, cooperative unit, or joint powers district may also be levied.

### **Local Optional Revenue**

The second-tier equalization threshold for 2024 remains at \$510,000 before increasing to \$587,244 for 2025, \$642,038 for 2026, and \$671,345 for 2027 and later.

### **Long-term Facilities Maintenance (LTFM) Revenue**

Joint powers districts may be included in the LTFM program along with intermediate and secondary cooperative districts.

Additionally, LTFM plans must include provisions for gender-neutral bathrooms, which has been added to the allowable list of LTFM expenses. No new LTFM funding is available for these expenses.

### **Online Learning Students**

The Online Instruction Act repeals and replaces the Online Learning Act. Local education agencies can provide online instruction to enrolled students with a limit of 40 students per course. Entities must apply to MDE to provide online instruction to non-enrolled students.

### **Operating Referendum**

*Minnesota Statutes* 2023 § 126C.17, subdivision 9 has been added, which allows School Boards to renew an existing operating referendum authority one-time through board resolution using the same per-pupil amounts and length of time. Board approval must happen by June 15 in the fiscal year prior to the last fiscal year generating revenue.

## **Independent School District No. 14 Legislative Summary**

### **Pension Bill and Pension Adjustment Revenue**

TRA required contributions have increased to 7.75% for employees effective for fiscal year 2024. Required employer contributions increase 0.2% in fiscal year 2024 until a required contribution rate of 8.75% is reached.

The pension adjustment rate for districts (besides ISD No. 625, St. Paul) is 1.25% for fiscal years 2024 and 2025 and 2.0% for fiscal year 2026 and 2027. For fiscal year 2028 and later, pension adjustment revenue must not exceed the fiscal year 2027 amount, and the revenue will be prorated, as necessary.

### **School Breakfast Program**

Early childhood special education students are now eligible to participate in the School Breakfast program.

### **School Library Aid**

New program revenue has been added to be used for school district libraries including media specialist salary and benefits, equipment, furniture, supplies, IT infrastructure, and electric and material resources.

For school districts, 2024 aid amounts to \$16.11 multiplied by the adjusted pupil units or \$40,000, whichever is greater.

For charter schools, 2024 aid amounts to \$16.11 multiplied by the adjusted pupil units or \$20,000, whichever is greater.

### **Special Education Aids**

The Special Education Cross Subsidy Reduction Aid paid to districts increases from 6.43% to 44% beginning in 2024. A further increase to 50% begins in 2027.

An additional \$1,689 per ADM will be provided beginning in 2024 based on students served at special education sites where the federal instruction setting is greater than 3 for special education cooperatives, education districts, and intermediates.

### **Student Support Personnel Revenue**

A new aid has been added to be used to hire new positions for student support services or to increase the full time equivalent of a current position, to maintain a position that would otherwise be eliminated, or to make a temporary position permanent.

"Student Support Services Personnel" means an individual licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.

Student support services personnel aid is calculated based on the fiscal year per pupil allocation multiplied by the district's total adjusted pupil units, or \$40,000, whichever is greater. The aid cannot exceed expenditures.

## **Independent School District No. 14 Legislative Summary**

### **Transportation Sparsity Revenue**

Under *Minnesota Statutes* § 126C.10, subdivision 18a, qualifying districts with eligible expenses greater than revenue will receive an increase in additional revenue from 18.2% to 35% of calculated unfunded pupil transportation expenses beginning in 2024.

### **Unemployment Insurance Aid**

Effective May 28, 2023, certain non-certified hourly school workers may qualify for "between term" summer unemployment benefits. A new aid has been created to reimburse districts for between term unemployment insurance costs, which are not eligible for levy reimbursement. The total aid available is \$135 million in fiscal year 2024 and is available until fiscal year 2027 or depletion.

### **Voluntary Prekindergarten (VPK)/School Readiness Plus**

VPK seats are included in the calculation of general education revenue. Seats are funded at 0.6 ADM. The number of seats funded are set at 7,160 for 2024, 10,160 for 2025 with a state-wide cap of \$50 million, and 12,360 for 2026 and later.

## **Independent School District No. 14 Emerging Issues**

### **Executive Summary**

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- **Implementation Guide No. 2021-1 – Amending Capitalization Requirements**

GASB has issued Implementation Guide No. 2021-1, amending previously issued guidance regarding capitalization requirements for capital assets that are significant in the aggregate but below the government’s capitalization threshold individually.

- **Accounting Standard Update – GASB Statement No. 100 – Accounting Changes and Error Corrections**

GASB has issued GASB Statement No. 100 relating to accounting and financial reporting for accounting changes and error corrections. 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.

- **Accounting Standard Update – GASB Statement No. 101 – Compensated Absences**

GASB has issued GASB Statement No. 101 relating to accounting and financial reporting for compensated absences. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The following are extensive summaries of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your District.

### **Implementation Guide No. 2021-1 – Amending Capitalization Requirements**

Implementation Guide No. 2021-1, amended previously issued guidance contained in Implementation Guide No. 2015-1 regarding capitalization requirements for capital assets that are significant in the aggregate.

Original guidance stated that it *may be* appropriate for a government to establish a capitalization policy that would require capitalization for certain types of assets with individual acquisition costs that are less than the threshold for an individual asset.

Amended guidance states that a government *should* capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant.

Computers and classroom furniture are common examples of asset types that could be significant collectively. The amended guidance clarifies that if 100 computers costing \$1,500 each totaling a \$150,000 aggregate amount is significant, the government *should* capitalize the computers.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

## **Independent School District No. 14 Emerging Issues**

### **Accounting Standard Update – 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.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement.

This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB Statement No. 100 is effective for reporting periods beginning after June 15, 2023. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

## **Independent School District No. 14 Emerging Issues**

### **Accounting Standard Update – 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. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

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.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

Minnesota Department of Education  
 Levy Limitation and Certification Report  
 2023 Payable 2024

District Number-Type: 0014-01  
 District Name: Fridley Public School District  
 Home County: ANOKA

Date Printed: 12/14/23  
 Limits Updated: 11/28/23  
 Certified Submitted: 12/14/23

	<b>LIMIT</b>	<b>PROPOSED</b>	<b>CERTIFIED</b>
<b>SUBTOTALS BY LEVY CATEGORY</b>			
GENERAL - RMV VOTER	1,754,214.24	1,754,214.24	1,754,214.24
GENERAL - RMV OTHER	2,297,102.34	2,297,102.35	2,297,102.34
GENERAL - NTC VOTER	1,272,849.69	1,272,849.69	1,272,849.69
GENERAL - NTC OTHER	3,029,267.32	3,029,267.32	3,029,267.32
COMMUNITY SERVICE - NTC OTHER	354,005.10	354,005.10	354,005.10
GENERAL DEBT - NTC VOTER	2,731,722.03	2,731,722.03	2,731,722.03
GENERAL DEBT - NTC OTHER	1,664,105.08	1,664,105.08	1,664,105.08
OPEB DEBT - NTC VOTER	0.00	0.00	0.00
OPEB DEBT - NTC OTHER	0.01	0.01	0.01
<b>SUBTOTALS BY FUND</b>			
GENERAL FUND	8,353,433.59	8,353,433.60	8,353,433.59
COMMUNITY SERVICES FUND	354,005.10	354,005.10	354,005.10
GENERAL DEBT SERVICE FUND	4,395,827.11	4,395,827.11	4,395,827.11
OPEB/PENSION DEBT SERVICE FUND	0.01	0.01	0.01
<b>SUBTOTALS BY TAX BASE</b>			
REFERENDUM MARKET VALUE	4,051,316.58	4,051,316.59	4,051,316.58
NET TAX CAPACITY	9,051,949.23	9,051,949.23	9,051,949.23
<b>SUBTOTALS BY TRUTH IN TAXATION CATEGORY</b>			
VOTER APPROVED	5,758,785.96	5,758,785.96	5,758,785.96
OTHER	7,344,479.85	7,344,479.86	7,344,479.85
<b>TOTAL LEVY</b>			
TOTAL LEVY	13,103,265.81	13,103,265.82	13,103,265.81

The school district must submit the completed original of this form to the home county auditor by December 28, 2023. A duplicate form must be submitted to Minnesota Department of Education, School Finance Division, 400 NE Stinson Blvd., Minneapolis, MN 55413, by January 7, 2024.

The certified levy listed above is the levy voted by the school board for taxes payable in 2024.

Signature of School Board Clerk \_\_\_\_\_

Date of Certification \_\_\_\_\_

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# MASTER AGREEMENT

## Article I Parties and Effect

**Section 1. Parties:** This Agreement, entered into between the School Board of Independent School District 14, Fridley, Minnesota, hereinafter referred to as the School Board, and the Fridley Education Association, hereinafter referred to as exclusive representative, pursuant to and in compliance with the Public Employment Relations Act as amended, hereinafter referred to as the P.E.L.R.A. as amended, to provide the terms and conditions of employment for teachers during the duration of this Agreement.

**Section 2. Effect:** This Agreement constitutes the full and complete agreement between the School Board and the exclusive representative representing the teachers of the District. The provisions herein relating to terms and conditions of employment supersede any and all prior Agreements, resolutions, practices, school district policies, rules or regulations concerning terms and conditions of employment inconsistent with these provisions. Compensation for any new position added to Schedule C during the term of this agreement shall be subject to negotiations between the association and the administration.

Any statement in this Agreement found to be in violation of any valid rule, regulations or order of State and Federal agencies shall be considered null and void.

## Article II Recognition of Exclusive Representative

**Section 1. Recognition:** In accordance with the P.E.L.R.A. as amended, the School Board recognizes the Fridley Education Association as the exclusive representative of teachers employed by the School Board of Independent School District 14, which exclusive representative shall have those rights and duties as prescribed by the P.E.L.R.A. as amended and as described in the provisions of this Agreement.

## Article III Definitions

### **Section 1. Teachers :**

The Fridley Education Association shall represent all teachers in the appropriate bargaining unit as determined pursuant to the PELRA. For purposes of this section, the term "teacher" means any public employee other than a superintendent or assistant superintendent, principal, assistant principal, or supervisory or confidential employee, employed by a school district in a position for which the person must be licensed by the Professional Educator Licensing Standards Board or the commissioner of education; in a position as a physical therapist, occupational therapist, art therapist, music therapist or audiologist or in a position creating and delivering instruction to children in a preschool, preschool readiness or prekindergarten

program, except a daily substitute teacher who does not replace the same teacher for more than thirty (30) working days

**Section 2. Long Term Substitute Teachers:** A long term substitute contract shall be issued to a legally certified teacher who is serving as a substitute during a full school year's leave of absence of a regularly contracted teacher.

**Subd. 1. Salaries:** Salaries for long term substitute teachers assignment of at least 31 consecutive days shall be determined in the same manner as salaries for a continuing contract teacher.

**Subd. 2.** A substitute engaged for at least 31 consecutive working days is eligible for the same fringe benefits as those teaching under a continuing contract.

**Section 3. Terms and Conditions of Employment:** Terms and conditions of employment means the hours of employment, the compensation therefor, including fringe benefits, except retirement contributions or benefits, staffing ratios, and the employer's personnel policies affecting the working conditions of the employees. In the case of professional employees, the term does not mean educational policies of the School District. The terms in both cases are subject to the provisions of M.S. 179A regarding the rights of public employees in the scope of negotiations. In the case of school employees, "terms and conditions of employment" includes adult to student ratios in classrooms, student testing and student to personnel ratios regarding the rights of public employees in the scope of negotiations.

**Section 4. School Board:** Any reference to School Board or School District in this Agreement shall mean the School Board of its designated officials.

**Section 5. Other Terms:** Terms not defined in this Agreement shall have those meanings as defined by the P.E.L.R.A. as amended.

## **Article IV School Board Rights**

**Section 1. Inherent Managerial Rights:** The exclusive representative recognizes that the School Board is not required to meet and negotiate on matters of inherent managerial policy, which include, but are not limited to, such areas of discretion or policy as the functions and programs of the employer, its overall budget, utilization of technology, the organizational structure and selection and direction of personnel.

**Section 2. Management Responsibilities:** The exclusive representative recognizes the right and obligation of the School Board to efficiently manage and conduct the operation of the School District within its legal limitations and with its primary obligation to provide educational opportunity for the students of the School District.

**Section 3. Effect of Laws, Rules and Regulations:** The exclusive representative recognizes that all employees covered by this Agreement shall perform the teaching and teaching related services prescribed by the School Board and shall be governed by the laws of the State of Minnesota, and by School Board rules, regulations, directives and orders, issued from time to time by properly designated officials of the School District. Any provision of this Agreement found to be in violation of any such laws shall be null and void and without force and effect. The School Board will abide by the Minnesota Statutes of PELRA including 179A.13 Unfair Labor Practices.

## **Article V Teacher and Association Rights**

**Section 1. Right to Views:** Nothing contained in this Agreement shall be construed to limit, impair or affect the right of any teacher or his/her representative to the expression or communication of a view, grievance, complaint or opinion on any matter related to the conditions or compensation of public employment or their betterment, so long as the same is not designated to and does not interfere with the full faithful and proper performance of the duties of employment or circumvent the rights of the exclusive representative if there be one; nor shall it be construed to require any teacher to perform labor or services against his/her will.

**Section 2. Right to Join:** Teachers shall have the right to form and join labor or employee organizations, and shall have the right not to form and join such organizations. Teachers in an appropriate unit shall have the right by secret ballot to designate an exclusive representative for the purpose of negotiating grievance procedures and the terms and conditions of employment for such teachers with the School Board of such unit.

**Section 3. Request for Dues Check-off:** Teachers shall have the right to request and be allowed dues check-off for the teacher organization of their selection provided that the teacher organization has not lost its right to dues check-off pursuant to M.S. 179A of the P.E.L.R.A. as amended. The employer, upon notification by the exclusive representative, is obligated to check off the fee from the employee's earnings and transmit the same to the exclusive representative. Any dispute as to the validity of a specific deduction is solely between the Association and the individual employee. The Association warrants that it will indemnify and hold harmless the employer and any of its agents from any and all actions which any organization or employee may have, or claim to have, now or in the future, arising out of or by reason of the deduction or lack thereof.

**Subd. 1.** All teachers who have applied for dues check-off in the Association will automatically have their membership dues deducted in equal monthly installments. Deductions for members employed after the beginning of the school year shall have their membership dues deducted in equal monthly installments beginning at their start date, as defined by notice from FEA.

**Subd. 2.** The District will promptly remit to the Association treasurer the amount of money deducted each month. With each installment the District will provide to the Association membership chair a list of people currently having dues deducted.

**Section 4. Facilities:** The exclusive representative may use School District facilities for the transaction of Association business scheduling such use in advance with the building principal of the school, provided that this does not interfere with the normal school operation. Association meetings may also be held during the contractual day provided that they do not also interfere with the normal operations of the school. Such meetings shall normally be no more than one-half (1/2) hour per month scheduled at the discretion of the building principal and not to conflict with classes and/or after school activities. Such meetings shall not be used for purposes of an adversarial nature to the District. Employees may not use any school facilities or equipment to make any personal attacks on other staff. The employees will abide by the Minnesota Statutes of PELRA including 179A.13 Unfair Labor Practices.

**Section 5.** The School Board will not discriminate against any teacher with respect to hours, wages, or any terms or conditions of employment by reason of his/her membership in the Association or collective professional negotiations with the Board or his/her institution of any grievance, complaint or proceeding under this contract. All rights granted to teachers in this Agreement are in addition to those granted elsewhere.

**Section 6. Personnel Files:** All monitoring or observation of the work performance of District personnel shall be conducted openly and with full knowledge of that person.

**Subd. 1.** No written material derogatory of a teacher's conduct, service or character shall be placed in his/her personnel file unless the teacher is given prompt written notice.

**Subd. 2.** As provided by law, M.S. 122A.40, Subd. 19, a teacher shall be entitled to submit a written response to any material placed in the teacher's personnel file or to seek expungement of any material through the grievance procedure.

**Subd. 3.** Teachers shall have the right upon request to review the contents of their personnel file and to receive at their own expense a copy of any documents contained therein.

**Section 7.** Each school year up to 200 hours leave may be used by officers or representatives to conduct Association business provided that no more than 40 hours may be used by one teacher, except the Association president who may use 120 hours. Additional hours for the president may be approved by the Superintendent. During negotiations the number of hours may be waived at the discretion of the Superintendent. The Association agrees to notify the building principal at least forty-eight (48) hours prior to the date for intended use of said leave. Teacher substitutes will be paid for by the exclusive representative.

**Section 8.** Teachers with responsibilities in more than one building will have one school designated as their base and all arrangements for leave and other responsibilities will be made by the principal of that building. Duplication of responsibilities will be avoided wherever possible.

**Section 9.** Teachers with split assignments between two districts shall have the right to meet and negotiate their conditions of employment.

**Section 10.** Voluntary Contract Reduction: If a teacher voluntarily takes a less than full-time contract (a decreasing assignment), they shall retain the right to a full-time position if they notify the District by February 1 prior to the next school year and a full-time position for which the teacher is qualified is available. Requests for voluntary part-time contracts shall not exceed three (3) years in duration unless the district and the teacher mutually agree on the reduction.

## **Article VI Basic Schedules and Rates of Pay**

**Section 1. 2023-2025 Salary Schedule:** The wages and salaries reflected in Schedule A attached hereto shall be effective only for the 2023-2025 school year.

**Section 2. 2023-2025 Salary Schedule:** The wages and salaries reflected in Schedule B attached hereto shall be effective only for the 2023-2025 school year.

**Section 3. Status of Salary Schedule:** The salary schedules are not to be a part of a teacher's continuing contract and the School Board reserves the right to withhold increment advancement, lane changes, or any other salary increase as the School Board shall determine provided there is just cause.

**Section 4. Placement on a Salary Schedule:** The following rules shall be applicable to determining placement on the appropriate salary schedules:

**Subd. 1. Experience:** Salary advancements shall be determined annually by adding all full and part-time experience and giving credit to the nearest full year of experience. Teaching 50% or more of a full-time schedule shall be considered full-time experience for purposes of this Section.

**Subd. 2.** Effective the 2021-2022 school year, newly hired teachers who have had experience in other school systems may be credited for each year of experience up to a maximum of eight (8) years. Credit for nine (9) or more years may be granted by special action of the School Board.

**Subd. 3.** Effective the 2021-2022 school year, newly hired Nurses, social workers, occupational therapists, physical therapists, and speech language pathologists shall be granted experience credit for relevant non-school work experience with 2000 verified hours

equaling one year/one performance increment with the maximum experience credit based on the guidelines set forth in Subd. 2 of this Article.

**Subd. 4.** The District agrees to advise final candidates of where they would be placed on the schedule before hiring.

**Subd. 5.** Once initial placement has been made upon the salary schedule, staff shall then move up the salary schedule pursuant to the terms and provisions of the Master Agreement.

**Subd. 6. Military Service:** Teachers drafted or called to active reserve duty while teaching in District 14 shall upon returning to the District receive full credit for military or alternate civilian services. All accumulated leave shall be restored. This shall not apply to service rendered prior to the adoption of this Agreement. M.S. 471.975(b) (2004)

**Subd. 7. Lane Changes:**

- a) Beginning July 1, 2021, credits to be considered applicable on any lane of the salary schedule must be relevant to the teaching assignment, education, educational leadership (including admin licensure) curriculum, instruction or similar concentration offered by a college of education. Credits must carry a grade-point average of 2.8 or higher as interpreted by the institution awarding the grade; credits must be approved by the Superintendent or designee in writing prior to taking the course. Credits to apply beyond the M.A. Lane must be earned subsequent to earning the M.A. degree and must be taken at an accredited college or university. At the time of hiring, new employees must inform the Superintendent or designee of current credit for approval and subsequent placement on salary schedule. District reserves the right to exclude undisclosed credits.
- b) Credits to be approved shall be a part of the pre-arranged approved degree program or a part of the pre-arranged approved plan of professional development in the teacher's teaching assignment. Courses in the plan or program may be substituted with mutual agreement. A teacher on an approved degree program shall be given credit for elective courses prescribed by the institution as a part of the course of study for the degree.
- c) Salary adjustments for increased education shall be made twice each year. The first adjustment shall be made during the month of October and shall be based upon credits and degrees completed prior to September 1. Application for adjustments in October must be filed on or before October 1 in order to be considered. Upon Board approval of an October adjustment the applicable salary increase for a full contract year shall be prorated over the remaining pay periods. The second adjustment shall be made during the month of March and shall be based upon credits and degrees completed prior to February 1. Application for adjustments in March must be filed on or before March 1 in order to

be considered. Upon Board approval of March adjustment, one-half (1/2) of the full year salary increase will be pro-rated over the remaining pay periods.

- d) At the discretion of the Superintendent and with prior approval, any of these requirements may be waived in a specific program.
- e) Applications for salary adjustments must be accompanied by a transcript of credits earned since the last adjustment was made. Proof of credits is acceptable until an official transcript is received.

**Subd. 8. Maintenance of Certification by Teacher:**

- a) Teacher is responsible for maintaining their full licensure with all areas list in effect at time of hire and in place at time of lane changes approved by the School Board for that teacher since the date of hire to the present.
- b) Teacher is responsible for checking the Seniority List and licensure areas for accuracy.
- c) Teacher is responsible to keep license areas current according to state law.
- d) A teacher whose license for their primary assignment is expired as of the first contract duty day shall be suspended without pay until the license is posted.

**Subd. 9. Teacher Request to Drop a Licensure Area:**

- a) **Step One.** If a teacher desires to drop a license area, then the teacher must first notify the building principal and superintendent in writing. The Board of Teaching requires dropping licensure by December 31; therefore, dropping licensure for the following year in Fridley must occur no later than December 31.

**Step Two.** The District will review the lane placement of a teacher who gives notice of his or her intent to drop a license area. That teacher's lane placement will be re-evaluated by the District based upon the germaneness of the prior approved credits to the remaining subject matter areas of licensure and teaching assignment. The District will schedule a meeting with the teacher to review its evaluation of the lane placement. The District will inform the teacher in writing as to what the lane change will be and when the lane change will be implemented.

**Step Three.** If the teacher decides to drop the license area, the teacher will give written notice of this decision to the principal and superintendent.

**Step Four.** The District will provide written notice to the teacher of its final determination of the teacher's lane placement and its implementation date.

- b) In the event a teacher drops a license area after following the above procedures and the District subsequently determines that specific credits being credited toward a lane change are no longer germane and not credited toward that lane change, the grievance process is available for the teacher and exclusive representative to challenge the District's decision.
- c) **Step One.** If a teacher drops or lets an area of licensure expire without notifying the District and without following the steps identified in Article 6, Section 4, Subd 9a, the Superintendent will initiate the following steps and the Superintendent's decision will be final.

**Step Two.** The District will review the lane placement of a teacher who lets a license area expire. That teacher's lane placement will be re-evaluated by the District based upon the germaneness of the prior approved credits to the remaining subject matter areas of licensure and teaching assignment. The District will schedule a meeting with the teacher to review its evaluation of the lane placement. The District will inform the teacher in writing as to what the lane change will be and when the lane change will be implemented.

**Step Three.** If the teacher chooses not to reinstate a license area, the teacher will give written notice of this decision to the principal and superintendent.

**Step Four.** The District will provide written notice to the teacher of its final determination of the teacher's lane placement and its implementation date.

**Section 5. Overload Assignments:** Subd. 1. A full time teacher who voluntarily teaches an additional class (overload) for an extended period (excluding occasional substitution) shall be entitled to additional compensation beginning on the first day of the overload and continuing for the remainder of the assignment. Additional compensation shall be calculated using the following formula and paid on a pro rata basis during each payroll of the assignment: (total number of periods taught, including overload ÷ number of periods in typical 1.0FTE assignment) x annual salary.

Example: At Fridley High School teaching 5 periods per day is considered 1.0 FTE. A teacher who volunteers to teach a 6th class shall be compensated as follows:  $6 \text{ periods} / 5 \text{ periods} = 1.2 \text{ FTE}$ .  $\$79,997 \text{ (MA/step 10) full year overload} = \$79,997.00 \times 1.2 = 95,996.40$  for a total salary.

Example: At Fridley Middle School teaching 6 periods per day is considered 1.0 FTE. A teacher who volunteers to teach a 7th class shall be compensated as follows:  $7 \text{ periods} / 6 \text{ periods} = 1.167 \text{ FTE}$ .  $\$79,997 \text{ (MA/step 10) full year overload} = \$79,997.00 \times 1.167 = \$93,356.50$ .

**Section 6. Salary Payments:** 24 payment schedule will be utilized. Employees will be paid by automatic check deposit.

**Subd. 1. Summer Pay Option:** Teachers shall have the option of receiving the remainder of their contract salary in a lump sum. This payment shall be made on the first payday after the end of the regular school year. In order to exercise this option, the teacher must notify the District Office on or before May 1.

**Subd. 2. Extra-Curricular Payments:** Payments for extracurricular activities will be paid throughout the season of the activity.

**Section 7. Pay Deduction:** Whenever pay deduction is made for a teacher's absence, the contract salary divided by the number of duty days shall be deducted for each day of absence.

**Section 8. Contract Extension:** Employees are eligible for sick leave and long term disability benefits during the period of contract extension which hereinafter shall mean those days in which all contracted personnel are employed beyond the normal 185 duty days. Any change in an extension shall be by notice to the teacher in at least the same number of days as are in the extension. If such notice is not possible, pay for the extension shall be held until the end of duty so as to avoid the need for any pay back by the teacher.

## Article VII Extra Compensation

**Section 1. Extra-Curricular Schedule:** The wages and salaries reflected in Schedule C, attached hereto, shall be a part of this Agreement. A maximum of seven (7) years' experience may be given to coaches who accept an additional assignment or transfer assignments. At the discretion of the administration, experience outside the District may be granted. Retired Fridley staff members will receive experience credits as listed above. Any non-teaching staff coaches who are assigned and hold no coaching certificates shall receive only the base.

Subd 1. Experience Calculations: The value of experience increments as listed in Schedule C shall be calculated using the following formula:

<i>Base (Year 1)</i>	<i>Starting the 5th year</i>	<i>Starting the 10th year</i>	<i>Base (Year 2)</i>	<i>Starting the 5th year</i>	<i>Starting the 10th year</i>
<i>Base1</i>	<i>Base1 x 1.07</i>	<i>Base1 x 1.15</i>	<i>Base2</i>	<i>Base2 x 1.07</i>	<i>Base2 x 1.15</i>

**2Sharing Assignments:** Two or more employees can share an extra-curricular assignment upon mutual agreement between the District and the employees.

**Section 3. Stipends for specialists:** The following specialists who submit documentation annually of national certification or LICSW certification indicated below by May 1, shall receive the following yearly stipend on the June 15 payroll:

- |   |         |
|---|---------|
| 1. School Psychologist (NCSP):                          | \$1,650 |
| 2. Speech Pathologist (ASHA):                           | \$1,550 |
| 3. Occupational Therapist (NBCOT):                      | \$1,740 |
| 4. Nurses (NBCSN):                                      | \$1,350 |
| 5. Licensed Independent Clinical Social Worker (LICSW): | \$1,000 |

Stipends pursuant to this provision shall be prorated for employees who work less than a full school year. The proration shall be calculated as follows: (Teachers annual days worked ÷ 185) x above stipend.

**Section 4. Substitute Teaching During the Workday:** When a teacher substitute teaches during the workday, the teacher shall receive additional pay.

**Subd. 1. Sub Split Class.** If a classroom is split between two or more classrooms when a substitute is unavailable, teachers shall receive the substitute rate of pay, divided by the number of sections into which the class is split. If the entire class is taken on by another teacher in addition to their normal roster, then they shall receive the entire substitute rate of pay. If less than a full day, pay is calculated based on the fraction of the day the split occurred.

Calculation: Sub rate of pay / number of classes split into = Pay per teacher per day. (Pay per teacher per day / 8 hours) x hours taken

**Subd. 2. Sub Reassignment.** Any Licensed Instructional staff reassigned to substitute teach from their scheduled assignment (including EL, reading interventionist, math interventionist, instructional leader, literacy coach, etc.) shall be paid at the substitute rate of pay, in addition to their normal compensation. If less than a full day, pay is calculated based on the fraction of the day. If the teacher subs for a full day, the 'sub during prep time' calculation does not apply in addition to the 'reassigned sub' rate described above.

**Subd. 3. Sub During Prep.** Any Licensed Instructional staff reassigned to substitute teach during their prep time shall be paid for actual time subbing (clock-in/out in HRIS system) at the hourly rate that matches their step and lane placement, in addition to their normal compensation.

Such assignments will be made by the principal and will be distributed as equitably as practicable among the teachers. For the purposes of this subdivision 'substitute rate of pay' shall be defined as of July 1 of the contract year and will include the total cost of the substitute pay (including the mark-up paid to the substitute agency (e.g. TOC).

**Section 5. Hourly Pay for Licensed Student Support Staff:**

**Subd. 1. Extended Contract.** Licensed student support staff (including but not limited to: guidance counselors, deans, social workers, school psychologists, etc.) that are required to participate in district functions during the summer (including: leadership retreats, registration events, back to school planning, etc.) shall be granted up to 5 days of contract extension paid on a pro rata basis.

**Subd. 2. Hourly Pay.** Licensed student support staff (including but not limited to: guidance counselors, deans, social workers, school psychologists, etc.) asked to work beyond their contracted hours shall be paid their regular hourly rate of pay. The provisions of this section shall apply to individuals being asked to work during their duty-free lunch.

## **Article VIII Group Insurance**

### **Section 1. Health and Hospitalization Insurance:**

#### **Subd. 1. Coverage:**

**2023-2025** The district's contribution toward health insurance for 2023-2025 shall be:

Single	100% of the Base plan
Employee + 1	81% of the Base plan
Family	74% of the Base plan

Coverage is for all teachers employed by the School District who qualify for and are enrolled in the School District group health and hospitalization plan. Any additional cost of the premium shall be borne by the employee and paid by payroll deduction.

**Subd. 2. Plan:** The above contributions will be made towards a group health care plan. The District will not arbitrarily disregard the wishes of the exclusive representative in the selection of a carrier. If possible, an annual open enrollment period should exist with all carriers.

**Subd. 3. Insurance Buy-in:** A teacher who has ten (10) years of service to teaching in the Fridley Public Schools and is at least 55 years of age shall be eligible to continue participation in the District's group medical insurance plan. All group medical insurance coverage options will be available to the teacher. The teacher will be responsible for all premium costs following resignation or retirement from the District. Insurance must be taken at the time of leave and must be continuous. The teacher may participate in all other insurance programs of the District on a self-pay basis subject in each case to the approval and terms of the insurance carrier. It is the responsibility of the teacher to make arrangements with the school business office to pay to the School District the monthly premium amounts in advance and on such dates as determined by the School District. The teacher's right to continue participation in such group insurance, however, will be discontinued upon the teacher

reaching eligibility age of FICA/Medicare, or if the teacher becomes eligible for insurance benefits through re-employment prior to the eligibility age of FICA/Medicare. Once a person has decided to terminate participation in insurance programs, he/she will not be allowed to re-enroll.

**Section 2. Dental Insurance:**

**Subd. 1.** The School Board shall contribute the full cost of individual coverage for all teachers employed by the School District who qualify for and who are enrolled in the School District dental health plan.

**Subd. 2. Plan:** The above contribution will be made toward a plan approved by the Board and the exclusive representative.

**Section 3. Long Term Disability:** The District will provide a long term disability plan for all teachers employed by the District providing a benefit of 67% of basic annual salary in the event of disability caused by sickness or accident. The waiting period for this benefit shall be 60 calendar days. The premium for the plan will be paid by the teacher through payroll deduction. All unit members must participate in the plan.

**Section 4. Life Insurance:** The District will provide a group term life insurance policy on the life of all teachers employed by the District in the amount of \$50,000.00. Each teacher may apply for up to \$150,000 of supplemental coverage at their own expense.

**Section 5. Liability Insurance:** The District will provide a comprehensive liability policy including corporal punishment as long as it is economically feasible.

**Section 6. Eligibility:** Part time teachers must work 50 percent or more of a full time schedule to be eligible for fringe benefits. Benefits under this article for a part time teacher working from 50 to 79 percent of a full time schedule shall be pro-rated in the same ratio as the teachers' contract bears to a full time contract. Teachers working 80 percent or more of a full time schedule shall receive full fringe benefits.

**Section 7. 125B Plan:** The District shall provide a 125B Plan.

**Section 8. Retirement Insurance:** A qualifying teacher who declares an intent to retire by February 1st, may elect to receive a one-time contribution to an HRA account in the amount of \$14,818.68. The teacher must remain active and fully employed through the last teacher duty day of the school year. The contribution will be paid within thirty (30) days after the effective date of retirement.

A teacher who makes this election must meet each of the following qualifications:

- 20 consecutive years of service in Fridley Public Schools.
- 62 years of age by June 1st of the year in which they wish to retire.

- The teacher must complete the school year to be eligible for this benefit.

## Article IX Leaves of Absence

**Section 1. Sick Leave:** Sick leave with pay may be used whenever a teacher's absence is due to illness or injury which prevented their attendance at school in performance of duties on that day or days during the regular school year provided that the teacher has unused sick leave at the time of such absence. Sick leave shall be earned at the rate of up to 80 hours (10 days) per year prorated based on the teachers work assignment. The proration shall be calculated as follows:

$(\text{Teachers assigned daily work hours} \div 8 \text{ hours}) \times (\text{Teachers annual days worked} \div 185) \times 80 \text{ Hours}$

Accrual will be unlimited as earned. Yearly accrual will be immediate. A certificate from a physician may be required whenever an absence for three or more consecutive days occurs. Earned sick leave may be used for illness or injury of relatives pursuant MS 181.9413. Employees must use all earned available sick leave prior to the use of unpaid time.

**Subd. 1.** Hourly paid teachers shall accrue sick leave benefits based on assigned number of hours worked per day. These hours will be accrued each month at a rate equal to the average number of hours worked per day. Part-time teachers shall accrue sick leave at the same percentage as their contract specifies. Accrual shall be unlimited.

**Subd. 2.** Employees resigning before the end of the school term who have used unearned sick leave will have the used but unearned leave deducted from their final paycheck. In this event, earned sick leave will be computed based on the calculation above.

**Subd. 3. Religious Holiday Observance:** Two (2) recognized official religious holidays during the school year may be deducted from accrued sick leave, and a third day may be approved at the discretion of the Superintendent under the following conditions.

- a) Written application is made indicating religious day to be observed one (1) week in advance of the desired day of leave to the principal or supervising administrator.
- b) Such day is a scheduled duty day.

### **Section 2: Supplementation to Workers' Compensation Benefits**

**Subd. 1.** An employee who is absent from work due to a work-related injury and is receiving workers' compensation benefits may elect, in writing, to supplement workers' compensation benefits by using his/her accrued sick leave and/or vacation leave in order to receive the full amount of his/her normal pay.

**Subd. 2.** If an employee elects to supplement workers' compensation benefits under subd.1, the amount of the employee's accrued sick leave or vacation leave shall be proportionately reduced in the amount of the supplemental pay. Elections will automatically cease when the employee's accrued sick leave and vacation leave have been exhausted.

**Subd. 3.** In no event shall an election to supplement workers' compensation benefits from accrued sick leave or vacation leave result in an employee receiving more than his/her normal daily, weekly or monthly pay.

**Subd. 4.** Employees must provide the documentation needed to determine the supplemental amount payable from accrued sick leave or vacation leave. Elections pursuant to this Section are valid only during periods during in which the employee is receiving workers' compensation benefits.

**Section 3. Vacation Leave:** Up to sixteen (16) hours (2 days) of vacation leave shall be granted to members of the professional staff each year prorated based on the teachers work assignment. The proration shall be calculated as follows:

$(\text{Teachers assigned daily work hours} \div 8 \text{ hours}) \times (\text{Teachers annual days worked} \div 185) \times 16 \text{ Hours.}$

A teacher planning to use a vacation leave shall notify his/her principal as early as possible, but in any event at least one (1) day in advance, except in cases of emergencies. The number of leave requests approved under this Section shall not exceed six percent (6%) of the total licensed staff in any one (1) day unless this restriction is waived at the discretion of the building principal. Vacation leave may accrue to a total of 56 hours (7 days). Vacation days exceeding a total of 56 hours (7 days) at the end of the school year will automatically roll over into the employee's sick leave. Vacation leave may be taken in a minimum of 1 hour increments.

**Subd 1.** Vacation Leave Sell Back: Vacation days not taken shall be paid by the District at the current substitute rate of pay divided by 8 per hour provided notice of intent to claim such pay is received by the District by May 1 or ten days after notification of non-renewal. For the purposes of this subdivision 'substitute rate of pay' shall be defined as of July 1 of the contract year and will include the total cost of the substitute pay (including the mark-up paid to the substitute agency).

**Section 4. Personal Leave:** Teachers shall be eligible for personal leave to be used for personal business and emergencies. Up to eight (8) hours (prorated based on the assignment FTE) can be taken by the teacher and not chargeable against sick or vacation leave.

Additionally, teachers will have the option of converting up to eight (8) hours (one day) of sick leave (prorated based on the assignment FTE) per year to a personal leave day. This converted personal leave day will be deducted from the teacher's sick leave.

**Section 5. Sabbatical Leave:** One year or part of a year may be granted at the discretion of the School Board to members of the professional staff for the purpose of professional advancement, subject to the conditions established by the School Board.

**Subd. 1.** To be eligible for sabbatical leave, an individual must have been a licensed employee seven (7) full years in the Fridley Public Schools. The proposed program of study or travel must have the approval of the Superintendent.

**Subd. 2.** Sabbatical leave for study shall be limited to individuals centering their study in their area of major concentration and should not be used for re-training in a new area unless at the request of the administration.

- a) The recipient of a leave is expected to carry a normal course load as determined by the college attended except with approval of the Superintendent, work on a thesis may be substituted by PhD or Specialist candidates.

**Subd. 3**

- a) The application must be submitted in writing to the Superintendent prior to January 15 of the school year preceding the school year in which the leave is sought.
- b) The application shall contain a detailed description of the intended activity, including but not limited to, the institution where study will take place, courses and number of credits to be carried, and all other details surrounding the program.

**Subd. 4.** The number of teachers on sabbatical leave shall be limited in number to 1% of the teaching staff, if a fraction, to the next highest number. If the number of requests exceeds the limitation, priority shall be given on the basis of length of service, contribution to the school system, and the equitable distribution of leaves among the various departments of school service.

**Subd. 5.** The allowance granted to a teacher on sabbatical leave shall be \$10,000 or one third (1/3) of previous year's total eligible TRA salary whichever is larger. The teacher shall remain eligible to participate in medical insurance, dental and life insurance. Single coverage will be paid by the District.

**Subd. 6.** A teacher who is granted a sabbatical leave must pledge himself/herself to teach in the Fridley Public Schools for one (1) full year following the termination of the leave. If the teacher's service is discontinued for any reason other than the individual's incapacity to teach before the expiration of one (1) year, he/she shall pay back to the School Board pro-rata part of the sabbatical allowance. The teacher will sign a note for the salary he/she receives during

his sabbatical leave. This note will be canceled one (1) year after his return to the Fridley System.

**Subd. 7.** Upon expiration of the sabbatical leave, the individual shall have the privilege of returning to the position he/she occupied prior to the leave, with increment added to his/her salary.

**Section 6. Jury Duty:** If an employee is absent from regular duty due to jury duty, the employee shall receive normal payment as if s/he were working. For any paid duties beyond the normal duty day, the District shall maintain payment to the employee for up to the initial two weeks of jury duty, provided no extra cost is incurred to the District for substitute teachers or coaches. The employee on jury duty will arrange for another coach or teacher to cover those extracurricular duties in his/her absence. During a period of jury duty, an employee must pay the district the full amount earned for the jury duty. The employee must submit documentation of the jury duty and record of the accompanying payment for jury duty.

**Section 7. Subpoena:**

A teacher who is subpoenaed for a school-related issue will be granted the necessary leave required without any salary deduction or loss of basic leave allowance. Additional days may be granted at the Superintendent's discretion.

**Section 8. Child Care Leave:**

**Subd. 1.** An unpaid child care leave shall be granted by the School District subject to the provisions of this Section and the Family Medical Leave Act. Child care leave shall be granted because of the need to prepare and provide parental care for a child or children of the teacher for an extended period of time.

**Subd. 2.** A teacher electing child care leave shall inform the Superintendent in writing of intention to take leave at least three (3) calendar months before commencement of the intended leave. The commencement of leave shall be advanced to such time as may be necessary to accommodate premature birth.

**Subd. 3.** If the reason for the child care leave is illness or disability related to pregnancy or childbirth, a teacher must utilize all of their available sick leave balance, pursuant to the sick leave provisions of this Agreement and the Family Medical Leave Act. A teacher will provide at the time of the leave application, a statement from the physician certifying expected day of delivery and/or period of incapacity, and basis for the requested leave.

If bonding leave is taken under this section, available sick leave must be consecutively used within the first 12 weeks of the birth of the child as paid leave, providing the employee has accumulated adequate sick leave. The paid leave shall come from the employee's accumulated sick leave.

**Subd. 4.** The School District may adjust the proposed beginning or ending date of a child care leave so that the dates of the leave are coincident with some natural break in the school year, i.e., winter vacation, spring vacation, quarter break, ending of a grading period, end of the school year, or the like. If it is determined that winter vacation is the natural break, credit for one-half year's service shall be given.

**Subd. 5.** In making a determination concerning the commencement and duration of a child care leave, the School Board shall not, in any event, be required to:

- a) Grant any leave more than twelve (12) months in duration.
- b) Permit the teacher to return to his or her employment prior to the date designated in the request for child care leave.

**Subd. 6.** A teacher returning from child care leave shall be re-employed in a position for which he or she is licensed at the time of the leave unless previously discharged or placed on requested leave.

**Subd. 7.** Failure of the teacher to return pursuant to the date determined under this Section shall constitute grounds for termination unless the School District and the teacher mutually agree to an extension in the leave.

**Subd. 8.** The parties agree that the applicable periods of probation for teachers as set forth in Minnesota Statutes are intended to be periods of actual service enabling the School District to have opportunity to evaluate a teacher's performance. The parties agree, therefore, that periods of time for which the teacher is on child care leave shall not be counted in determining the completion of the probationary period.

**Subd. 9.** A teacher who returns from child care leave within the provisions of this Section shall retain all previous experience credit for pay purposes and any unused leave time accumulated under the provisions of this Agreement at the commencement of the beginning of the leave. The teacher shall not accrue additional experience credit for pay purposes or leave time during the period of absence for child care leave.

**Subd. 10. Adoption Leave**

If bonding leave is taken under this section, available sick leave must be used, consecutively within the first 12 weeks of placement of the child, provided the employee has accumulated adequate sick leave. Any required acclimation time prior to placement may be taken from the 12 weeks and need not be consecutive. The paid leave shall come from the employee's accumulated sick leave.

Employees must submit a request for adoption leave at the earliest opportunity, along with documentation regarding the adoption. Additionally, employees must submit intended commencement and return dates at the earliest opportunity.

### **Unpaid Leave**

Provisions of unpaid adoption leave shall follow those of unpaid child care leave.

### **Section 9. Aging Parent Leave:**

**Subd. 1.** An unpaid aging parent leave shall be granted by the School District subject to the provisions of this Section. Aging parent leave shall be granted because of the need to prepare and provide care for an aging parent of the teacher for an extended period of time.

**Subd. 2.** A teacher electing aging parent leave shall inform the Superintendent in writing of intention to take this leave as soon as known. The leave shall be approved at the discretion of the Superintendent.

### **Section 10. Bereavement Leave:**

**Subd 1. Immediate Family:** Up to forty (40) hours (5 days) of sick leave per year shall be granted for the purpose of enabling a teacher to make arrangements for and/or attend the funeral in the event of a death in the immediate family. The immediate family shall include the spouse, child, foster child, brother, sister, parent, guardian, grandparents, grandchildren, parents-in-law, brothers in-law, sisters-in-law, aunts or uncles. In extenuating circumstances, a teacher can request approval from Human Resources for use of this benefit for an individual who is not listed above but who stands in the same relationship with the teacher. Additional days may be granted at the discretion of the Superintendent with the cost of the substitute rate of pay to be deducted from the teacher's salary.

**Subd 2. Non-Immediate Family:** Absence due to the death of a person not listed in Subd. 1. will be limited to one (1) day per occurrence. Such absence will be deducted from accrued sick leave. If the teacher does not have sufficient accrued sick leave, the cost of a substitute rate of pay will be deducted from the teacher's salary for each occurrence.

### **Section 11. Unpaid Leaves of Absence:**

**Subd. 1.** Short term leaves of absence (defined as less than two [2] consecutive weeks) and long term leaves of absence (defined as one [1] year or less) for any reasons other than those set forth in this Article shall be at the discretion of the Superintendent and upon such terms as may be mutually agreed between the teacher and the Superintendent. The request shall be submitted in writing, state the proposed dates and the reason for the proposed leave. If the request is denied the Superintendent shall at the request of the teacher state his reason in writing.

**Subd. 2.** Time on unpaid leave of absence shall not be counted toward advancement on the salary schedule except that if a teacher has completed one-half or more of a school year, that year shall be counted for purposes of advancement.

**Subd. 3.** Teachers on unpaid leave of absence shall retain their original date of hire as defined in Article XV, Section 11, of this Agreement.

**Section 12. Extended Leave of Absence:** In accordance with M.S. 122A.46 the Board may grant extended leaves of absence to any qualifying teacher who makes a request known in writing to the Director of Personnel before February 1 in the school year preceding the school year in which the leave is to commence.

**Subd. 1. Qualifications:** The District shall grant an extended leave of absence of at least three years but no more than five years to any teacher who qualifies for such leave pursuant to the provisions of M.S. 122A.46. To qualify for an extended leave of absence, a teacher must have been employed by the District for at least five years and must have at least ten years of allowable service credit in TRA.

**Subd. 2. Purpose:** As the intention of M.S. 122A.46 is to minimize the number of layoffs caused by declining enrollments, the District may grant extended leaves of absence primarily for qualified staff members to explore alternative careers.

**Subd. 3. Time Limits:** Extended leaves of absence shall not exceed five (5) years in duration and may be granted only once.

**Subd. 4. Reinstatement:** A teacher on an extended leave of absence pursuant to this Section shall have the right to be reinstated to a position for which the teacher is licensed at the time of the leave at the beginning of any of the first five (5) school years after the teacher's extended leave of absence begins, unless the teacher is discharged or placed on unrequested leave of absence or the teacher's contract is terminated (pursuant to M.S. 122A.40) while the teacher is on the extended leave. If a teacher seeks and obtains a different license, his/her rights to fill a position in the area of new licensure apply only if that position is open. An "open position" means the position is not being held by a qualified teacher-with a continuing contract or not. The Board shall not be obligated to reinstate any teacher who is on an extended leave of absence unless the teacher advises the Board of the teacher's intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return.

**Subd. 5. Seniority and Continuing Contract Rights:** Any teacher who is reinstated to a teaching position after an extended leave of absence pursuant to this Section shall retain seniority and continuing contract rights in the employing district as though the teacher had been teaching in the District during the period when the teacher was on the extended leave.

Seniority rights are retained only in the area of licensure the teacher had when the leave commenced.

**Subd. 6. Effect of Leave on Salary:** The years spent by a teacher on an extended leave of absence pursuant to this Section shall not be included in the determination of the teacher's salary upon the teacher's return to teaching in the District for a period equal to the time of the extended leave of absence.

### **Section 13. General Provisions:**

**Subd. 1.** Teachers on any unpaid leave of absence shall be returned to a position for which the teacher was licensed upon termination of the leave. The Board shall not be obligated to reinstate any teacher who is on an unpaid leave of absence unless the teacher advises the Board of the teacher's intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return.

**Subd. 2.** A teacher on any unpaid leave of absence is eligible to participate in group insurance programs if permitted under the insurance policy provisions but shall pay the entire premium for such programs as the teacher wishes to retain commencing with the beginning of the leave. The right to continue participation in such group insurance programs, however, will terminate if the teacher does not return to the District pursuant to this Article.

**Section 14. Resignation:** If an employee no call/no shows for three consecutive days, that employee will be considered to have voluntarily resigned their position and will not have rights to vacation payout.

## **Article X Personal Injury and Property Benefits**

**Section 1. Absence Due to Physical Injury as a Result of Assault:** A teacher's absence due to physical injury as a result of assault by a student, parent, or other individual while performing school business in a professional manner according to District Policies, shall not be charged against the teacher's sick leave days for the first three days of absence caused by such assault. If the teacher's absence under this section is covered by workers' compensation benefits, the teacher shall only be paid by the School District to the extent workers' compensation does not fully compensate the teacher. To be eligible under this section, the teacher must complete procedures for Workers' Compensation Insurance.

For purposes of this article, assault shall mean bodily harm as defined by Minn. Stat. §609.2, Subd. 7.

**Section 2 Reimbursement for Damage to Property:** The District shall reimburse teachers for the cost of replacement or repair of personal wearable property (such as clothing, glasses, electronic devices, etc.) that are worn at the time of the incident and are damaged or destroyed as a result of student, parent, or other individual action while the teacher is engaging in the performance of their duties.

## **Article XI Transfers**

### **Section 1. Voluntary Transfers:**

**Subd. 1.** Prior to May 15 of each year the District shall post all known vacant teaching positions for the following school year. Within one week after posting any teacher who desires a change in grade and/or subject assignment or who wishes a transfer to another school, shall file an application with the School District.

**Subd. 2.** When a position becomes vacant during the year or a retirement is known prior to the end of the year, internal transfer applicants who apply will be given due consideration for the position and whenever reasonably possible advised prior to the end of the school year about the transfer. In the event the Superintendent is unable to accommodate any such request for transfer, the Superintendent will, upon request of the teacher, give the reason for the denial.

### **Section 2. Involuntary Transfers:**

**Subd. 1.** In the event the Superintendent shall determine to involuntarily transfer a teacher, notice in writing to that teacher shall be provided by May 15 prior to the school year in which the transfer shall be effective, unless the transfer shall be occasioned by developments subsequent to May 15, which could not have been reasonably foreseen including delays caused by unrequested leave procedures. In the event of transfers seniority shall be given consideration in effecting such transfers.

**Subd. 2.** The Superintendent will, upon request from the teacher, give the reason for the transfer.

**Section 3. Job Posting:** All jobs will be posted for a minimum period of five days except during August and September. During August and September positions will be posted as long as required to fill the position. All teachers will receive notification of the postings. All jobs will be posted and any qualified staff can apply.

## **Article XII Hours of Service**

**Section 1. Basic Day:** The basic teacher's day, including one-half (1/2) hour duty free lunch period, shall be eight (8) hours.

**Section 2. Building Hours:** The specific hours at any individual building may vary according to the needs of the educational program of the School District. The specific hours for each building will be designated by the school principal.

**Section 3. Preparation Time:** Within the student day, for every 25 minutes of instructional time, a minimum of five additional minutes of preparation time shall be provided to each licensed teacher. Preparation time shall be provided in one or two uninterrupted blocks during the school day. Exceptions to this may be made by mutual agreement between the District and the exclusive representative of the teachers.

**Section 4. Additional Activities:** The normal duties for teachers may include a reasonable share of extra-curricular and supervisory activities as determined by the principal. As far as possible, these duties will be equalized. This shall mean no more than one major assignment per teacher unless additional assignments are mutually agreed upon by the teacher and principal.

**Subd. 1.** Extra-curricular assignments shall be voluntary. Any such teacher desiring to be relieved of an assignment must give notice on or before March 1.

**Subd. 2.** Vacancies for additional paid assignments shall be posted if possible in each building in the District at least two weeks before they are filled so that interested and qualified teachers may apply.

**Subd. 3.** All bargaining unit coaches, head or assistant, who are relieved of their coaching assignments shall be entitled to a hearing concerning their dismissal.

**Subd. 4.** Compensation for lunchroom duty only applies if the teacher gives up his/her own (prep) time.

**Section 5. Notice of Assignment:** Ten days prior to the last day of each school year, the assignments that have been made for the following school year shall be communicated to the affected teachers with clear instruction on where to find their notice of assignment.

## **Article XIII Length of the School Year**

**Section 1. Teacher Duty Days:** Pursuant to M.S. 120A.40 the School Board shall, prior to April 1 of each school year establish the number of school days and teacher duty days for the next school year, and the teacher shall perform services on those days as determined by the School Board, including those legal holidays on which the School Board is authorized to conduct school, and pursuant to such authority as determined to conduct school. Duty days will be 185 days, of which six (6) shall be workshop, grading, and staff development days and 179 student contact days (that includes parent teacher conference days).

**Section 2. School Calendar:** The school calendar will start in later August and end in first part of June.

**Section 3.** One day at the end of each quarter shall be available to teachers for evaluation, grading and planning (total of 4 days per year).

**Section 4.** Emergency Modifications in Calendar, Length of School Day:

**Subd. 1.** In the event of energy shortage, severe weather, or other exigency, the School District reserves the right to modify the school calendar and, if school is closed on a normal duty day(s), the teacher shall perform duties on such other day(s) in lieu thereof as the School Board or its designated representative shall determine, if any.

**Subd. 2.** In the event of energy shortage, severe weather, or other exigency, the School District further reserves the right to modify the length of the school day, as the School District shall determine, but with the understanding that the total number of hours shall not be increased, i.e., a four (4) day week with increased hours per day but the total weekly hours not more than the regular five (5) day week.

**Subd. 3.** Prior to modifying the scheduled length of the school day pursuant to Subd. 2. hereof, or scheduling make-up days pursuant to Subd. 1. hereof, the School District shall afford to the Association the opportunity to meet and confer on such matters.

## **Article XIV Teacher Discipline**

**Section 1.** Disciplinary action may include the following:

1. Oral reprimand
2. Written reprimand
3. Suspension without pay
4. Discharge

The District reserves the right to enter at any level of the discipline procedure depending on the severity of the disciplinary matter.

**Section 2.** A disciplinary action will be taken against a teacher only for just cause. Any disciplinary action shall comply with law and regulation, shall be fair and equitable, and shall be consistent with the principle of progressive discipline.

**Section 3.** Whenever possible, the District shall discuss with the teacher any concern which may lead to a disciplinary action and shall offer constructive suggestions for correction before any disciplinary action is initiated.

**Section 4.** The teacher shall be entitled to have a representative of the Association present in the event that he/she is being reprimanded, warned or disciplined for any major infraction of rules and delinquency in professional performance. If the teacher requests representation, no action shall be taken with respect to the matter until a representative of the Association is present, provided that the representative is available in a timely manner so as to not delay the action.

**Section 5.** Any teacher on paid disciplinary suspension will be required to reimburse the District for the cost of any substitute teacher employed as a result of the suspension only if the determination of the investigation results in an unpaid leave or discharge.

## **Article XV Grievance Procedure**

**Section 1.** A grievance means a dispute or disagreement as to the interpretation or application of any term of this master agreement.

**Section 2.** A teacher, a group of teachers, administrator or the School Board may be represented during any step of the grievance procedure by any person or agent designated by such party to act on their behalf.

### **Section 3:**

**Subd. 1.** Reference to days regarding time period in this procedure shall refer to the days Monday through Friday through the calendar year unless they are designated as holidays by State law and school is not in session on such holidays.

**Subd. 2.** In computing any period of time prescribed herein, the date of the act or event for which the designated period of time begins to run shall not be included. The last day of the period shall be counted.

**Subd. 3.** The filing or service of any notice or document herein shall be timely if it bears a postmark of the United States Mail Service within the time period.

**Subd. 4.** Time limits specified in this Agreement may be extended by written agreement between the parties.

### **Section 4.**

**Subd. 1.** Failure to file a grievance or failure to appeal a grievance from one level to another within the times specified shall be deemed a waiver thereof.

**Subd. 2.** Failure by the School Board or its representatives to issue a decision within the time periods provided shall constitute a denial of the grievance and the teacher may appeal it to the next level.

**Section 5.** In the event that a teacher believes there is a basis for a grievance it shall be resolved in the following manner:

**Subd. 1. Level I:** The teacher shall discuss the alleged grievance with the building principal. If this informal discussion does not resolve the grievance the teacher may invoke the formal grievance procedure by filing a written statement with the principal setting forth the facts and the specific provisions of the Agreement allegedly violated and the particular relief sought. The filing of this statement shall be completed within twenty (20) days of the occurrence of the grievance. The principal shall give a written decision within ten (10) days of his receipt of the written grievance.

**Subd. 2. Level II:** In the event it is not resolved at Level I, the teacher may appeal to the Superintendent of Schools provided such appeal is made in writing within ten (10) days after receipt of the appeal and shall render a decision in writing to the parties within ten (10) days after the meeting.

**Section 6.** The School Board reserves the right to review any decision issued under Level I or Level II of this procedure provided the School Board or its representative notify the parties of its intention to review within ten (10) days after the decision has been rendered. In the event the School Board reviews a grievance under this Section, the School Board reserves the right to reverse or modify such decision.

**Section 7.** In the event that the teacher and the School Board are unable to resolve any grievance, the grievance may be submitted to binding arbitration as defined herein:

**Subd. 1.** A request to submit a grievance to arbitration must be in writing signed by the aggrieved party, and such request must be filed in the Office of the Superintendent within ten (10) days following the decision in Level II of the grievance procedure.

**Subd. 2.** No grievance shall be considered by the arbitrator which has not been first duly processed in accordance with the grievance procedure and appeal provisions.

**Subd. 3.** Upon the proper submission of a grievance under the terms of this procedure, the parties shall, within ten (10) days after the request to arbitrate, attempt to agree upon the selection of an arbitrator. If no agreement on an arbitrator is reached, either party may request the Bureau of Mediation Services to appoint an arbitrator, pursuant to M.S. 179A, providing such request is made within twenty (20) days after for arbitration. The request shall ask that the appointment be made within thirty (30) days after the receipt of said request. Failure to agree upon an arbitrator and the failure to request an arbitrator from the

Bureau of Mediation Services within the time period provided herein shall constitute a waiver of the grievance.

**Subd. 4.** The grievance shall be heard by a single arbitrator and both parties may be represented by such person or persons as they may choose and designate, and the parties shall have the right to a hearing at which time both parties will have the opportunity to submit evidence, offer testimony, and make oral or written arguments relating to the issues before the arbitrator. The proceeding before the arbitrator shall be a hearing denovo.

**Subd. 5.** The decision by the arbitrator shall be rendered within thirty (30) days after the close of the hearing. Decisions by the arbitrator in cases properly before him shall be final and binding upon the parties, subject, however, to the limitations of arbitration decisions as provided by in the P.E.L.R.A. as amended.

**Subd. 6.** Each party shall bear its own expenses in connection with arbitration including expenses relating to the party's representatives, witnesses, and any other expenses which the party incurs in connection with presenting its case to arbitration. A transcript or recording shall be made of the hearing at the request of either party. The parties shall share equally fees and expenses of the arbitrator, and any other expenses which the parties mutually agree are necessary for the conduct of the arbitration. The cost of a transcript will be borne by the requesting party.

**Subd. 7.** All documents, communications and records dealing with the processing of a grievance will be filed separately from the personnel file of the teacher filing the grievance.

## **Article XVI Unrequested Leave**

**Section 1. Purpose:** The purpose of this Article is to implement the provisions of M.S. 122A.40, Subd. 10, and represents the agreed upon plan for the School Board for placing personnel on unrequested leave of absence because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by the consolidation of school districts. Such placement of personnel on unrequested leave of absence shall take place in accordance with the provisions of this Article.

**Section 2. Written Notice:** Teachers to be placed on unrequested leave shall be given written notice to this effect during the school year prior to the commencement of such leave with reasons therefor. Any teacher receiving such notice may, within fourteen (14) days after receipt of notice request a hearing as provided in M.S. 122A.40, Subd. 7. Any teacher requesting a hearing shall be granted one as provided in M.S. 122A.40 and shall no later than July 1 be notified of the Board's decision with reasons therefor. Such leave shall be effective no later than the close of the school year or at such earlier time as mutually agreed between the teacher and the School Board.

**Section 3. Non-violation of the District's Affirmative Action Program:** The provisions herein shall apply if it will not result in any violation of the District's affirmative action program which shall include ethnic race, color, or sex; and any person employed in an affirmative action program may be retained in the same field or subject matter of a teacher with greater seniority if it is necessary to effectuate the purposes of such affirmative action program.

**Section 4. Teacher Employment While on Leave:** Any teacher placed on such leave may engage in teaching or any other occupation during such period and may be eligible for unemployment compensation if otherwise eligible under that law for such compensation and such leave will not result in a loss of credit for years of service in the District earned prior to the commencement of such leave.

**Section 5. Seniority:** The placement of teachers on unrequested leave shall be in inverse order of seniority in the areas of certification. No teacher shall be placed on unrequested leave if there is any other qualified teacher(s) with less seniority in the same areas of certification. In placing teachers on unrequested leave, the Board shall be governed by the following provisions:

**Subd. 1.** Seniority shall be determined by the official seniority list.

**Subd. 2.** In the event of identical seniority, the most senior teacher shall be determined by:

- a) Most advanced degree;
- b) Less than an advanced degree, total graduate credit accepted by the district for advancement on the salary schedule if above equal;
- c) Total teaching experience if all above equal;
- d) Administrative recommendation if all above equal.

**Subd. 3.** At the time of discontinuance, if another position is available for which the teacher is fully certified, such teacher shall have the opportunity for employment in that position on the basis of the official seniority list.

**Subd. 4.** Senior teachers shall not be moved into different subject areas to save the position of less senior teachers if:

- a) The senior teacher has not taught in the new area within the past (15) years or
- b) The senior teacher has not had at least nine college credits or three college courses in the new field within the past 5 years.

The senior teacher may be transferred at the Superintendent's discretion regardless of the above criteria.

**Section 6. Teacher Rights to Employment While on Unrequested Leave:** No new teacher shall be employed by the School District while any qualified teacher is on unrequested leave of absence in the same areas of certification. Teachers placed on unrequested leave of absence shall be reinstated to the position from which they have been given leave, or any other available position in the School District in the fields in which they were qualified at the time of the leave as such positions become available. The order of reinstatement shall be in inverse order in which teachers were placed on unrequested leave. A teacher who obtains new licensure while on unrequested leave has full rights only to return to the area of original licensure. However, if there is an “open” position in the area of new licensure, the teacher has rights to return in that position.

**Section 7. Filing Name and Address:** When placed on unrequested leave, a teacher shall file a name and address with the School District personnel office to which any notice of reinstatement or availability of position shall be mailed. Proof of service by the person in the School District depositing such notice by certified mail shall be sufficient and it shall be the responsibility of any teacher on unrequested leave to provide for forwarding of mail or for address changes. Failure of a notice to reach a teacher shall not be the responsibility of the School District if any notice has been mailed as provided herein.

**Section 8. Position Opening:** If a position becomes available for a qualified teacher on unrequested leave, the School District shall mail the notice to such teacher and the President of the FEA. The teacher shall have ten (10) days from the date of receipt of such notice to accept the reinstatement. Each time a position opens in the District for which a teacher on unrequested leave is certified, he/she shall be notified by this process. If the teacher receives notice prior to August 1 for the following school year of a position equal or greater in hours to that from which the teacher was laid off and said teacher fails to accept the position, it shall constitute a waiver on the part of the teacher to any further rights of employment or reinstatement and shall forfeit any future reinstatement or employment rights under this policy. Notice received after August 1 may be refused by the teacher without causing any prejudice to that teacher's future recall rights. If a teacher accepts reinstatement to a part-time position of a lesser employment status than previously held and subsequently a position of greater employment status becomes available, the teacher shall be offered such position.

**Section 9. Reinstatement Rights:** Reinstatement rights shall automatically cease five (5) years from the date unrequested leave was commenced and no further rights to reinstatement shall exist unless extended by mutual consent with each qualified teacher.

**Section 10. Definition of Teacher Seniority:** Definitions: For purposes of this Article, the terms defined shall have the meanings respectively ascribed to them.

**Subd. 1. Teacher:** Shall mean any employee who has been issued at least a 50% continuing contract for a position which requires the employee to be licensed by the State Department of Education, except the Superintendent and Director of Educational Services.

**Subd. 2. Seniority:** Shall be based upon continuous and unbroken employment with the School District from the first day of actual service after signing a teacher contract. Upon attaining a continuing contract, probationary teachers or long term substitute teachers employed under individual written contract will be assigned a seniority date retroactive to their first day of continuous unbroken service with the District. Services performed outside the basic school year, such as during summer school, or additional work days, or pursuant to the extra pay schedules, shall not be considered in the establishment of a teacher's seniority date. The original seniority date shall be retained by any teacher whose employment has been legally terminated by resignation or termination pursuant to M.S. 122A.40, but whose employment was subsequently reinstated by the School Board without actual interruption of regular service.

**Section 11. Posting of Seniority List:** On October 1 of each year, the School Board shall post a seniority list of all teachers as herein defined by name, date of employment and certification. Any person whose name appears on such list shall have thirty (30) days from the date of posting to supply written documentation, proof, and request for change in seniority. Failure to make a timely request for change shall constitute a waiver of the right to challenge the posted list. The School Board shall evaluate any and all such communications and may make changes in the list as it deems warranted by December 1. The teacher shall be notified of its action in writing within ten (10) days. By October 1 of each year thereafter the School Board shall update the list to reflect any additions or deletions of personnel or area of certification. Teachers on unrequested leaves shall remain on the seniority list for five (5) years. Teachers on District approved leave shall remain on the seniority list. Credits and certifications submitted to the District prior to February 1 shall be recognized for purposes of unrequested leave placements at the end of that school year, provided satisfactory documentation is submitted in a timely manner. The District will provide an updated seniority list as soon as available.

**Section 13. Teachers Accepting Other District Work:** Teachers on unrequested leave may accept substitute teaching positions or other non-teaching employment with the District without prejudice to their recall rights under this Article.

**Section 14. Consultation:** The administration and the association will consult prior to the implementation of this section and review the proper use of the seniority list when determining potential/impending cuts.

## **Article XVII I.R.C. § 403(b)**

**Section 1. Matching Annuity:** Effective July 1, 2006, an eligible teacher hired after July 1, 1990 may participate in the District's matching annuity program as provided in M.S. 356.24, subd. 1(5) ii, subject to the provisions contained in this Article. Until June 30, 2006, eligibility requirements are based on the criteria stated in Section 3, Subdivision 1.

**Section 2. Eligibility:** In order for a teacher to be eligible to participate in the matching annuity plan, the following criteria must be met.

**Subd. 1.** Nonprobationary status must be attained. Teacher must be tenured in Fridley. Teacher must have continuing contract status in order to participate

**Subd. 2.** The work schedule must equal or exceed fifty (50) percent or more of a full time. Contributions under this Article for a part time teacher working from 50 to 79 percent of a full time schedule shall be pro-rated in the same ration as the teacher’s contract bears to a full time contract. Teachers working 80 percent or more of a full time schedule shall receive the full contribution.

**Section 3. District Contribution:**

**Subd. 1.**

The following rate tables will be used to calculate the matching amount only for teachers hired after July 1, 1990.

**Subd. 2.** The maximum annual District contribution shall be based on matching a teacher’s contribution per the following:

<b>Step on Salary Schedule</b>	<b>District Contribution 2023-2024</b>	<b>District Contribution 2024-2025</b>
Zero (0) through Three (3)	\$ 0	\$ 0
Four (4) through Nine (9)	\$2325.00	\$2625.00
Ten (10) through Fourteen (14)	\$2450.00	\$2750.00
Fifteen (15) through Seventeen (17)	\$2575.00	\$2875.00
Seventeen plus (17+)	\$2700.00	\$3000.00

**Subd. 3.** The District will contribute an amount equal to the teacher’s annual contribution up to the maximum amount listed in this Section. Teacher’s annual contribution will be limited to the maximum statutory amount. It is the teacher’s responsibility to make sure that they are contributing the selected amount that they need to qualify for the District matching contribution listed in this section by May 31 of the prior school year. The amount of the District’s contribution will not exceed the benefit schedule set out in Subd. 1 and Subd. 2 above.

**Subd.4.** The District contribution will begin when the employee initiates an eligible investment program. The amount of the District’s contribution will not exceed the benefit schedule set out in Subd. 1 above.

**Subd.5.** An employee may elect to contribute to the selected program more than the district match. This Article only defines the limits of the district’s participation in the selected program.

**Subd.6.** The district match cannot be accumulated on a year-to-year basis if an employee elects to begin participation after the first year of eligibility.

**Subd.7.** When an employee has an eligible plan in effect, the district’s contribution shall be automatic unless the employee requests otherwise.

**Subd.8.** All provisions of this Article are subject to applicable code provisions of Minnesota Statutes, Internal Revenue Code Section 403(b), but not subject to the Grievance Procedure at Article XIV.

**Subd.9.** All qualified investment companies authorized by the Minnesota State Board of Investment will be eligible to receive the employer match.

**Subd.10.** Contributions cannot be retroactive to the previous calendar year.

**Subd.11.** The District’s maximum lifetime contribution shall be no more than \$75,000 in 2024-2025.

**Subd.12.** Those teachers hired after July 1, 1990 and after they have accumulated 240 hours of sick leave, may make an irrevocable election for the school district to contribute to the employee’s 403(b) account up to the maximum of the teacher’s upcoming annual allocation of sick leave at the rate of \$25.00 per hour. Teachers must make this irrevocable election prior to June 1<sup>st</sup> affecting the following fiscal years’ accrual.

**Section 6. Constitutionality:** If there is any judicial or administrative decision, which deems any part of this article illegal or unconstitutional, this article becomes null and void and becomes subject to re-negotiation.

## **Article XVIII Q Comp**

Fridley School District and Fridley Education Association have a state-approved Q Comp plan. The approved plan between Fridley Schools and the Fridley Education Association shall remain in force for the duration of this contract between July 1, 2023 and June 30, 2025. If the State of

Minnesota discontinues the funding of this program, neither party shall be required to continue the additional compensation plan as agreed upon.

## Article XIX Retroactivity

**Section 1. Terms and Conditions:** Terms and conditions of this contract shall be retroactive to July 1 2023, unless otherwise stipulated. Retroactivity will be effective for those staff who are actively employed at the time of ratification.

## Article XX Duration

**Section 1. Terms and Reopening Negotiations:** This Agreement shall remain in full force and effect for a period commencing on July 1, 2023 through June 30, 2025, and thereafter until modifications are made pursuant to the P.E.L.R.A. as amended. If either party desires to modify or amend this Agreement commencing on July 1, 2023, it shall give written notice of such intent no later than May 1, 2023. Unless otherwise mutually agreed, the parties shall not commence negotiations more than 120 days prior to the expiration of this Agreement.

**Section 2. Finality:** Any matters relating to the current contract term, whether or not referred to in this Agreement, shall not be open for negotiation during the term of this Agreement.

**Section 3. Severability:** The provisions of this agreement shall be severable and if any provision thereof or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of this agreement or the application of any provision thereof. In such event the parties shall, upon the written request of either party, enter into negotiations for the purpose of arriving at a mutually satisfactory replacement for such provision.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as follows:

**FOR FRIDLEY EDUCATION ASSOCIATION**

**FOR INDEPENDENT SCHOOL DISTRICT 14**

\_\_\_\_\_  
President

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Teacher Negotiator

\_\_\_\_\_  
Superintendent of Schools

\_\_\_\_\_  
Teacher Negotiator

\_\_\_\_\_  
Board Negotiator

\_\_\_\_\_  
Board Negotiator

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# Memorandum of Understanding

## Memorandum of Understanding Tax Deferral of Severance Pay

Whereas, the 2002 Legislature has adopted a revision to Minnesota Statutes that allows for the tax deferral of severance pay; and

Whereas, the exclusive representative and the school district recognize the tax advantages of this new option for both the employer and the employees.

Be it therefore resolved that the parties agree to the following:

1. This agreement language is tied to Article XXV Internal Revenue Code 403(b) in the current master agreement and is limited to changing ONLY TO WHOM the district makes payment of any earned severance as follows:  
heretofore, any earned severance amount will no longer be paid directly to the retiree, but rather will be paid to the retiree's designated 403(b) account. Under the terms of this agreement, the district will be required to make payment to the designated 403(b) account for all retirees. It shall be the responsibility of the individual retiree to designate in advance the selected 403(b) account and to make that selection according to the district's signed permission forms. Because 403(b) accounts differ with respect to the timing of withdrawals and any assessment of early withdrawal amounts, the employee shall be responsible to check this information in advance.

2. 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 retiree's 403(b) account. The employee will not receive any direct payment from the school district for severance pay.

3. The school district's annual contribution into the retiree's 403(b) account must not exceed the IRS contribution limit. If the retiree has any severance remaining after the limit is reached in the year of separation, the school district will make a contribution up to the IRS maximum into the retiree's 403(b) account in the following year(s).

4. The school district contribution(s) (into the retiree's 403(b) account) will be made according to the same timeline as was provided for the direct payment of severance pay.

5. This is the full and complete agreement of the parties on this issue. There are no other oral or implied agreements.

6. This agreement does not set any precedent for any future issue.

For the School District:

*Gregory J. Johnson* 7/30/02

*Paul B. Buehler* 7/30/02

Date: July 30, 2002

For the Exclusive Representative:

*James C. Andrews*

*Primary Education Assoc.*

*President*

Date: July 30, 2002

# Addendum

## Fridley Independent School District 14 Long-Term Substitute Teacher Contract for Retired Teachers

The School Board of Independent School District 14 of the State of Minnesota, Fridley, Minnesota, enters into this Agreement with **name**, a legally qualified and certificated teacher who agrees to teach in the public schools of said District as a substitute teacher according to the following provisions which shall apply and are a part of this contract:

1. **Basic Services:** Said teacher shall faithfully perform the services prescribed by the School Board or its designated representative, whether or not such services are specifically described in this contract, abide by the rules and regulations as established by the School Board and State Board of Education, and any additions or amendments thereto, for the salary indicated below, and agrees to teach in the schools of said District as assigned.
2. **Duration:** (Remove inapplicable paragraph)
  - a. It is understood that the teacher is contracting to serve in a position as a substitute teacher pursuant to M.S. 122A.44, Subd. 2, in a vacancy occurring as the result of an emergency (i.e. surgery, illness, resignation, death, etc.) of the regular teacher and for a period of less than one full school year. It is understood, therefore, that this contract shall not be subject to the continuing contract law. The substitute teacher knowingly and voluntarily waives rights to a continuing position with the school district and any right to exercise seniority for any position pursuant to M.S. 122A.40. The substitute teacher herein agrees to serve as a substitute teacher pursuant to the terms of this agreement from **date** to **date** or until the return of the incumbent. Incumbent referred to herein is **name**.
  - b. It is understood that the teacher herein is contracting to serve in a position for a period of less than one full school year, as a substitute teacher for a teacher on leave of absence with continuing contract rights to said position and the right to return to said position upon the expiration of said leave of absence. It is understood, therefore, that this contract shall not be subject to the continuing contract law, since the incumbent on leave of absence already has continuing contract rights to said position. The substitute teacher knowingly and voluntarily waives rights to a continuing position with the school district and any right to exercise seniority for any position pursuant to M.S. 122A.40. The substitute teacher herein agrees to serve as a substitute teacher pursuant to the terms of this agreement from **date** to **date** or until the return of the incumbent whichever occurs first. Incumbent referred to herein is **name**.
3. **Calendar:** School year and vacation days shall be those named on the school calendar as adopted by the School Board, and the teacher agrees to teach on those legal holidays on which the School Board is authorized to conduct school if the School Board so determines. In the event a duty day is lost due to school closing for any emergency, the teacher agrees to perform duties on such days in lieu thereof as the School Board shall determine.
4. In consideration thereof, the School Board agrees to pay said teacher the following salary: daily rate of **x**. Such salary shall be paid as authorized and in such installments as may be determined by appropriate School Board regulation. This contract shall be effective only upon signature by the officers of the School Board after authorization for such signatures has been taken by the School Board in appropriate action, recorded in its minutes.
5. Teacher further acknowledges by executing this Agreement that he/she has had an opportunity to discuss the terms of this Agreement with his/her attorney, that he/she has been fully advised of his/her legal rights pursuant to M.S.122A.40, and any and all rights he/she may have regarding his/her employment by the School District and that there were no inducements or representations leading to the execution of this Agreement except as contained herein.

IN WITNESS THEREOF, I have subscribed my signature this x day of month year.

Teacher \_\_\_\_\_

IN WITNESS THEREOF, we have subscribed our signatures this x day of month year.

Independent School District 14

Chair \_\_\_\_\_  
Step x Lane x

Clerk \_\_\_\_\_

## Fridley Public Schools Retired Teacher Agreement

WHEREAS, First-Last-Name (hereinafter referred to as “**teacher**”) was employed as a full time **Subject or Grade level** teacher by Independent School District No. 14, Fridley, Minnesota (hereinafter referred to as the “School District”); and

WHEREAS, **teacher** submitted **his/her** resignation and retired from **his/her** employment with the School District effective the end of a previous school year; and

WHEREAS, at the time of retirement **teacher** possessed continuing contract rights with the School District; and

WHEREAS, subsequent to **teacher’s** resignation, the Minnesota Legislature amended the Teachers Retirement Act (“TRA”) to allow a retired teacher to resume teaching service without forfeiting TRA annuity payment offsets for earnings in excess of the annual limitation; and

WHEREAS, the School District is in need of filling a **% FTE and subject or grade level** position for the 20xx-20xx school year; and

WHEREAS, **teacher** has expressed willingness to fill the open **% FTE and subject or grade level** position for the 20xx-20xx school year; and

WHEREAS, the School District is willing to employ **teacher** for the 20xx-20xx school year provided **teacher** expressly waives any and all continuing contract rights arising out of **his/her** employment with School District, certain rights under the teachers collective bargaining agreement and any right to any other position in the School District.

NOW, THEREFORE, IT IS HEREBY AGREED by and between the School District and **teacher** as follows:

1. The School District hereby employs **teacher** as a **% FTE and subject or grade level teacher** for the 20xx-20xx school year only. **Teacher** salary of (\$XXXX) will be based on Lane **XX** Step **XX** of the Teachers Salary Schedule for the 20xx-20xx school year.
2. As of the end of the 20xx-20xx school year, **teacher** shall have no right to further employment with the School District in the position of. **% FTE and subject or grade level teacher** or any other position. **Teacher** knowingly and voluntarily waives rights to a continuing position with the school district and any right to exercise seniority for any position pursuant to Minn. Stat. 122A.40. **Teacher** expressly retains all other rights under Minn. Stat. 122A.40 including the right to a hearing prior to discharge during the school year pursuant to Article XV, the right to maintain the position during the year unless the parties mutually agree to alter it, the right to be suspended with pay pending any discharge, and the right to challenge any documentation in the personnel file through the grievance procedure.
3. Because of the limited period of **teacher’s** employment, **teacher** understands he/she is not eligible for the following provisions contained in the most current teachers’ collective bargaining agreement: Sabbatical Leave, Article IX (Section 3) and Extended Leave, Article IX (Section 9). **Teacher** understands **he/she** shall have no further rights to receive any additional benefits under, Article XVI I.R.C 403b. In addition, **teacher** will be eligible for those Article VIII

Group Insurance Benefits as are agreed to between the School District and Fridley Education Association.

4. **Teacher** acknowledges by executing this Agreement that there are no covenants, promises, undertakings or understandings outside of this Agreement other than those specifically set forth herein.
5. **Teacher** further acknowledges by executing this Agreement that he/she has had an opportunity to discuss the terms of this Agreement with his attorney, that he/she has been fully advised of his legal rights pursuant to Minn. Sta. 122A.40, and any and all rights he/she may have regarding his employment by the School District and that there were no inducements or representations leading to the execution of this Agreement except as contained herein.
6. Nothing contained in this Agreement shall constitute nor be implied to constitute a past practice.

I have read the foregoing Agreement and by signing hereby confirm that I fully understand and agree to its terms and application.

Dated: \_\_\_\_\_  
\_\_\_\_\_  
(Teacher)

Dated: \_\_\_\_\_  
\_\_\_\_\_  
Representative, Fridley Education Association

INDEPENDENT SCHOOL DISTRICT NO. 14,  
FRIDLEY, MINNESOTA

Dated: \_\_\_\_\_  
By: \_\_\_\_\_  
Its: Chair of the School Board

Dated: \_\_\_\_\_  
By: \_\_\_\_\_  
Its: Clerk of the School Board

# Schedules A and B

## Teacher Salary Schedule

### Year 1 2023-2024

STEP	BA	BA+10	BA+20	BA+30	BA+40	MA	MA+10	MA+20	MA+30	MA+40	PhD
1	44,787	45,997	47,004	48,999	49,721	51,234	52,941	54,650	56,357	58,062	59,960
2	45,423	46,628	47,636	49,630	50,353	51,868	53,573	55,283	56,991	58,695	60,594
3	46,197	47,607	48,616	50,610	51,637	53,449	55,157	56,864	58,573	60,281	62,177
4	47,607	49,217	50,227	52,222	53,549	55,666	57,373	59,079	60,788	62,496	64,394
5	49,018	50,832	51,838	53,832	55,462	57,883	59,586	61,296	63,004	64,712	66,607
6	51,437	53,449	54,456	56,652	58,484	61,103	62,812	64,521	66,225	67,935	69,830
7	53,678	55,893	57,302	59,491	61,329	64,151	65,859	67,565	69,274	70,981	72,878
8	57,699	59,917	61,527	63,724	65,557	68,373	70,082	71,788	73,496	75,206	77,099
9	61,692	63,908	65,859	67,953	69,776	72,596	74,305	75,994	77,701	79,411	81,304
10	69,480	71,897	74,516	77,114	79,751	83,175	84,886	86,592	88,301	90,006	91,906
11	69,480	71,897	74,516	77,114	79,751	83,175	84,886	86,592	88,301	90,006	91,906
12	69,480	71,897	74,516	77,114	79,751	83,175	84,886	86,592	88,301	90,006	91,906
13	69,480	71,897	74,516	77,114	79,751	83,175	84,886	86,592	88,301	90,006	91,906
14	69,480	71,897	74,516	77,114	79,751	83,175	84,886	86,592	88,301	90,006	91,906
15	69,480	71,897	74,516	77,114	79,751	83,175	84,886	86,592	88,301	90,006	91,906
16	69,480	71,897	74,516	77,114	79,751	83,175	84,886	86,592	88,301	90,006	91,906
17	74,191	76,609	79,225	81,824	84,461	87,886	89,595	91,301	93,011	94,716	96,616

### Year 2 2024-2025

STEP	BA	BA+10	BA+20	BA+30	BA+40	MA	MA+10	MA+20	MA+30	MA+40	PhD
1	46,802	48,067	49,119	51,204	51,958	53,540	55,323	57,109	58,893	60,675	62,658
2	47,467	48,726	49,780	51,863	52,619	54,202	55,984	57,771	59,556	61,336	63,321
3	48,276	49,749	50,804	52,887	53,961	55,854	57,639	59,423	61,209	62,994	64,975
4	49,749	51,432	52,487	54,572	55,959	58,171	59,955	61,738	63,523	65,308	67,292
5	51,224	53,119	54,171	56,254	57,958	60,488	62,267	64,054	65,839	67,624	69,604
6	53,752	55,854	56,907	59,201	61,116	63,853	65,639	67,424	69,205	70,992	72,972
7	56,094	58,408	59,881	62,168	64,089	67,038	68,823	70,605	72,391	74,175	76,158
8	60,295	62,613	64,296	66,592	68,507	71,450	73,236	75,018	76,803	78,590	80,568
9	64,468	66,784	68,823	71,011	72,916	75,863	77,649	79,414	81,198	82,984	84,963
10	72,607	75,132	77,869	80,584	83,340	86,918	88,706	90,489	92,275	94,056	96,042
11	72,607	75,132	77,869	80,584	83,340	86,918	88,706	90,489	92,275	94,056	96,042
12	72,607	75,132	77,869	80,584	83,340	86,918	88,706	90,489	92,275	94,056	96,042
13	72,607	75,132	77,869	80,584	83,340	86,918	88,706	90,489	92,275	94,056	96,042
14	72,607	75,132	77,869	80,584	83,340	86,918	88,706	90,489	92,275	94,056	96,042
15	72,607	75,132	77,869	80,584	83,340	86,918	88,706	90,489	92,275	94,056	96,042
16	72,607	75,132	77,869	80,584	83,340	86,918	88,706	90,489	92,275	94,056	96,042
17	77,530	80,056	82,790	85,506	88,262	91,841	93,627	95,410	97,196	98,978	100,964

## Important Dates

15-Aug	(Page 10)	Deadline for teacher’s request for summer lump payment for extra curricular assignments
1-Oct	(Page 7)	Lane Change Form and Transcripts for Lane changes due
31-Dec	(Page 8)	State deadline for teachers dropping an area of licensure. Note: this may affect your salary
1-Feb	(Page 6)	Teachers that voluntarily took a part time position must notify district in writing of their intent to return to full time
1-Feb	(Page 20)	Teachers must request extended leave of absence in writing by this date
1-Feb	(Page 20)	Teachers must submit written request for reinstatement after a leave
1-Feb	(Page 13)	Teachers wish to retire and qualify for the Retirement Insurance benefit in Article VIII must submit notice of their intent to retire at the end of the school year by this date.
1-Mar	(Page 7)	Second half of year Lane Change Form and Transcripts for lane changes due
1-Mar	(Page 23)	Teachers must give notice by this date if they are giving up an extra curricular assignment for the next year
1-May	(Page 10)	By this date, teachers must notify district to request summer lump payment
1-May	(Page 11)	Annual deadline for specialists to submit documentation of their national certification or LICSW certification in order to receive a stipend paid out in the June 15 paycheck. As provided in Article VII Extra Compensation.
1-May	(Page 15)	Teachers who want to sell back vacation days must notify the Payroll Department
15-May	(Page 22)	District must post all internal jobs known at this point
15-May	(Page 22)	District must notify teachers of all involuntary transfers to be made in-district (circumstances may make changes necessary beyond this date)
31-May	(Page 31)	Post-90 teachers should contact the Payroll Department to verify the new contribution amount for the 403(b) Matching Annuity Program if they are entering year Four (4), Ten (10), Fifteen (15), or Nineteen (19) the following school year.
31-May	(Page 32)	Deadline for post-90 teachers to request sick leave sellback to their 403(b). Those teachers who have accumulated 240 or more, hours of sick leave, may make an irrevocable election for the school district to contribute to the employee’s 403(b) account up to the maximum of the teacher’s upcoming annual allocation of sick leave. Members must make this irrevocable election <u>prior to June 1<sup>st</sup> affecting the following fiscal years’ accrual.</u>

31-May	(Page 31)	Post-90 teachers must be sure they are contributing at least an equal amount of money to their 403(b) in order to qualify for the District matching contribution the following year
30-Jun		End of fiscal year
	(Page 23)	Ten days before the close of the school year, the district will give notice of extra curricular assignments to affected teachers in writing
	(Pages 25--27)	Dates and timelines for grievance procedures are listed here

Schedule C									
HIGH SCHOOL									
Extra Curricular/Co-Curricular Salaries									
	2022-23	Starting the 5th year	Starting the 10th year	2023-24	Starting the 5th year	Starting the 10th year	2024-25	Starting the 5th year	Starting the 10th year
<b>Adapted Athletics</b>									
Bowling (11 weeks)	\$2,344.62	\$2,508.75	\$2,696.31	\$2,414.96	\$2,584.01	\$2,777.20	\$2,487.41	\$2,661.53	\$2,860.52
Floor Hockey (17 weeks)	\$2,384.58	\$2,551.51	\$2,742.27	\$2,456.12	\$2,628.05	\$2,824.54	\$2,529.80	\$2,706.89	\$2,909.27
Softball (13 weeks)	\$2,384.58	\$2,551.51	\$2,742.27	\$2,456.12	\$2,628.05	\$2,824.54	\$2,529.80	\$2,706.89	\$2,909.27
Soccer (12 weeks)	\$2,384.58	\$2,551.51	\$2,742.27	\$2,456.12	\$2,628.05	\$2,824.54	\$2,529.80	\$2,706.89	\$2,909.27
<b>Baseball</b>									
Head Coach*	\$4,619.46	\$4,942.82	\$5,312.39	\$4,758.05	\$5,091.11	\$5,471.76	\$4,900.79	\$5,243.85	\$5,635.91
Assistant Coach	\$3,326.49	\$3,559.36	\$3,825.47	\$3,426.29	\$3,666.13	\$3,940.23	\$3,529.08	\$3,776.12	\$4,058.44
9th Grade Coach	\$2,356.76	\$2,521.74	\$2,710.27	\$2,427.47	\$2,597.39	\$2,791.59	\$2,500.29	\$2,675.31	\$2,875.33
<b>Basketball</b>									
Head Coach*	\$6,063.47	\$6,487.91	\$6,972.98	\$6,245.38	\$6,682.56	\$7,182.19	\$6,432.74	\$6,883.03	\$7,397.65
Assistant Coach	\$4,365.11	\$4,670.67	\$5,019.88	\$4,496.06	\$4,810.78	\$5,170.47	\$4,630.94	\$4,955.11	\$5,325.58
9th Grade Coach	\$4,365.11	\$4,670.67	\$5,019.88	\$4,496.06	\$4,810.78	\$5,170.47	\$4,630.94	\$4,955.11	\$5,325.58
<b>Cross Country Running</b>									
Head Coach*	\$3,637.81	\$3,892.46	\$4,183.48	\$3,746.94	\$4,009.23	\$4,308.98	\$3,859.35	\$4,129.50	\$4,438.25
Assistant Coach	\$2,620.40	\$2,803.82	\$3,013.44	\$2,699.01	\$2,887.94	\$3,103.86	\$2,779.98	\$2,974.58	\$3,196.98
<b>Debate</b>									
Head Coach	\$2,683.44	\$2,871.29	\$3,085.96	\$2,763.95	\$2,957.43	\$3,178.54	\$2,846.87	\$3,046.15	\$3,273.90
Assistant Coach	\$1,532.46	\$1,639.74	\$1,762.34	\$1,578.44	\$1,688.93	\$1,815.21	\$1,625.79	\$1,739.60	\$1,869.66
<b>Dance Team</b>									
Head Coach*	\$4,619.54	\$4,942.90	\$5,312.49	\$4,758.12	\$5,091.19	\$5,471.84	\$4,900.86	\$5,243.92	\$5,635.99
Assistant Coach	\$3,327.07	\$3,559.97	\$3,826.15	\$3,426.88	\$3,666.76	\$3,940.91	\$3,529.69	\$3,776.77	\$4,059.14
<b>Football</b>									
Head Coach*	\$6,063.47	\$6,487.91	\$6,972.98	\$6,245.38	\$6,682.56	\$7,182.19	\$6,432.74	\$6,883.03	\$7,397.65
Assistant Coach	\$4,365.11	\$4,670.67	\$5,019.88	\$4,496.06	\$4,810.78	\$5,170.47	\$4,630.94	\$4,955.11	\$5,325.58
9th Grade Coach	\$4,365.11	\$4,670.67	\$5,019.88	\$4,496.06	\$4,810.78	\$5,170.47	\$4,630.94	\$4,955.11	\$5,325.58
<b>Golf</b>									
Head Coach*	\$3,637.81	\$3,892.46	\$4,183.48	\$3,746.94	\$4,009.23	\$4,308.98	\$3,859.35	\$4,129.50	\$4,438.25
Assistant Coach	\$2,620.40	\$2,803.82	\$3,013.44	\$2,699.01	\$2,887.94	\$3,103.86	\$2,779.98	\$2,974.58	\$3,196.98
<b>Gymnastics</b>									
Head Coach*	\$6,063.47	\$6,487.91	\$6,972.98	\$6,245.38	\$6,682.56	\$7,182.19	\$6,432.74	\$6,883.03	\$7,397.65
Assistant Coach	\$4,365.11	\$4,670.67	\$5,019.88	\$4,496.06	\$4,810.78	\$5,170.47	\$4,630.94	\$4,955.11	\$5,325.58
Spotter	\$4,365.11	\$4,670.67	\$5,019.88	\$4,496.06	\$4,810.78	\$5,170.47	\$4,630.94	\$4,955.11	\$5,325.58
<b>Hockey</b>									
Head Coach*	\$6,063.47	\$6,487.91	\$6,972.98	\$6,245.38	\$6,682.56	\$7,182.19	\$6,432.74	\$6,883.03	\$7,397.65
Assistant Coach	\$4,365.11	\$4,670.67	\$5,019.88	\$4,496.06	\$4,810.78	\$5,170.47	\$4,630.94	\$4,955.11	\$5,325.58
<b>Soccer</b>									
Head Coach*	\$5,145.40	\$5,505.58	\$5,917.21	\$5,299.76	\$5,670.74	\$6,094.72	\$5,458.75	\$5,840.86	\$6,277.56
Assistant Coach	\$3,704.06	\$3,963.34	\$4,259.66	\$3,815.18	\$4,082.24	\$4,387.46	\$3,929.64	\$4,204.71	\$4,519.09
9th Grade Coach	\$2,624.35	\$2,808.07	\$3,018.02	\$2,703.08	\$2,892.30	\$3,108.54	\$2,784.17	\$2,979.06	\$3,201.80
<b>Softball</b>									
Head Coach*	\$4,619.46	\$4,942.82	\$5,312.39	\$4,758.05	\$5,091.11	\$5,471.76	\$4,900.79	\$5,243.85	\$5,635.91
Assistant Coach	\$3,326.49	\$3,559.36	\$3,825.47	\$3,426.29	\$3,666.13	\$3,940.23	\$3,529.08	\$3,776.12	\$4,058.44
9th Grade Coach	\$2,624.35	\$2,808.07	\$3,018.02	\$2,703.08	\$2,892.30	\$3,108.54	\$2,784.17	\$2,979.06	\$3,201.80
<b>Speech</b>									
Head Coach	\$3,743.40	\$4,005.43	\$4,304.91	\$3,855.70	\$4,125.60	\$4,434.06	\$3,971.37	\$4,249.37	\$4,567.08
Assistant Coach	\$2,712.25	\$2,902.12	\$3,119.09	\$2,793.62	\$2,989.17	\$3,212.66	\$2,877.43	\$3,078.85	\$3,309.04

Schedule C									
HIGH SCHOOL									
Extra Curricular/Co-Curricular Salaries									
	2022-23	Starting the 5th year	Starting the 10th year	2023-24	Starting the 5th year	Starting the 10th year	2024-25	Starting the 5th year	Starting the 10th year
<b>Swimming</b>									
Head Coach*	\$5,145.40	\$5,505.58	\$5,917.20	\$5,299.76	\$5,670.74	\$6,094.72	\$5,458.75	\$5,840.86	\$6,277.56
Assistant Coach	\$3,704.06	\$3,963.34	\$4,259.66	\$3,815.18	\$4,082.24	\$4,387.46	\$3,929.64	\$4,204.71	\$4,519.09
Diving Coach	\$3,326.49	\$3,559.36	\$3,825.47	\$3,426.29	\$3,666.13	\$3,940.23	\$3,529.08	\$3,776.12	\$4,058.44
<b>Tennis</b>									
Head Coach*	\$3,637.81	\$3,892.46	\$4,183.48	\$3,746.94	\$4,009.23	\$4,308.98	\$3,859.35	\$4,129.50	\$4,438.25
Assistant Coach	\$2,620.40	\$2,803.82	\$3,013.44	\$2,699.01	\$2,887.94	\$3,103.86	\$2,779.98	\$2,974.58	\$3,196.98
C-Team Coach	\$1,858.65	\$1,988.75	\$2,137.45	\$1,914.41	\$2,048.42	\$2,201.57	\$1,971.84	\$2,109.87	\$2,267.62
<b>Track</b>									
Head Coach*	\$4,959.94	\$5,307.12	\$5,703.92	\$5,108.74	\$5,466.35	\$5,875.05	\$5,262.00	\$5,630.34	\$6,051.30
Assistant Coach	\$3,572.89	\$3,822.99	\$4,108.83	\$3,680.08	\$3,937.69	\$4,232.09	\$3,790.48	\$4,055.81	\$4,359.05
9th Grade Coach	\$2,527.67	\$2,704.59	\$2,906.81	\$2,603.50	\$2,785.75	\$2,994.03	\$2,681.61	\$2,869.32	\$3,083.85
<b>Volleyball</b>									
Head Coach*	\$5,145.40	\$5,505.58	\$5,917.20	\$5,299.76	\$5,670.74	\$6,094.72	\$5,458.75	\$5,840.86	\$6,277.56
Assistant Coach	\$3,704.06	\$3,963.34	\$4,259.66	\$3,815.18	\$4,082.24	\$4,387.46	\$3,929.64	\$4,204.71	\$4,519.09
9th Grade Coach	\$2,624.35	\$2,808.07	\$3,018.02	\$2,703.08	\$2,892.30	\$3,108.54	\$2,784.17	\$2,979.06	\$3,201.80
<b>Wrestling</b>									
Head Coach*	\$6,063.47	\$6,487.91	\$6,972.98	\$6,245.38	\$6,682.56	\$7,182.19	\$6,432.74	\$6,883.03	\$7,397.65
Assistant Coach	\$4,365.11	\$4,670.67	\$5,019.88	\$4,496.06	\$4,810.78	\$5,170.47	\$4,630.94	\$4,955.11	\$5,325.58
<b>Cheerleadings</b>									
Head Coach (per season)	\$2,162.02	\$2,313.37	\$2,486.32	\$2,226.88	\$2,382.76	\$2,560.91	\$2,293.69	\$2,454.25	\$2,637.74
Assistant Coach (per season)	\$1,197.59	\$1,281.42	\$1,377.23	\$1,233.51	\$1,319.86	\$1,418.54	\$1,270.52	\$1,359.46	\$1,461.10
<b>Dance Line</b>									
Coordinator	\$2,162.02	\$2,313.37	\$2,486.32	\$2,226.88	\$2,382.76	\$2,560.91	\$2,293.69	\$2,454.25	\$2,637.74
<b>Athletics, Extended Season</b>									
Head Coaches (per week)				\$185.40	\$198.38	\$213.21	\$190.96	\$204.33	\$219.60
Assistant Coaches (per week)				\$185.40	\$198.38	\$213.21	\$190.96	\$204.33	\$219.60
<b>Tier 1 Clubs</b>									
General Club	\$1,792.84	\$1,918.34	\$2,061.77	\$1,846.63	\$1,975.89	\$2,123.62	\$1,902.03	\$2,035.17	\$2,187.33
Key Club*	\$2,344.62	\$2,508.75	\$2,696.31	\$3,703.04	\$3,962.25	\$4,258.50	\$3,814.13	\$4,081.12	\$4,386.25
National Honor Society*	\$2,436.44	\$2,606.98	\$2,801.88	\$2,509.53	\$2,685.20	\$2,885.96	\$2,584.82	\$2,765.76	\$2,972.54
Student Council*	\$3,595.18	\$3,846.83	\$4,144.37	\$3,703.04	\$3,962.25	\$4,258.50	\$3,814.13	\$4,081.12	\$4,386.25
Youth in Government*	\$4,349.12	\$4,653.56	\$5,001.48	\$4,479.60	\$4,793.17	\$5,151.54	\$4,613.99	\$4,936.97	\$5,306.09
Youth in Government Assistant	\$1,332.53	\$1,454.32	\$1,563.06	\$1,372.51	\$1,468.59	\$1,578.39	\$1,413.69	\$1,512.65	\$1,625.74
Robotics*	\$4,060.00	\$4,344.20	\$4,648.29	\$4,181.80	\$4,474.53	\$4,809.07	\$4,307.25	\$4,608.76	\$4,953.34
Math Team*	\$2,055.89	\$2,199.80	\$2,364.27	\$2,117.57	\$2,265.80	\$2,435.21	\$2,181.10	\$2,333.78	\$2,508.27
<b>Tier 2 Clubs</b>									
General Club	\$958.28	\$1,025.36	\$1,102.02	\$987.02	\$1,056.11	\$1,135.07	\$1,016.63	\$1,087.79	\$1,169.12
History Day	\$958.28	\$1,025.36	\$1,102.02	\$987.02	\$1,056.11	\$1,135.07	\$1,016.63	\$1,087.79	\$1,169.12
Unified Club				\$987.02	\$1,056.11	\$1,135.07	\$1,016.63	\$1,087.79	\$1,169.12
Multicultural Club	\$1,037.17	\$1,109.78	\$1,192.74	\$1,068.28	\$1,143.06	\$1,228.52	\$1,100.33	\$1,177.35	\$1,265.38
Language B Club	\$1,037.17	\$1,109.78	\$1,192.74	\$1,068.28	\$1,143.06	\$1,228.52	\$1,100.33	\$1,177.35	\$1,265.38

Schedule C									
HIGH SCHOOL									
Extra Curricular/Co-Curricular Salaries									
	2022-23	Starting the 5th year	Starting the 10th year	2023-24	Starting the 5th year	Starting the 10th year	2024-25	Starting the 5th year	Starting the 10th year
<b>Tier 23 Clubs</b>									
General Club	\$409.95	\$438.65	\$471.43	\$422.24	\$451.80	\$485.58	\$434.91	\$465.35	\$500.15
<b>Music - Instrumental</b>									
Instrumental	\$2,090.96	\$2,237.31	\$2,404.60	\$2,153.69	\$2,304.45	\$2,476.74	\$2,218.30	\$2,373.58	\$2,551.05
Pep Band, Head	\$2,090.96	\$2,237.31	\$2,404.60	\$2,153.69	\$2,304.45	\$2,476.74	\$2,218.30	\$2,373.58	\$2,551.05
Jazz Band, Head	\$710.38	\$760.09	\$816.94	\$731.69	\$782.91	\$841.44	\$753.64	\$806.39	\$866.69
Marching Band, Head	\$3,487.59	\$3,731.71	\$4,010.73	\$3,592.21	\$3,843.66	\$4,131.04	\$3,699.98	\$3,958.98	\$4,254.98
Marching Band, Assistant	\$1,810.16	\$1,936.88	\$2,081.70	\$1,864.47	\$1,994.98	\$2,144.14	\$1,920.40	\$2,054.83	\$2,208.46
<b>Music - Vocal</b>									
Show/Chamber	\$1,200.76	\$1,284.82	\$1,380.88	\$2,153.69	\$2,304.45	\$2,476.74	\$2,218.30	\$2,373.58	\$2,551.05
Vocal	\$1,200.76	\$1,284.82	\$1,380.88	\$1,236.78	\$1,323.35	\$1,422.30	\$1,273.88	\$1,363.05	\$1,464.96
<b>Yearbook</b>									
Assistant, Extracurricular	\$3,408.95	\$3,647.57	\$3,920.29	\$3,511.22	\$3,757.01	\$4,037.90	\$3,616.56	\$3,869.72	\$4,159.04
Assistant, Cocurricular	\$2,073.04	\$2,218.17	\$2,384.22	\$2,135.23	\$2,284.70	\$2,455.51	\$2,199.29	\$2,353.24	\$2,529.18
<b>Musical</b>									
Director	\$4,841.84	\$5,180.78	\$5,568.11	\$4,944.00	\$5,290.08	\$5,685.60	\$5,092.32	\$5,448.78	\$5,856.17
Technical Director	\$1,271.73	\$1,360.74	\$1,462.48	\$3,090.00	\$3,306.30	\$3,553.50	\$3,182.70	\$3,405.49	\$3,660.11
Choreographer <sup>1</sup>	\$2,028.59	\$2,170.59	\$2,332.88	\$2,266.00	\$2,424.62	\$2,605.90	\$2,333.98	\$2,497.36	\$2,684.08
Vocal Director <sup>1</sup>	\$1,295.64	\$1,386.33	\$1,489.98	\$2,163.00	\$2,314.41	\$2,487.45	\$2,227.89	\$2,383.84	\$2,562.07
Orchestral Director <sup>1</sup>	\$1,295.64	\$1,386.33	\$1,489.99	\$2,163.00	\$2,314.41	\$2,487.45	\$2,227.89	\$2,383.84	\$2,562.07
Costumes and Makeup <sup>2</sup>	\$1,453.90	\$1,555.67	\$1,664.58	\$1,648.00	\$1,763.36	\$1,895.20	\$1,697.44	\$1,816.26	\$1,952.06
Scene Design and Set Construction <sup>2</sup>	\$1,466.90	\$1,569.61	\$1,679.47						
Lighting and Sound <sup>2</sup>	\$1,388.84	\$1,486.05	\$1,590.07						
Assistant Technician				\$824.00	\$881.68	\$947.60	\$848.72	\$908.13	\$976.03
Producer	\$798.52	\$857.56	\$918.31	\$721.00	\$771.47	\$829.15	\$742.63	\$794.61	\$854.02
<b>Drama</b>									
Director	\$4,509.48	\$4,825.13	\$5,185.92	\$4,635.00	\$4,959.45	\$5,330.25	\$4,774.05	\$5,108.23	\$5,490.16
Coordinator	\$3,549.00	\$3,797.43	\$4,081.34	\$3,655.47	\$3,911.35	\$4,203.79	\$3,765.13	\$4,028.69	\$4,329.90
Technical Director	\$1,271.73	\$1,360.74	\$1,462.48	\$2,575.00	\$2,755.25	\$2,961.25	\$2,652.25	\$2,837.91	\$3,050.09
Costumes and Makeup <sup>2</sup>	\$1,453.90	\$1,555.67	\$1,664.58	\$1,545.00	\$1,653.15	\$1,776.75	\$1,591.35	\$1,702.74	\$1,830.05
Scene Design and Set Construction <sup>2</sup>	\$1,466.90	\$1,569.61	\$1,679.47						
Lighting and Sound <sup>2</sup>	\$1,388.84	\$1,486.05	\$1,590.07						
Assistant Technican	\$1,271.73	\$1,360.74	\$1,462.48	\$412.00	\$440.84	\$473.80	\$424.36	\$454.07	\$488.01
Producer	\$768.96	\$822.77	\$884.29	\$515.00	\$551.05	\$592.25	\$530.45	\$567.58	\$610.02
<sup>1</sup> Artist stipend, allocation amount distributed based on nature of production									
<sup>2</sup> Technical stipend distributed based on nature of production									
<b>One Act Play</b>	\$2,558.00	\$2,737.06	\$2,941.71	\$2,634.74	\$2,819.17	\$3,029.95	\$2,713.78	\$2,903.74	\$3,120.85
<b>Homeroom Activities Coordinator</b>	\$1,647.56	\$1,762.90	\$1,894.70	\$1,696.99	\$1,815.78	\$1,951.54	\$1,747.90	\$1,870.25	\$2,010.09
<b>Prom</b>	\$923.36	\$988.00	\$1,061.87	\$951.06	\$1,017.63	\$1,093.72	\$979.59	\$1,048.16	\$1,126.53
<b>Variety Show</b>	\$435.82	\$466.32	\$501.19	\$448.89	\$480.31	\$516.22	\$462.36	\$494.73	\$531.71
<b>Weight Room Coordinator (per week)</b>	\$280.86	\$300.52	\$322.98	\$289.28	\$309.53	\$332.67	\$297.96	\$318.82	\$342.65
<sup>1</sup> One day of professional leave allowed per year									

Schedule C  
MIDDLE SCHOOL  
Extra Curricular/Co-Curricular Salaries

	2022-23	Starting the 5th year	Starting the 10th year	2023-24	Starting the 5th year	Starting the 10th year	2024-25	Starting the 5th year	Starting the 10th year
<b>Athletics (Grades 7 and/or 8)</b>									
Head Coach (per week)	\$280.86	\$296.01	\$322.98	\$289.28	\$309.53	\$332.67	\$297.96	\$318.82	\$342.65
Coach's Assistant (per week)	\$140.42	\$148.01	\$161.48	\$144.64	\$154.76	\$166.34	\$148.98	\$159.41	\$171.33
<b>Athletics, Extended Season</b>									
Head Coach (per week)				\$185.40	\$198.38	\$213.21	\$190.96	\$204.33	\$219.60
Coach's Assistant (per week)				\$154.50	\$165.32	\$177.68	\$159.14	\$170.28	\$183.01
<b>Music</b>									
Bank/Vocal (per event)	\$125.44	\$134.21	\$144.25	\$129.20	\$138.24	\$148.58	\$133.08	\$142.40	\$153.04
Jazz Band	\$1,097.95	\$1,175.06	\$1,262.64	\$1,130.89	\$1,210.05	\$1,300.52	\$1,164.82	\$1,246.36	\$1,339.54
After School Choir	\$685.40	\$733.39	\$788.23	\$705.96	\$755.38	\$811.85	\$727.14	\$778.04	\$836.21
<b>Musical (Grades 7 &amp; 8)</b>									
Artistic Director	\$3,955.98	\$4,232.88	\$4,460.17	\$4,120.00	\$4,408.40	\$4,738.00	\$4,243.60	\$4,540.65	\$4,880.14
Musical Director	\$2,874.84	\$3,076.09	\$3,306.07	\$2,961.25	\$3,168.54	\$3,405.44	\$3,050.09	\$3,263.60	\$3,507.60
Technical Director	\$1,532.48	\$1,639.74	\$1,762.34	\$1,854.00	\$1,983.78	\$2,132.10	\$1,909.62	\$2,043.29	\$2,196.06
Costumes/Make-up	\$933.70	\$999.08	\$1,073.76	\$1,545.00	\$1,653.15	\$1,776.75	\$1,591.35	\$1,702.74	\$1,830.05
Choreography	\$1,149.68	\$1,230.15	\$1,322.13	\$1,648.00	\$1,763.36	\$1,895.20	\$1,697.44	\$1,816.26	\$1,952.06
Assistant Director	\$285.81	\$305.81	\$328.68						
<b>Musical (Grades 5 &amp; 6)</b>									
Director	\$1,194.82	\$1,278.47	\$1,374.07	\$1,230.67	\$1,316.82	\$1,415.27	\$1,267.59	\$1,356.32	\$1,457.73
Script Writer	\$597.41	\$639.22	\$687.02	\$615.33	\$658.40	\$707.63	\$633.79	\$678.16	\$728.86
Music Director	\$597.41	\$639.22	\$687.02	\$615.33	\$658.40	\$707.63	\$633.79	\$678.16	\$728.86
Technical Director	\$597.41	\$639.22	\$687.02	\$615.33	\$658.40	\$707.63	\$633.79	\$678.16	\$728.86
<b>Tier 1 Clubs</b>									
General Club	\$1,359.19	\$1,454.32	\$1,563.06	\$1,399.96	\$1,497.96	\$1,609.95	\$1,441.96	\$1,542.90	\$1,658.25
Youth in Government	\$1,359.19	\$1,454.32	\$1,563.06	\$1,399.96	\$1,497.96	\$1,609.95	\$1,441.96	\$1,542.90	\$1,658.25
History Day	\$1,359.19	\$1,454.32	\$1,563.06	\$1,399.96	\$1,497.96	\$1,609.95	\$1,441.96	\$1,542.90	\$1,658.25
Lego League	\$1,359.19	\$1,454.32	\$1,563.06	\$1,399.96	\$1,497.96	\$1,609.95	\$1,441.96	\$1,542.90	\$1,658.25
<b>Tier 2 Clubs</b>									
General Club	\$958.28	\$1,025.36	\$1,102.02	\$987.02	\$1,056.11	\$1,135.07	\$1,016.63	\$1,087.79	\$1,169.12
Math Team	\$822.49	\$880.06	\$945.87	\$847.17	\$906.47	\$974.25	\$872.59	\$933.67	\$1,003.48
<b>Tier 3 Clubs</b>									
General Club	\$409.95	\$438.65	\$471.44	\$422.24	\$451.80	\$485.58	\$434.91	\$465.35	\$500.15
<b>Homeroom Activities Coordinator</b>									
	\$1,647.56	\$1,762.90	\$1,894.71	\$1,696.99	\$1,815.78	\$1,951.54	\$1,747.90	\$1,870.25	\$2,010.09
<b>Intramural Coordinator</b>									
	\$2,057.53	\$2,201.54	\$2,366.15	\$2,119.26	\$2,267.61	\$2,437.15	\$2,182.84	\$2,335.64	\$2,510.27
<b>Student Advisory Board</b>									
	\$2,530.85	\$2,708.00	\$2,910.46	\$2,606.77	\$2,789.24	\$2,997.79	\$2,684.97	\$2,872.92	\$3,087.72
<b>Yearbook</b>									
Assistant, Extracurricular	\$1,660.49	\$1,776.74	\$1,909.58	\$1,710.30	\$1,830.02	\$1,966.85	\$1,761.61	\$1,884.92	\$2,025.85
Assistant, Cocurricular	\$830.25	\$888.36	\$954.78	\$855.16	\$915.02	\$983.43	\$880.81	\$942.47	\$1,012.93

Schedule C  
ELEMENTARY  
Extra Curricular/Co-Curricular Salaries

	2022-23	Starting the 5th year	Starting the 10th year	2023-24	Starting the 5th year	Starting the 10th year	2024-25	Starting the 5th year	Starting the 10th year
<b>Music</b>									
Director (per event)	\$123.87	\$132.87	\$143.00	\$127.58	\$136.51	\$146.72	\$131.41	\$140.61	\$151.12
Concert Supervisor (per hour)	\$25.90	\$27.71	\$29.79	\$26.68	\$28.55	\$30.68	\$27.48	\$29.40	\$31.60
<b>Tier 1 Clubs</b>									
General Club	\$1,792.84	\$1,918.34	\$2,061.77	\$1,846.63	\$1,975.89	\$2,123.62	\$1,902.03	\$2,035.17	\$2,187.33
<b>Tier 2 Clubs</b>									
General Club	\$958.28	\$1,025.36	\$1,102.02	\$987.02	\$1,056.11	\$1,135.07	\$1,016.63	\$1,087.79	\$1,169.12
<b>Tier 3 Clubs</b>									
General Club	\$409.95	\$438.65	\$471.43	\$422.24	\$451.80	\$485.58	\$434.91	\$465.35	\$500.15

**Schedule C  
DISTRICT  
Hourly Rates/Position Stipends**

	2022-23	2023-24	2024-25
<b>Contract Extension</b>	Prorata	Prorata	Prorata
<b>Special Education Due Process</b>			
Special education teacher will be allowed to timesheet up to 2 hours per month to meet the Due Process Requirements. Due Process work may be completed on or off site, maintaining appropriate professional standards and data privacy. Additional time may be granted with approval from the Director of Special Education or designee.	Prorata	Prorata	Prorata
<b>Lunchroom Supervision</b>			
Due consideration will be given to seniority, traveling teachers, and part-time employees. Prorated for additional time only. Compensation for lunchroom duty only applies if the teacher gives up his/her own (prep) time.	Prorata	Prorata	Prorata
<b>Curriculum Writing/Extended Time</b>			
<i>Step on Salary Schedule</i>	<i>Rate per hour</i>	<i>Rate per hour</i>	<i>Rate per hour</i>
Zero (0) through Nine (9) years	\$29.59		
Ten plus (10+) years	\$35.49		
<b>Miscellaneous Time</b>			
Teachers will be paid the following rate for the performance of duties or tasks outside of regular contract hours. Payment for hours is subject to prior supervisor approval. Examples in clude but ar not limited to : interviews (if requested by administrator), IEP meetings, after school events, extra conference time, Kindergarten Round-Up, targeted services, curriculum writing, extended day/credit recovery, homebound assignments, pre-approved planning and project work over the summer, etc.		\$37.50	\$37.50
<b>New Teacher Workshop (per day)</b>	\$179.22	\$184.60	\$190.14
<b>Building Leadership Stipend</b>	\$2,148.79	\$2,213.25	\$2,279.65
Building Leadership teams are expected to work with administration on key building leadership initiatives, including but not limited to student achievement goals, the International Baccalaureate program, and other building level initiatives. Minimal expectations for meetings will be three per month.  It is the District's right to determine the number positions needed on an annual basis. Total positions by site are listed below: HS - up to 14 MS – up to 15 ALC – up to 4 Elementary buildings - 9 at each elementary school FCC – up to 1			
<b>Home Bound Instructor/Hourly Substitute Rate/Out of District Rate</b>	\$31.78	\$31.78	\$31.78
<b>Mileage</b>	IRS Rate	IRS Rate	IRS Rate
<b>Athletic Event Workers (MS/JV/HS Events)</b> Scorer,Timer, Announcer, Ticket Sales, Crowd Supervisor, Field Supervisor			
Single Game	\$36.20	\$37.28	\$38.40
Double Header	\$59.75	\$61.54	\$63.39
Football Varsity	\$59.75	\$61.54	\$63.39
Intramural	\$36.20	\$37.28	\$38.40
<b>Site Manager</b> All set up/take down/communication			
Single Game	\$60.34	\$62.15	\$64.01
Double Header	\$84.47	\$87.00	\$89.61
Triple Header	\$108.61	\$111.87	\$115.23
Football	\$84.47	\$87.00	\$89.61
<b>Alternative Learning Center</b> Target Services- Employees who substitutes will be paid at the hourly rate.  For ALC classroom Teacher, Lead Teacher or Coordinators that work on an hourly rate, the rate will be based on their placement step of the salary schedule. Hours worked outside of the individual's contract with District 14 will be paid at this rate:			
Steps 0-5	\$27.55		
Steps 6-10	\$32.24		
Steps 10+	\$35.94		
<b>PBIS Team Lead</b> 7 HS, 7 MS, 7 RLS, 7 Hayes (per year)		\$772.50	\$795.68
<b>Link Crew Leader</b> 2 HS (per year)		\$772.50	\$795.67

## MEMORANDUM OF AGREEMENT

WHEREAS, the Fridley Education Association ("Union") and Independent School District No. 14 ("School District") are parties to the Teachers' Collective Bargaining Agreement ("Collective Bargaining Agreement"); and

WHEREAS, the Union and the School District wish to acknowledge the additional workload of teachers when the class size exceeds the district target maximum class size limits at the Elementary Schools, Middle School and High School, hereafter referred to as a Class Size Overload;

WHEREAS, the Union and the District wish to pilot a fair and equitable compensation solution which recognizes this additional work;

NOW, THEREFORE, the Union and the School District agree as follows:

1. A teacher whose schedule contains a section that exceeds the class sizes referred to in the table below will be compensated at the additional hours indicated in the table for that semester. Such compensation will be at the teacher's current prorated hourly rate of pay. Class size information will be collected on October 15<sup>th</sup> and March 15<sup>th</sup>.
  
2. The ratios indicated in the table below do not apply to band, choir, or orchestra classes.

<b>Grade Level</b>	<b>District Target Maximum Class Size</b>	<b>Additional Hours Per Semester for Class Sizes over Maximum</b>
<i>Pre-Kindergarten</i>	20 students	NA*
<i>Kindergarten</i>	24 Students	8
<i>1st &amp; 2nd Grade</i>	25 Students	8
<i>3rd &amp; 4th Grade</i>	28 Students	8
<i>5th Grade</i>	25 Students	8
<i>6th Grade</i>	34 Students	<i>2 hours per section</i>
<i>7th &amp; 8th Grade</i>	34 Students	<i>1 hour per section</i>
<i>9th - 12th Grade</i>	35 Students	<i>1 hour per section</i>

\*Must comply with state of MN class size settings.

3. This Memorandum of Agreement is effective July 1, 2024, and shall expire on June 30, 2025. It shall have no force or effect thereafter, unless so agreed, in writing by the Union and the School District.
  
4. This MOA does not constitute a past practice, nor does it establish a precedent.

Signed this day: \_\_\_\_\_

FEA Representatives:

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School Board Representatives:

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MEMORANDUM OF AGREEMENT

WHEREAS, the Fridley Education Association ("Union") and Independent School District No. 14 ("School District") are parties to the Teachers' Collective Bargaining Agreement ("Collective Bargaining Agreement"); and

WHEREAS, the Union and the School District wish to collaboratively review and consider options and programs regarding New Teacher Mentorship that mutually benefit the members of the FEA and the District, with that collaboration in a manner defined under the terms and conditions set forth in this Memorandum of Agreement ("MOA").

NOW, THEREFORE, the Union and the School District agree as follows:

1. FEA negotiating team (or designee) will meet with District representatives to review and bring forth ideas around the establishment of a Teacher Mentorship Program.
  - a. The objective is to collaboratively bring forward a recommendation to the School Board after exploring options that mutually benefit the members of the FEA and the School District.
  - b. The goal is to apply for the Teacher Mentorship and Retention of Effective Teachers Grant Program. The team will work toward having program parameters defined and ready in time for the *Intent to Submit* deadline of September 1 and the application deadline of September 22<sup>nd</sup>.
2. Beginning in January 2024, the FEA negotiating team and District representatives will meet at least once a month for a minimum of 1 hour. Meetings may occur more frequently and/or for a longer duration based on mutual agreement between the FEA negotiating team and District team members.
3. This Memorandum of Agreement is effective upon execution by the parties and shall expire on August 31, 2024. It shall have no force or effect thereafter, unless so agreed, in writing by the Union and the School District.
4. This MOA does not constitute a past practice, nor does it establish a precedent.

\_\_\_\_\_  
FEA Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
FEA Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
School Board

\_\_\_\_\_  
Date

**MEMORANDUM OF AGREEMENT**

Schedule C

WHEREAS, the Fridley Education Association ("Union") and Independent School District No. 14 ("School District") are parties to the Teachers' Collective Bargaining Agreement ("Collective Bargaining Agreement"); and

WHEREAS, the Union and the School District wish to collaboratively review and consider alternatives to Schedule C that mutually benefit the members of the FEA and the District, with that collaboration in a manner defined under the terms and conditions set forth in this Memorandum of Agreement ("MOA").

NOW, THEREFORE, the Union and the School District agree as follows:

1. FEA negotiating team will meet with District representatives to review the current **Schedule C**
  - a. The objective is to collaboratively bring forward a recommendation to the School Board after exploring alternative schedules that mutually benefit the members of the FEA and the School District.
  - b. The goal is to have recommendations by the end of the 2023-2024 school year for implementation July 1, 2024.
2. Beginning in January 2024, the FEA negotiating team and District representatives will meet at least once a month for a minimum of 1 hour. Meetings may occur more frequently and/or for a longer duration based on mutual agreement between the FEA negotiating team and District team members.
3. This Memorandum of Agreement is effective upon execution by the parties and shall expire on June 30, 2024. It shall have no force or effect thereafter, unless so agreed, in writing by the Union and the School District.
4. This MOA does not constitute a past practice, nor does it establish a precedent.

\_\_\_\_\_  
FEA Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
FEA Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
School Board

\_\_\_\_\_  
Date

**MEMORANDUM OF AGREEMENT**

**Remote Work**

**WHEREAS**, the Fridley Education Association ("Union") and Independent School District No. 14 ("School District") are parties to the Teachers' Collective Bargaining Agreement ("Collective Bargaining Agreement"); and

**WHEREAS**, Teaching staff have expressed interest in remote work alternatives on "grading and planning days";

**WHEREAS**, the School District recognizes the potential benefit this accommodation under certain conditions and;

**WHEREAS**, the school district is willing to study the effect of this accommodation during the 2023-2024 schoolyear,

**NOW, THEREFORE**, the School District and union agree as follows:

1. The School District extends the option for remote work on grading and planning days during the remainder of the 2023-2024 schoolyear;
2. The employee agrees to honor the district expectations for remote work;
3. This MOU does not constitute a past practice, nor does it establish a precedent.

FOR:  
**INDEPENDENT SCHOOL DISTRICT  
NO. 14, Fridley**

FOR:  
**FRIDLEY EDUCATION ASSOCIATION**

by \_\_\_\_\_  
Director of Human Resources

by \_\_\_\_\_  
FEA Representative

Date \_\_\_\_\_

Date: \_\_\_\_\_

**Letter of Agreement**  
Between  
Fridley Education Association and  
Fridley School District #14

This letter of agreement is in regards to employee medical for the 2024-2025 school year only, and applies to full time employees in Fridley School District #14 who are both employed by the school district and qualify for full medical insurance.

Married employees who qualify for full medical coverage have the option to change their selected plan from a combined employee plus one and single coverage, or from a combined family and single coverage, or from separate single coverage, to family or employee plus one coverage at the same level. In doing so, the husband and wife shall be "held harmless" in their own premium expenses by switching. In other words, the combined husband and wife contributions for family (at the same (level) coverage shall not exceed the previous employee premium expenses for separate policies as outlined above, if the plan design choice is the same. (In other words, this applies if one moves from two policies of the same to a single family policy of the same.)

Because multiple medical insurance plans exist, with employees choosing various options, and to ensure employees will not incur additional premium costs, "held harmless shall be defined as follows: the married couples who choose to convert their coverage at the same level shall have their premiums reduced by \$280.00 per month, or up to \$3,360.00 annually for medical coverage. Those already on a family plan (who have waived single coverage) shall have their out of pocket premium costs reduced by \$3,360.00 annually for medical insurance.

When each married employee is at the same medical plan level, and the couple converts to a family plan at that same medical level, they shall pay the same premium for family medical coverage that they paid with the two individual plans, minus \$3,360.00 annually for medical.

It is understood that employees may stay with their original plans at their respective rates. The option of switching to one family plan in lieu of separate plans is available to District #14 married couples for the 2024-2025 school year, and in no way is required or expected by the School District or Fridley Education Association. This agreement shall be for the 2024-2025 year only, and does not set precedence for future contract years. Employees who qualify and opt to take this option are responsible for ensuring necessary paperwork is filed with the Human Resource Department.

Fridley Education Association Representative

\_\_\_\_\_ Date

\_\_\_\_\_ Date

Fridley School Board

\_\_\_\_\_ Date

\_\_\_\_\_

**MEMORANDUM OF AGREEMENT**

*Between*

Fridley Education Association (FEA)  
and  
Fridley School District No. 14

**WHEREAS**, the Fridley Education Association (FEA) is the exclusive representative of (“Union”) in Independent School District No. 14, Fridley (“District”); and

**WHEREAS**, the parties are currently operating under the 2023-2024 Collective Bargaining Agreement (“CBA”) which expires on June 30, 2024.

**WHEREAS**, the parties have an interest in creating a position(s) that would be titled: “Continuous or Building Substitute Teacher.” Individuals serving as Continuous/Building Substitute teacher will be assigned on a daily basis, based on the needs of the District. The objective of creating such a position shall be aligned with the School District’s mission, core values and strategic objectives.

**NOW, THEREFORE**, the School District and the Union agree as follows:

- A. The maximum number of duty days for individual(s) in this position will be student contact and staff development days.
- B. \$30/hour with a BA degree or \$40/hour with an MA degree shall apply as the hourly rate of pay for the 2023-2024 school-year.
- C. The Continuous/Building Substitute is eligible for the same fringe benefits as those teaching under a continuing contract, pro-rated for days worked in the year. This will exclude participation in QComp or ACP programs.
- D. The Continuous Substitute is a one-year, temporary position. A Continuous/Building Substitute will have an assignment for the school year. The maximum duration of the assignment will be three years.
- E. Individual(s) serving in this position must have a current teaching license.
- F. A Continuous/Building Substitute will be required to work the minimum contract day as defined in Article XI. Hours of service in the Teachers terms and conditions of employment.
- G. The parties agree that there shall be no requirement that an agreement be reached on any terms and conditions of employment related to any newly created position resulting from this MOU.

By Signing below, each party represents that it has read, understands, and agrees to be bound by the terms of this Memorandum of Agreement on this \_\_\_\_\_.

FOR:  
**INDEPENDENT SCHOOL DISTRICT  
NO. 14, Fridley**

FOR:  
**Fridley Education Association**

by \_\_\_\_\_

by \_\_\_\_\_

S. Ike Isaacson, Director of HR

Phillip Boyd, FEA President



A World-Class Community of Learners

FRIDLEY PUBLIC SCHOOLS  
6000 West Moore Lake Drive | Fridley, MN 55432  
Phone: 763-502-50 | Fax: 763-502-5050

### EXTENSION AGREEMENT

This is a notice to extend the 2024-2025 teacher contract of \_\_\_\_\_ in accordance with Article VI, section 8 of the current teacher working agreement.

- a) \_\_\_\_\_ will serve on a teaching contract for 1.0 FTE during the 2024-2025 school year.
- b) This contract is hereby extended for .027 FTE to be served as follows: five (5) days or 40 hours effective August 1, 2024 through June 30, 2025.
- c) Payment for service in accordance with this contract extension will be at this teacher’s salary schedule rate on the current teacher’s salary schedule. Hours worked will be time sheeted and paid as earned. The teacher agrees to work with their administrator to agree on a schedule and obtain approval for the hours worked.
- d) It is further understood that the extension to this contract is for the 2024-2025 school year only and is not part of the teacher’s entitlement or continuing contract.

This agreement becomes effective upon signature of the parties as designated below.

Teacher: \_\_\_\_\_

Date: \_\_\_\_\_

FPS: \_\_\_\_\_  
Director of Human Resources

Date: \_\_\_\_\_

**Minutes**  
**School Board Work Session**  
**Fridley Independent School District 14**  
**November 21, 2023**

**Call to Order**

The Work Session of the Fridley School Board was called to order by School Board Chair Meisner at 5:30 PM on Tuesday, November 21, 2023, at the Fridley Community Center. The following Board members were present in the room: Abdisalam Adam, Nikki Auna, Sara Jones, Jake Karnopp, Ross Meisner, and Avonna Starck Absent: None

**The following items were discussed:**

- A. Signing Required Documents
- B. Governance and Policy
  - 1. Second Readings and Adoption of Policies
    - a. Policy 902 Use of School District Facilities
    - b. Policy 904 Distribution of Materials
- C. Oversight of Operations
  - 1. Legal, Staffing and Personnel Update
    - a. New Contracts, Amendments, Leaves of Absence, Terminations, Resignations, and Retirements
    - b. Nutritional Services Master Agreement 2023-2025
  - 2. Teaching & Learning Update
    - a. World's Best Workforce and Achievement & Integration Plan Update
  - 3. Resolution: Consolidated Polling Place at FCC
  - 4. Resolution: MSHSL Foundation Grant
  - 5. Church Request
    - a. Policy 418 Chemical Free Workplace
    - b. Request
- D. Informational Items
  - 1. At the Next Work Session
  - 2. Process for Nominations of Officers & Board Committees in January 2024
  - 3. Superintendent Goals for 2023-2024
  - 4. Strategic Planning Next Steps
  - 5. Important School Board Dates
    - a. AMSD – Meisner  
December 1, 2023 7:30AM  
Quora Education Center
    - b. NE Metro 916 Meeting – Jones  
December 6, 2023 9:30 AM  
Bellaire School
    - c. NWSISD Joint Powers Board Meeting – Adam  
December 14, 2023 6:00 PM  
NWSISD District Office
    - d. Schools for Equity in Education – Auna  
December 15, 2023 9:30AM  
DoubleTree Hotel – Roseville

Adjourned at 7:05 p.m.

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Ross Meisner, Board Chair

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Jake Karnopp, Board Clerk

**Minutes**  
**School Board Business Meeting**  
**Fridley Independent School District 14**  
**November 21, 2023**

**Call to Order, Pledge of Allegiance**

Board Chair Meisner called the Business Meeting of the Fridley School Board to order at 7:30 p.m. on Tuesday, November 21, 2023, at the Fridley Community Center (FCC). Present: Abdisalam Adam, Nikki Auna, Sara Jones, Jake Karnopp, Ross Meisner, and Avonna Starck. Absent: None

**Approval of Agenda**

Motion by Karnopp, seconded by Starck, to approve the agenda for November 21, 2023. Upon vote being taken, all voted in favor, none against, none abstained. Motion carried 6-0.

**Superintendent and Staff Reports**

1. Superintendent Lewis introduced the October 2023 Employee of the Month Christina Hyunh, a lunch and recess supervisor at Stevenson Elementary School. Also presented were the MCEA Award for Stephen Keeler, Thank You Video for the Fridley Lions Club, 2022-2023 Annual Report, Strategic Planning, and H-3 Special Education Exchange Visitor Training Program Updates.
2. Director of Teaching & Learning, Dr. Jason Bodey, presented on the 2023-26 World's Best Workforce and Achievement & Integration Plan

**Business Action Items**

**1. RESOLUTION: Accepting Gifts**

WHEREAS, School Board Policy 706 establishes guidelines for the acceptance of gifts to the District; and

WHEREAS, Minnesota Statute 465.03 states the School Board may accept a gift, grant, or devise of real or personal property only by the adoption of a resolution approved by two-thirds of its members;

THEREFORE, BE IT RESOLVED, that the School Board of Fridley Public Schools accepts with appreciation the following gifts received by the School District:

- The following persons donated to **Hayes and Stevenson Elementary Schools:**
  - Barb Passe – homemade winter hats for students in need

Motion by Meisner, seconded by Auna, to accept the gifts and thank the donors for their contributions. Upon roll call vote being taken all voted in favor, none against, none abstained. Motion carried 6-0.

**2. RESOLUTION: Minnesota State High School League Foundation Grant**

Motion by Adam, seconded by Karnopp, to support the school's application to the Minnesota State High School League Foundation for a Form A grant to offset student activity fees. Upon roll call vote being taken all voted in favor, none against, none abstained. Motion carried 6-0.

**3. RESOLUTION: Consolidated Polling Places**

RESOLUTION ESTABLISHING A COMBINED POLLING PLACE FOR MULTIPLE PRECINCTS AND DESIGNATING HOURS DURING WHICH THE POLLING PLACES WILL REMAIN OPEN FOR VOTING FOR

SCHOOL DISTRICT ELECTIONS NOT HELD ON THE DAY OF A STATEWIDE, COUNTY, OR MUNICIPAL ELECTION

BE IT RESOLVED by the School Board of ISD #14, State of Minnesota, as follows:

1. Pursuant to Minnesota Statutes, Section 205A.11, the precincts and polling places for school district elections are those precincts or parts of precincts located within the boundaries of the school district which have been established by the cities or towns located in whole or in part within the school district. The board hereby confirms those precincts and polling places so established by those municipalities.

2. Pursuant to Minnesota Statutes, Section 205A.11, the board may establish a combined polling place for several precincts for school elections not held on the day of a statewide, county, or municipal election. Combined polling places are hereby established to serve the precincts specified for all school district special and general elections not held on the same day as a statewide, county, or municipal election, as listed below:

<b>County</b>	<b>Combination Name</b>	<b>Polling Place</b>	<b>Comprised of City Precincts</b>
Anoka	ISD #14 P1	FRIDLEY COMMUNITY CENTER 6085 7th St NE FRIDLEY MN 55433	FRIDLEY W-1 P-1 FRIDLEY W-1 P-2 FRIDLEY W-1 P-3 FRIDLEY W-1 P-4 FRIDLEY W-2 P-1 FRIDLEY W-2 P-2 FRIDLEY W-2 P-3 FRIDLEY W-2 P-4 FRIDLEY W-3 P-1 FRIDLEY W-3 P-2 FRIDLEY W-3 P-3 FRIDLEY W-3 P-4

3. Pursuant to Minnesota Statutes, Section 205A.09, the polling places will remain open for voting for school district elections between the hours of 7:00 a.m. and 8:00 p.m.

4. The clerk is directed to prepare a map illustrating the boundaries of each combined precinct, to post the map of the combined precincts in the administrative offices of the school district and to file a copy of the map and a certified copy of this resolution with the county auditor of each county in which the school district is located in whole or in part.

5. As required by Minnesota Statutes, Section 204B.16, Subdivision 1a, the clerk is hereby authorized and directed to give written notice of new polling place locations to all registered voters in the school district whose school district polling place locations have been changed. The notice must be a non-forwardable notice mailed at least twenty-five (25) days before the date of the first election to which it will apply.

Motion by Karnopp<sub>2</sub> seconded by Jones, to approve a combined polling place for voting on School District Elections not held on the day of a statewide, county, or municipal election. Upon roll call vote being taken all voted in favor, none against, none abstained. Motion carried 6-0.

#### **4. Motion: Second Reading and Adoption of Policies**

- Policy 902 Use of School District Facilities
- Policy 904 Distribution of Materials

Motion by Meisner, seconded by Karnopp, to approve the second reading and adoption of policies 902 and 904. Upon vote being taken, all voted in favor, none against, none abstained. Motion carried 6-0.

#### **Consent Agenda**

Motion by Karnopp, seconded by Starck, to approve the consent agenda of including minutes of the closed session, work session and business meeting held on October 24, 2023 and the special session held on November 16, 2023; the Monthly Financial Reports; New Contracts, Amendments, Leaves of Absence, Resignations; Nutritional Services Master Agreement for 2023-2025, and World's Best Workforce Plan for 2023-24. Upon vote being taken, all voted in favor, none against, none abstained. Motion carried 6-0.

#### **Important Future School Board Dates**

1. No School  
November 23-24, 2023  
Thanksgiving Holiday
2. Free Family Movie Night "Elemental"  
December 1, 2023 7:00 PM  
District Auditorium
3. Hayes Better Together Parent Group  
December 4, 2023 5:00 PM  
Hayes Elementary School
4. FMS Holiday Band & Choir Concert  
December 5, 2023 7:00 PM  
District Auditorium
5. FHS Holiday Spectacular  
December 14, 2023 7:00 PM  
District Auditorium
6. Fridley Public Schools School Board Meeting  
December 19, 2023  
Fridley Community Center  
5:30 PM Work Session  
7:00 PM Truth in Taxation  
7:30 PM Business Meeting

#### **Adjournment**

Motion by Karnopp, seconded by Adam, to adjourn at 8:32 p.m. Upon vote being taken, all voted in favor, none against, none abstained. Motion carried 6-0.

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Ross Meisner, Board Chair

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Jake Karnopp, Board Clerk

**INDEPENDENT SCHOOL DISTRICT NO. 14  
FRIDLEY, MINNESOTA  
TREASURER'S REPORT  
MONTH ENDING 11/30/23**

<b>Fund</b>	<b>Balance 10/31/23</b>	<b>Receipts</b>	<b>Payroll Disbursements</b>	<b>A/P Disbursements</b>	<b>Journal Entry Transfers</b>	<b>Balance 11/30/23</b>
General (01)	\$ 41,492,307.34	\$ 2,096,185.90	\$ 1,375,023.01	\$ 2,199,171.66	\$ (481,605.61)	\$ 39,532,692.96
Food Service (02)	583,349.82	325,649.67	39,995.83	188,725.32	(16,902.27)	\$ 663,376.07
Transportation (03)	(36,680,608.04)	-	10,201.11	595,024.80	(3,417.58)	\$ (37,289,251.53)
Comm. Service (04)	(265,087.71)	567,644.60	86,647.01	148,184.25	(26,797.44)	\$ 40,928.19
Operating Capital (05)	(691,095.21)	-	-	15,669.03	-	\$ (706,764.24)
Construction (06)	(94,037.04)	-	-	171,397.55	-	\$ (265,434.59)
Debt Service (07)	3,367,121.86	893,873.55	-	-	-	\$ 4,260,995.41
Performance Contract (16)	(4,220,892.26)	-	-	-	-	\$ (4,220,892.26)
Activity Fund (19)	207,110.62	5,124.93	-	10,983.87	140.00	\$ 201,391.68
Dental Self Insurance (20)	334,040.12	156.80	-	22,775.00	27,648.51	\$ 339,070.43
Medical Self Insurance (21)	6,667,995.64	517.25	-	624,345.53	500,934.39	\$ 6,545,101.75
OPEB Trust Fund (25)	363,199.56	19,628.86	-	4,856.21	-	\$ 377,972.21
OPEB Debt Service (47)	508,429.79	110,367.03	-	-	-	\$ 618,796.82
Student Activities Under Board Control (51)	107,569.81	10,012.56	-	12,841.54	-	\$ 104,740.83
<b>Total</b>	<b>\$ 10,375,338.28</b>	<b>\$ 4,029,161.15</b>	<b>\$ 1,511,866.96</b>	<b>\$ 3,993,974.76</b>	<b>\$ -</b>	<b>\$ 10,202,723.73</b>

<b>Bank</b>	<b>Balance Per Bank Statement</b>	<b>Outstanding Checks</b>	<b>Outstanding Deposits</b>	<b>Balance per Treasurer's Books</b>
MN Trust - OPEB	\$ 370,608.34	\$ -	\$ -	\$ 370,608.34
MN Trust - Operating	11,561,772.78	1,729,657.39	-	9,832,115.39
<b>Total</b>	<b>\$11,932,381.12</b>	<b>\$ 1,729,657.39</b>	<b>\$ -</b>	<b>\$10,202,723.73</b>

Difference \$ -

**Schedule of Investments**

**As of 11/30/23**

<b>Investment</b>	<b>Broker</b>	<b>Type</b>	<b>Purchased</b>	<b>Maturity</b>	<b>Market Value</b>	<b>Par</b>	<b>Yield</b>
MNTrust Term Series-Flex (TECH CU)	PMA - OPP	TS	11/30/23	11/30/23	7,020,836.39	7,020,836.39	5.35%
NYC-D2-TXBL	PMA - OPEB	SEC	02/19/21	12/01/23	1,000,000.00	1,000,000.00	0.20%
Schenectady Co	PMA - OPEB	SEC	03/09/21	12/15/23	224,880.75	225,000.00	0.20%
Oklahoma City - TXBL	PMA - OPEB	SEC	01/07/20	03/01/24	199,374.00	200,000.00	1.70%
US Treasury N/B	PMA - OPEB	SEC	11/22/21	10/15/24	672,792.97	700,000.00	0.66%
General Electric Credit Union, OH	PMA - OPEB	CD	02/07/23	10/16/24	224,000.00	241,962.88	4.74%
Great Midwest Bank, S.S.B., WI CD	PMA - OPEB	CD	02/07/23	10/16/24	101,000.00	108,604.85	4.45%
US Treasury N/B	PMA - OPEB	SEC	12/21/21	11/30/24	428,130.47	444,000.00	0.80%
US Treasury N/B	PMA - OPEB	SEC	01/21/22	11/30/25	252,516.60	275,000.00	1.35%
US Treasury N/B	PMA - OPEB	SEC	02/24/22	11/30/25	220,378.13	240,000.00	1.72%
Great Midwest Bank, S.S.B., WI CD	PMA - OPEB	CD	12/28/22	12/01/25	120,000.00	134,747.18	4.20%
<b>Totals</b>					\$ 10,463,909.31	\$ 10,590,151.30	

## Personnel Changes 2023-2024

### New Contracts and Amendments per Master Agreements (2023-2024)

First Name	Last Name	Assignment	Step/Lane/Salary	School
Eric	Anderson	Head Wrestling Coach	Schedule C	FHS
Nikki	Auna	Paraeducator	Step 1	RLS
Nikole	Auna	Kindergarten Paraeducator	Step 1	RLS
Lance	Bailey	Assistant Wrestling Coach	Schedule C	FHS
Brie	Burghardt	Classroom Assistant	Step 1	FCC
Jonathan	Conyers	Assistant Boys Basketball Coach	Schedule C	FHS
Elizabeth	Emmel	Assistant Girls Basketball Coach	Schedule C	FHS
Daniel	Fern	Custodian	Step 3	FHS
Kahnnie	Gbor	Head Competitive Cheer Coach	Schedule C	FHS
Ryan	Gerhard	Assistant Wrestling Coach	Schedule C	FHS
Trevor	Hess	Strength Training Coach	Schedule C	FHS
Leah	Hiatt	Grade 2 Teacher	BA Step 1	HYS
Kelly	McConville	Principal	Step 9	FHS
Keyla	Merchant	Paraeducator	Step 1	RLS
Ashawna	Minter	Paraeducator	Step 3	FMS
Andrew	Reiter	Head Girls Basketball Coach	Schedule C	FHS
Christopher	Rost	Boys Diving Coach	Schedule C	FHS
Samantha	Rulford	Cook Manager	Step 4	RLS
John	Thompson	Assistant Girls Basketball Coach	Schedule C	FHS
Catherine	Winter	Assistant Girls Basketball Coach	Schedule C	FHS
Markai	Wotoe	Assistant Competitive Cheer Coach	Schedule C	FHS
Caeley	Zimmer	Paraeducator	Step 1	HYS

### Individual Contracts (2023-2025)

First Name	Last Name	Assignment	Step/Lane/Salary	School
Yvonne	Anderson	Director of Technology	Individual Contract	District
Lori	Andler	Executive Assistant to the Superintendent & School Board	Individual Contract	District
Renee	Arbogast	Director of Nutritional Services	Individual Contract	District
Andrea	Baker	Finance Specialist	Individual Contract	District
Karin	Beckstrand	PYP IB & Preschool Coordinator	Individual Contract	District
Jason	Bodey	Director of Teaching & Learning	Individual Contract	District
Jason	Bruns	Buildings & Grounds Coordinator	Individual Contract	District
Kris	Carlston	Assistant Director of Human Resources	Individual Contract	District
Matt	Carlyle	Communications Specialist	Individual Contract	District
Cara	Claggett	IB PYP Coordinator	Individual Contract	District
Christopheraaron	Deanes	Culture & Climate Coordinator	Individual Contract	District
Nick	Fletcher	Systems Administrator	Individual Contract	District
Suzanne	Gallagher	MARSS Coordinator	Individual Contract	District

First Name	Last Name	Assignment	Step/Lane/Salary	School
Kahnnie	Gbor	Behavior & Equity Specialist	Individual Contract	District
Amy	Gregoire	Alternatives to Suspension Specialist	Individual Contract	District
Mary	Henry	Communications Specialist	Individual Contract	District
Ike	Isacson	Director of Human Resources	Individual Contract	District
Kristen	Joly	Assistant Transportation Coordinator	Individual Contract	District
Katie	Joyce	Nutritional Services Coordinator	Individual Contract	District
Stephen	Keeler	Director of Community Education	Individual Contract	District
Emily	LaFave	Payroll Specialist	Individual Contract	District
Sally	Leone	Tiger Club Coordinator	Individual Contract	District
Alma	Lora	Equity Specialist	Individual Contract	District
Dilelia	Mapp	ECFE Coordinator	Individual Contract	District
Cindy	McKay	Transportation Coordinator	Individual Contract	District
Yusuf	Mohamud	Equity Specialist	Individual Contract	District
Lori	O'Dowd	Enrollment Coordinator	Individual Contract	District
Emily	Phillips	Human Resources Specialist	Individual Contract	District
Laura	Seifert-Hertling	Director of Special Services	Individual Contract	District
Aloda	Sims	Lead Equity Specialist	Individual Contract	District
Katherine	Sneider	DP/CP Coordinator	Individual Contract	District
Jonathan	Spitzer	Facilities Manager	Individual Contract	District
Jade	Tucker	Equity Specialist	Individual Contract	District
Kate	Wesbur	Accounting Supervisor	Individual Contract	District
Kirsten	Wickman	Curriculum Coordinator	Individual Contract	District
Dan	Wold	Auditorium and Events Coordinator	Individual Contract	District
Dan	Wold	Auditorium Coordinator	Individual Contract	District
Megan	Woodard	Student Achievement Specialist	Individual Contract	District

### Leaves of Absence (2023-2024)

- Celeste Acosta has requested a leave of absence from her teacher position at FMS from April 26, 2024, through June 7, 2024.
- Kathy Backstrom has requested a leave of absence from her clerical position at Fridley School District from December 6, 2023, through January 2, 2024.
- Lauren Backstrom has requested a leave of absence from her para position at FHS from November 29, 2023, through December 14, 2023.
- Amanda Condon has requested a leave of absence from her teacher position at Hayes from November 24, 2023, through February 29, 2024.
- Kim Haley has requested a leave of absence from her teacher position at FMS from April 26, 2024, through June 7, 2024.
- Brianna Ives requested a leave of absence from her media clerk position at FMS from September 20, 2023, through October 25, 2023.
- Tiffany Lindholm has requested a leave of absence from her teacher position at Hayes from December 1, 2023, through January 23, 2024.

- Alma Lora has requested a leave of absence from her DE&I specialist position at RLS from March 26, 2024, through June 30, 2024.
- Alisa Lowry has requested a leave of absence from her teacher position at FHS from January 3, 2024, through April 4, 2024.
- Kesney McCarthy has requested a leave of absence from her counselor position at Totino Grace from December 8, 2023, through January 19, 2024.
- Cindy Morrissey has requested a leave of absence from para position at FHS from November 20, 2023, through January 1, 2024.
- Debbie Rein has requested a leave of absence from her teacher position at RLS from October 26, 2023, through December 22, 2023.
- Kate Wesbur has requested a leave of absence from her accounting supervisor position at FPS from March 15, 2024, through May 10, 2024.

#### **Resignations (2023-2024)**

- Kristine Carlston resigned her Assistant Director of Human Resources position at Fridley Public Schools effective December 15, 2023.
- Leah Clark resigned her paraeducator position at Hayes Elementary School effective November 10, 2023.
- Sherry Macioch resigned her cook manager position at Stevenson Elementary School effective November 14, 2023.
- William McKenzie resigned his teacher position at Hayes Elementary School effective October 18, 2023.
- Joshua Morros resigned his Classroom Assistant position at Fridley Community Center effective December 15, 2023
- Kristina Pickering resigned her teacher position at Stevenson Elementary School effective December 20, 2023.

#### **Retirements (2023-2024)**

- S. Ike Isaacson will retire from his Director of Human Resources position at Fridley Public Schools effective January 5, 2024.

CURRENT

September 2024						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

PROPOSED

September 2024						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

**NEW:** September 30 – No School: Staff

CURRENT

January 2025						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

PROPOSED

January 2025						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

**CHANGE:** January 16 will be a school day.  
**NO CHANGE:** January 17 – No School: Planning/Eval  
**CHANGE:** January 31 – No School: Staff Development

CURRENT

March 2025						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

PROPOSED

March 2025						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

**NEW:** March 7 – No School: Staff Development

\*September 30 and March 7 will shorten the student contact days by 2 and increase staff development days from 3 to 5 days.