

## **Agenda**

1. **CALL TO ORDER** (Action)
2. **APPROVAL OF GENERAL MEETING AGENDA** (Action)
3. **AUDIENCE OPPORTUNITY TO SPEAK** (Information)
4. **APPROVAL OF CONSENT AGENDA** (Action)
  - 4.1. General Board Meeting Minutes from December 8, 2022
  - 4.2. Routine Human Resources Activities for January 26, 2023
  - 4.3. Approval of Monthly Financial Report – November 2022
  - 4.4. Jamf Safe Internet Content Filtering and Jamf School
  - 4.5. Award of Bid - Stairway Projects
  - 4.6. Approval of Contract for Instructional Resource - Genius SIS
  - 4.7. Authorization of Issuance of Individual Procurement Cards (P-Cards)
  - 4.8. District Service Center Elevator System Contract
5. **SHARE THE SUCCESS & RECOGNITION - (15 minutes)** (Information)
  - 5.1. Spotlight: Ann Bremer Education Student
6. **SUPERINTENDENT'S REPORT - (20 minutes)** (Information)
  - 6.1. Legislative Update
7. **INSTRUCTIONAL REPORT - (10 minutes)**
  - 7.1. World's Best Workforce Report (Action)
8. **BUSINESS SERVICES & LABOR RELATIONS REPORT - (30 minutes)**
  - 8.1. Facilities Report - None
  - 8.2. Financial Report
    - 8.2.1. FY22 Audit - Auditor Presentation - (Annual Report) (Action)
    - 8.2.2. Approval of Routine Monthly Finance Report (Action)
  - 8.3. Human Resource Report - None
9. **BOARD BUSINESS - (20 minutes)**
  - 9.1. Policy Review & Revision - None
  - 9.2. Closed Session: Strategy for Local 284 Negotiations (Information)
  - 9.3. Board Reports
    - 9.3.1. Chair Report - None
    - 9.3.2. AMSD Report
      - 9.3.2.1. January 2023 AMSD Connections Newsletter
  - 9.4. District News
    - 9.4.1. School Board Planning Calendar
    - 9.4.2. January 26, 2023, Board Event Calendar
    - 9.4.3. 2022-2023 Local 2209/Board Breakfast Schedule
  - 9.5. Once Around the Table
10. **ADJOURNMENT**



**DISTRICT 287 GENERAL MEETING OF THE BOARD**  
**Intermediate District 287**  
**December 8, 2022**  
**MINUTES**

**1. CALL TO ORDER**

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

A Roll Call was taken, and a quorum was declared with ten (10) member districts represented and the following Board members in attendance:

286	Brooklyn Center	Ruthie Dallas (late)
272	Eden Prairie	Francesca Pagan-Umar (late)
273	Edina	Michael Birdman
270	Hopkins	Shannon Andreson
280	Richfield	Crystal Brakke
281	Robbinsdale	Sam Sant
278	Orono	Michèle Kunz
279	Osseo	Jackie Mosqueda-Jones
283	St. Louis Park	Anne Casey
277	Westonka	Heidi Marty

Absent: 284/Johansen (virtual)

Guests: Alicya Turner

287 Administration: Marcy Doud, Anne Becker, Melissa Brateng, Mae Hawkins, Camille Hepola, Elisabeth Lodge Rogers, Ben Magras, Gloria Wilder, Kiarra Zackery and Wauneen Denson-Mgeni

287 Staff Members: Chandler Jayasekera, Scott Swanson, Chrislee Jacobs, John McNally, Alexia Poppy-Finley, and Julie Tuorila

**2. APPROVAL OF GENERAL MEETING AGENDA**

The general meeting agenda was presented for approval. *Motion by Shannon Andreson, seconded by Michael Birdman, to approve the meeting agenda. No votes against. Motion carried.*

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

**4. APPROVAL OF CONSENT AGENDA**

The Consent Agenda was presented for approval. The Consent Agenda included the General Meeting of the Board Minutes from November 10, 2022, Routine Human Resources Activities for December 8, 2022, Finance Report for October 2022, Bid - West Education Center Phase II and District Service Center Roof Contract, School Emergency Response to Violence (Project SERV) Grant, and Intermediate Schools Innovation Grant Subcontract - Amherst H. Wilder Foundation. *Motion by Anne Casey, seconded by Michèle Kunz, to approve the Consent Agenda as presented. No votes against. Motion carried.*

**5. MOTION TO RESCIND**

At the recommendation of Board Chair Brakke, *a motion was made by Anne Casey, seconded by Jackie Mosqueda-Jones, that the Board rescinds its approval of the leave of absence named in agenda item 5.1 as presented. All in favor. Motion carried unanimously.*

**6. SHARE THE SUCCESS & RECOGNITIONS**

Superintendent Doud introduces Chandler Jayasekera, Diploma On Program Coordinator, Chadler was the December 2022 Above & Beyond winner. Chandler thanked the Board, Superintendent Doud, and Administrators for their support.

Alexia Poppy-Finley, West Education Program (WEP) Principal, and Scott Swanson, West Education Program (WEP) Assistant Principal, introduced Alicya Turner, West Education Center Alternative (WALT) at Hennepin Technical College and Robbinsdale Area Schools student. Alicya presented a brief update on her journey at District 287 and thanked the Board, Superintendent, and Staff for all they have done for her.

**7. SUPERINTENDENT'S REPORT**

Superintendent Doud introduced Kiarra Zacker as the new Director of Equity and Inclusion.

**8. INSTRUCTIONAL REPORT**

Ben Magras, Executive Director of Leadership & Learning, presented an update on the Data Dashboard that shows student metrics for each member district.

**9. BUSINESS SERVICES & LABOR RELATIONS REPORTS**

**Facilities Report - None**

**Financial Report**

Mae Hawkins, Executive Director of Business Services, and Gloria Wilder, Director of Finance, presented and recommended approval of the unaudited financial report for FY22. The overall fund balance on June 30, 2022, was \$7,333,073 or (8.44%). *Motion by Michael Birdman, seconded by Francesca Pagan-Umar, to approve the unaudited fund balance for FY22 as presented. All in favor. Motion carried unanimously.*

**Human Resources Report - None**

**10. BOARD BUSINESS**

**Policy Review & Revision - None**

**Chair Report**

Board Chair Brakke and the Board decided to forgo the process of the officer election process.

Board Chair Brakke announced we are canceling our January 9 General Meeting of the Board due to a conflict with the MSBA Conference.

*At the recommendation of Board Chair Brakke, a motion was made by Michèle Kunz, seconded by Sam Sant; the school board may hold a closed meeting to consider a strategy for labor negotiations, pursuant to Minn. Stat. §13D.03. All in favor. Motion carried unanimously. The meeting was closed to the public at 8:27 PM. A motion was made by Anne Casey, seconded by Francesca Pagan-Umar, to reopen the general meeting. All in favor. Motion carried unanimously. The general meeting reopened at 9:04 PM.*

**AMSD Report**

Board Chair Brakke updated the Board on AMSD Annual Conference.

**Once Around the Table**

**11. ADJOURNMENT**

*Motion was heard and seconded to adjourn the meeting. Meeting adjourned at 9:06 PM.*

The next general meeting will be held on January 26, 2023, at 6:30 PM in the District Service Center Boardroom and by Teleconference.

Submitted by  
Wauneen Mgeni  
Secretary to the Board

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

Clerk \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

## ROUTINE HUMAN RESOURCES ACTIVITIES FOR THE INTERMEDIATE DISTRICT 287 SCHOOL BOARD January 26, 2023

New Hires					
Name	Position	Department or Site	Reason for Opening	Effective Date	FTE
Crystal Amdor	ASL Interpreter	Itinerant	Separation - S. Freeman	12/07/2022	.875
Kendra Moen*	Administrative Support IV - 10 month	North Education Center	Internal Movement - L. Dahl	12/14/2022	1.0
Holly Riley	Educational Support Professional	North Education Center	Additional Enrollment	12/14/2022	.875
Jessica Brown	ASL Interpreter	Itinerant	Separation - K. Cook	12/07/2022	.875
Tanner Wichmann*	Administrative Support V	School and Community	Internal Movement - L. Nystrom	01/03/2023	1.0
Robertha Sloboh	Educational Support Professional	North Education Center	Additional Enrollment	12/20/2022	.875
Matthew Ward	Educational Support Professional	South Education Center	Additional Enrollment	01/03/2023	.875
Cassandra Schendel	Educational Support Professional	North Education Center	Additional Enrollment	01/04/2023	.875
Sofiene Belkadi	Cook	West Education Programs	Separation - H. Heath	01/03/2023	1.0
Katrice Sanders	Educational Support Professional	South Education Center	Internal Movement - A. Barnes	01/09/2023	.875
Serena Hazzard	Educational Support Professional	South Education Center	Separation - D. Westendorp	01/11/2023	.875
Christian Tjosvold	Custodial Worker	Facilities	Separation - L. Ruud	01/11/2023	1.0

\*Denotes current employee

Temporary Hiring Agreement: Out of Field Permissions					
Name	Position	Department or Site	Reason for Opening	Effective Date	FTE
<b>Fully Licensed New Hires</b>					
Calie Swanson	ASD Teacher	Ann Bremer Education Center	Internal Movement - A. Speed	11/09/2022	1.0
<b>Tier 2 Current Staff</b>					
Kevin Kirkland*	EBD Teacher	North Education Center	Leave of Absence	12/15/2022	1.0

\*Current employee

Temporary Hiring Agreement: Tier 1 or Tier 2 Licenses					
Name	Position	Department or Site	Reason for Opening	Effective Date	FTE
<b>Tier 1 Hires</b>					
Joshua Ask*	EBD Teacher	South Education Center	Separation - J. Johnson - Wilborg	09/22/2022	1.0
Maurice Jones*	EBD Teacher	North Education Center	Separation - J. Chhay	12/15/2022	1.0

\*Current employee

Extended Leaves of Absence:					
Name	Position	Department or Site	Effective Date	End Date	FTE
Jamesia Sullen	Educational Support Professional	South Education Center	12/12/2022	01/20/2023	.875
Joshua Ask	Educational Support Professional to accept a temporary licensed position	South Education Center	09/22/2022	06/09/2023	.875
Maurice Jones	Educational Support Professional to accept a temporary licensed position	North Education Center	12/15/2022	06/09/2023	.875
Nicole Nelson	Educational Support Professional	Ann Bremer Education Center	01/10/2023	01/31/2023	.875
Kevin Kirkland	Educational Support Professional to accept a temporary licensed position	North Education Center	12/15/2022	06/09/2023	.875

<b>Separations: Resignation</b>				
<b>Name</b>	<b>Position</b>	<b>Department or Site</b>	<b>Reason (if internal movement)</b>	<b>Effective Date</b>
Matthew Olson	EBD Teacher	South Education Center	Personal Reasons	12/16/2022
Amanda Burrill	Occupational Therapist	Itinerant Services	Personal Reasons	06/09/2023
Winter Olaofe	Educational Support Professional	West Education Programs	Personal Reasons	12/21/2022
Kendra Moen	Local 2209 Educational Support Professional to accept Local 284 Admin Support IV Position	North Education Center	Internal Movement	12/15/2022
Tanner Wichmann	Local 2209 Educational Support Professional to accept Local 284 Admin Support V Position	North Education Center	Internal Movement	01/02/2023
Deneen Joseph	Health Care Specialist	North Education Center	Personal Reasons	01/20/2023
Jaime R Anderson	Interpreter	Itinerant Services	Personal Reasons	06/09/2023

<b>Separations: Retirements (Regular/Disability)</b>			
<b>Name</b>	<b>Position</b>	<b>Department or Site</b>	<b>Effective Date</b>
Karen Berger	Instructor VI	Itinerant Services	06/09/2023
Sandra Tufte	Instructor Physical/Health Disabilities	Itinerant Services	06/12/2023
AnnMarie Bailey	Speech Language Pathologist	Itinerant Services	06/12/2023

**Other:**

RECOMMEND the Board's approval to credit Pam Beatty, Innovative Instructional Coach at Ann Bremer Education Center, with five (5) days of additional sick leave. These days have been donated by the staff member listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.

Marisa Nathan	Donor Name Withheld by Request	Donor Name Withheld by Request	Donor Name Withheld by Request	Daniel Jacobson
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RECOMMEND the Board's approval to credit Alexander Lacy, Behavior Intervention Specialist at Ann Bremer Education Center, with two (2) days of additional sick leave. These days have been donated by the staff member listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.

Don Edmondson	Julie Norman			
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RECOMMEND the Board's approval to credit Renee Swanson, Behavior Intervention Specialist at Ann Bremer Education Center, with one (1) day of additional sick leave. This day has been donated by the staff member listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.

Don Edmondson				
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RECOMMEND the Board's approval to credit Allison Casey, Educational Support Professional at North Education Center, with one (1) day of additional sick leave. This day has been donated by the staff member listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.

Jeff Siegel				
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RECOMMEND the Board's approval to credit Jacob Cavanaugh, Instructor Science at West Education Programs, with three (3) days of additional sick leave. These days have been donated by the staff member listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.

Scott Swanson	Donor Name Withheld by Request	Tim Yearneau		
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RECOMMEND the Board's approval to credit Catherine Foncha, Educational Support Professional at West Education Programs, with one (1) day of additional sick leave. This day has been donated by the staff member listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.

Lisa Mingo				
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RECOMMEND the Board's approval to credit Bobbi Rohwer, Speech Language Pathologist for Itinerant Services, with one (1) day of additional sick leave. This day has been donated by the staff member listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.

Jessica Wandrie				
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RECOMMEND the Board's approval to credit Jennifer Gallagher, Instructor EBD at North Education Center, with four (4) days of additional sick leave. These days have been donated by the staff members listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.

Thomas Ekelund	Heidi Eschenbach	Kimberly Mackenzie	Donor Name Withheld by Request	
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RECOMMEND the Board's approval to credit Khaulah Nik Rushdi, Educational Support Professional at South Education Center, with one (1) day of additional sick leave. This day has been donated by the staff member listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.

Donor Name Withheld by Request				
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RECOMMEND the Board's approval to credit Justine McGee, Educational Support Professional at Ann Bremer Education Center, with one (1) day of additional sick leave. This day has been donated by the staff member listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.

Donor Name Withheld by Request				
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# CONSENT AGENDA - RECOMMENDATION

Intermediate District 287  
RESPONSIVE. INNOVATIVE. SOLUTIONS.

## November Monthly Financial Reports

January 26, 2023

### Author

Dana Trattles, Business Services Administrative Support  
Mae Hawkins, Executive Director of Business Services

### Summary

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

- Revenues are at 42.0 % of budget, this is lower than the prior two years percentages.
- Expenditures are at 30.1% of budget, this is lower than the prior two years percentages.
- Monthly disbursements totaled \$6,600,596 (\$3,854,401 through Accounts Payable and \$2,746,195 through Payroll).
- Regular Investments totaled \$24,980,627.31 including earned interest and dividends totaling \$60,818.30.
- 2022A LTFM Bond Investment activity – received \$4,740,596 in bond proceeds and earned interest of \$4,282.32 for a total balance of \$4,744,878.32.
- Cash is lower than the two prior year's level.
- Enrollment Reports - November 2021 Actual ADM compared to Budget Planning and Prior Year (Nov. 2021):
  - ALC – 233.09 ADM which is 10.09 above budget and .58 ADM below prior year.
  - Northern Star Online – 295.77 ADM which is 594.78 below budget and 28.9 over prior year. Many NSO enrollments are recorded at semester end which is in January.
  - Career & Technical Pathways – 61.65 ADM which is 15.35 below budget and 19.89 ADM below prior year.
  - Special Education – 454.63 ADM which is 3.37 below budget and 23.29 ADM above prior year.
  - Care & Treatment – 112.18 ADM which is 17.08 below budget and 3.90 ADM above prior year.
- Donations – Checks \$45.00.

The amounts for 2021-22 are as of the end of the fiscal year at June 30th, and are preliminary at this point. They reflect the normal month end which is basically on a cash basis without accrual entries. Numerous receivables and payables are calculated after year-end, and these amounts will continue to change up to and through the audit process later this fall.

### Recommendation

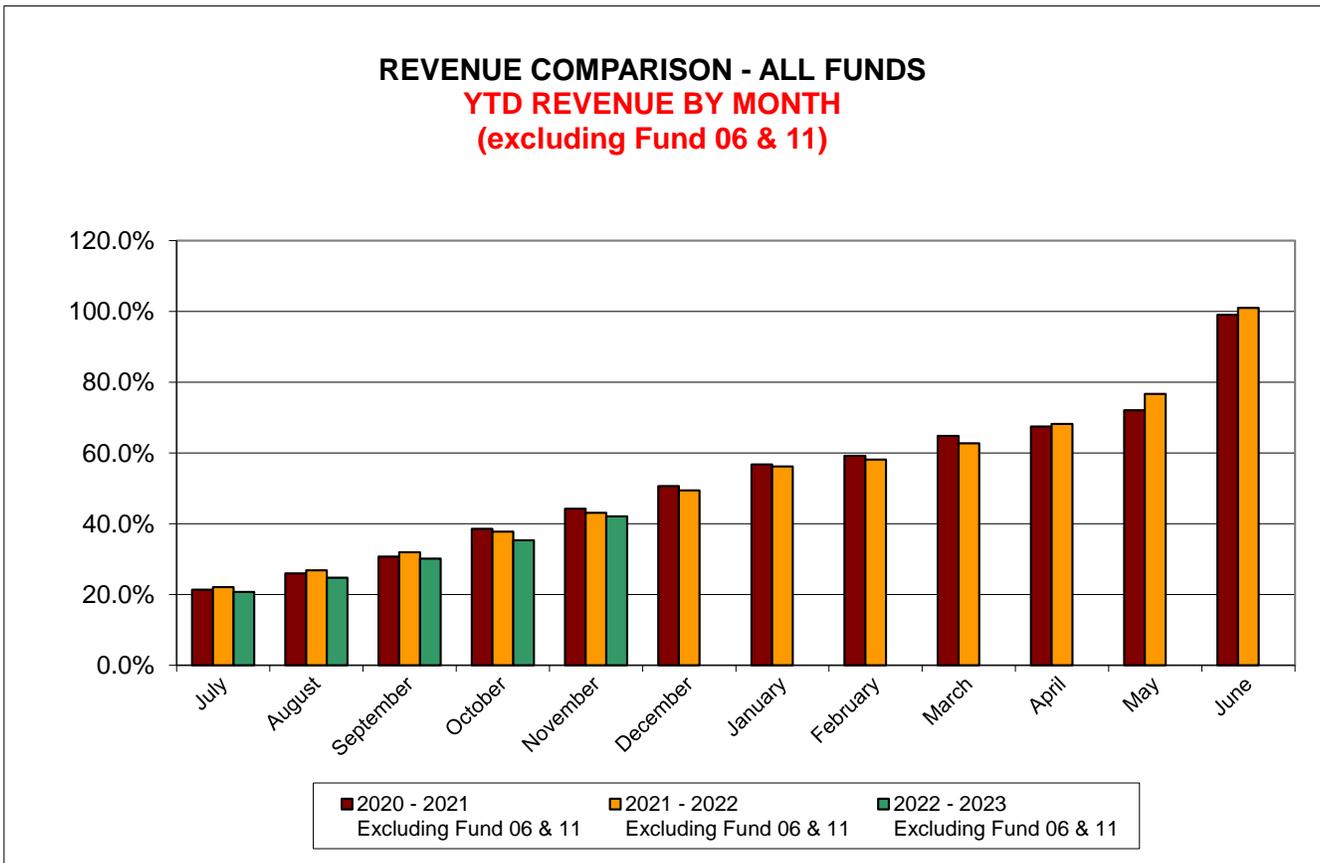
The Board approve the November Monthly Financial Reports.

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

Month	2020 - 2021		2021 - 2022		2022 - 2023		2022 - 2023	
	Excluding Fund 06 & 11		Excluding Fund 06 & 11		Excluding Fund 06 & 11		Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
July	23,045,139	21.3% <sup>1</sup>	23,731,333	22.1%	23,192,942	20.7%	23,192,942	20.7%
August	4,992,183	26.0% <sup>1</sup>	5,084,693	26.8%	4,486,051	24.7%	4,486,051	24.7%
September	5,108,432	30.7% <sup>1</sup>	5,527,550	32.0%	6,032,596	30.1%	6,032,596	30.1%
October	8,500,611	38.6% <sup>1</sup>	6,233,283	37.8%	5,841,372	35.4%	5,841,372	35.4%
November	6,125,945	44.2% <sup>1</sup>	5,744,399	43.1%	7,490,646	42.0% <sup>2</sup>	12,174,481	46.2%
December	6,926,379	50.7% <sup>1</sup>	6,751,237	49.4%				
January	6,603,947	56.8% <sup>1</sup>	7,295,217	56.2%				
February	2,594,384	59.2% <sup>1</sup>	2,102,436	58.1%				
March	6,080,355	64.8% <sup>1</sup>	4,917,443	62.7%				
April	2,873,340	67.5% <sup>1</sup>	5,872,931	68.2%				
May	4,939,931	72.0% <sup>1</sup>	9,107,048	76.6%				
June	29,145,602	99.0% <sup>1</sup>	26,193,462	101.0%				
<b>TOTAL</b>	<b>106,936,248</b>	<b>99.0%</b>	<b>108,561,032</b>	<b>101.0%</b>	<b>47,043,606</b>	<b>42.0%</b>	<b>51,727,441</b>	<b>46.2%</b>
<b>BUDGET</b>	<b>107,978,713</b> <sup>1</sup>		<b>107,471,010</b>		<b>111,881,819</b>		<b>111,881,819</b>	

<sup>1</sup> excludes Funds 06 & 11 budgeted revenue of \$28,500

<sup>2</sup> excludes Funds 06 & 11 budgeted revenue of \$0



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

November 2022-2023

Intermediate District No. 287

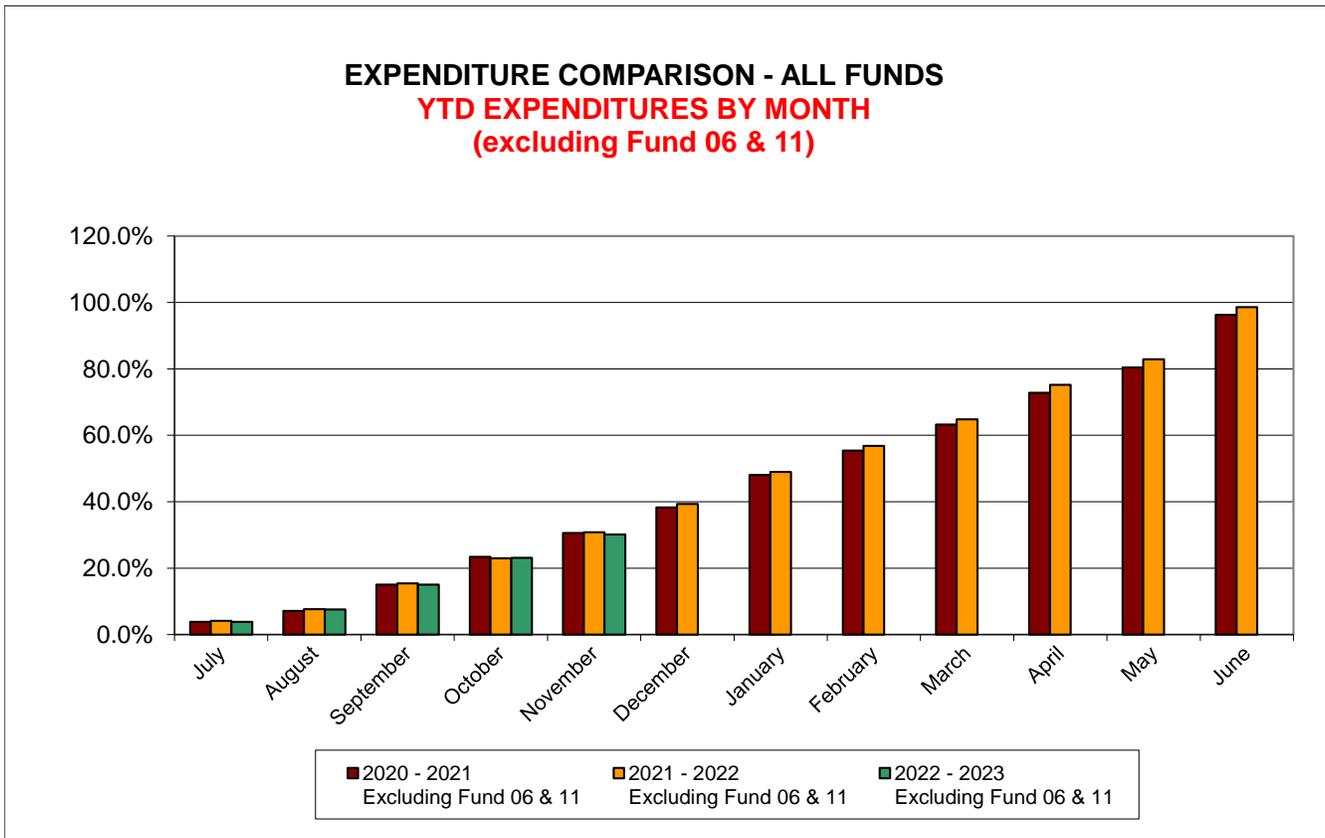
Revenue Fund	Prior YE Act	Budget	MTD Activity	YTD Activity	% Used	YTD Unrealized
01 - GENERAL FUND	16,720,515.22	16,861,072.00	281,783.45	4,309,491.01	25.56%	12,551,580.99
02 - FOOD SERVICE FUND	761,274.69	879,198.00	54,824.28	117,729.63	13.39%	761,468.37
04 - COMMUNITY SERVICE FUND	0.00	0.00	0.00	0.00		0.00
06 - BUILDING CONSTRUCTION FUND	0.00	0.00	0.00	0.00		0.00
07 - DEBT SERVICE FUND	8,455,143.64	8,353,513.00	84,793.50	5,853,144.90	70.07%	2,500,368.10
08 - TRUST FUND	0.00	0.00	0.00	0.00		0.00
10 - SCHOLARSHIP FUND	4,021.36	110.00	0.00	0.00	0.00%	110.00
11 - EDGEWOOD LTFM BOND FUND	0.00	0.00	4,683,834.82	4,683,834.82		-4,683,834.82
12 - ALC - ACADEMIC FUND	10,204,804.18	10,155,500.00	35,250.77	2,066,453.45	20.35%	8,089,046.55
13 - CAREER & TECH FUND	1,191,366.16	1,768,526.00	0.00	915,575.89	51.77%	852,950.11
14 - SPECIAL EDUCATION FUND	57,559,821.66	59,571,762.00	5,753,008.19	28,521,563.71	47.88%	31,050,198.29
20 - INTERNAL SERVICE FUND	619,314.63	615,300.00	58,334.12	199,619.84	32.44%	415,680.16
21 - SELF HEALTH INSURANCE FUND	13,036,995.76	13,664,800.00	1,222,651.51	5,058,712.73	37.02%	8,606,087.27
51 - STUDENT CLUB FUND	7,774.21	12,038.00	0.00	1,315.00	10.92%	10,723.00
<b>Total Revenue</b>	<b>108,561,031.51</b>	<b>111,881,819.00</b>	<b>12,174,480.64</b>	<b>51,727,440.98</b>	<b>46.23%</b>	<b>60,154,378.02</b>

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

Month	2020 - 2021		2021 - 2022		2022 - 2023		2022 - 2023	
	Excluding Fund 06 & 11		Excluding Fund 06 & 11		Excluding Fund 06 & 11		Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
July	4,177,239	3.8% <sup>1</sup>	4,493,228	4.1%	4,329,606	3.9%	4,329,606	3.9%
August	3,598,620	7.1% <sup>1</sup>	3,753,484	7.6%	4,135,827	7.6%	4,135,827	7.6%
September	8,693,373	15.0% <sup>1</sup>	8,447,438	15.4%	8,396,694	15.0%	8,396,694	15.0%
October	9,144,055	23.4% <sup>1</sup>	8,194,961	23.0%	9,015,517	23.1%	9,015,517	23.1%
November	7,897,782	30.6% <sup>1</sup>	8,523,649	30.8%	7,908,978	30.1%	7,908,978	30.1% <sup>2</sup>
December	8,444,956	38.3% <sup>1</sup>	9,205,713	39.3%				<sup>2</sup>
January	10,697,937	48.1% <sup>1</sup>	10,442,639	49.0%				<sup>2</sup>
February	8,032,344	55.4% <sup>1</sup>	8,521,055	56.8%				<sup>2</sup>
March	8,529,603	63.2% <sup>1</sup>	8,658,724	64.8%				<sup>2</sup>
April	10,515,187	72.8% <sup>1</sup>	11,213,173	75.2%				<sup>2</sup>
May	8,314,387	80.4% <sup>1</sup>	8,326,109	82.9%				<sup>2</sup>
June	17,379,894	96.3% <sup>1</sup>	17,002,499	98.6%				<sup>2</sup>
<b>TOTAL</b>	<b>105,425,376</b>	<b>96.3%</b>	<b>106,782,671</b>	<b>98.6%</b>	<b>33,786,622</b>	<b>30.1%</b>	<b>33,786,622</b>	<b>30.1%</b>
<b>BUDGET</b>	<b>109,506,874</b> <sup>1</sup>		<b>108,331,213</b>		<b>112,076,299</b>		<b>112,076,299</b>	

<sup>1</sup> excludes Funds 06 & 11 budgeted expenditures of \$1,739,175

<sup>2</sup> excludes Funds 06 & 11 budgeted expenditures of \$0



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

November 2022-2023

Intermediate District No. 287

Expenditure Fund	Prior YE Act	Budget	MTD Activity	YTD Activity	% Used	YTD Unrealized
01 - GENERAL FUND	17,643,191.12	17,448,157.00	1,112,885.65	6,881,931.97	39.44%	10,566,225.03
02 - FOOD SERVICE FUND	761,274.69	879,198.00	67,759.35	324,690.30	36.93%	554,507.70
04 - COMMUNITY SERVICE FUND	0.00	0.00	0.00	0.00		0.00
06 - BUILDING CONSTRUCTION FUND	0.00	0.00	0.00	0.00		0.00
07 - DEBT SERVICE FUND	6,580,480.62	6,575,443.00	67,637.50	1,699,384.77	25.84%	4,876,058.23
08 - TRUST FUND	0.00	0.00	0.00	0.00		0.00
09 - AGENCY FUND	0.00	0.00	0.00	0.00		0.00
10 - SCHOLARSHIP FUND	3,709.93	8,137.00	0.00	262.85	3.23%	7,874.15
11 - EDGEWOOD LTFM BOND FUND	0.00	0.00	0.00	0.00		0.00
12 - ALC - ACADEMIC FUND	10,453,634.49	10,833,659.00	735,027.10	3,288,315.27	30.35%	7,545,343.73
13 - CAREER & TECH FUND	1,089,010.24	1,808,526.00	87,530.42	474,677.55	26.25%	1,333,848.45
14 - SPECIAL EDUCATION FUND	57,716,079.31	60,136,945.00	4,869,847.69	17,135,131.59	28.49%	43,001,813.41
20 - INTERNAL SERVICE FUND	685,798.02	697,500.00	50,710.27	205,707.86	29.49%	491,792.14
21 - SELF HEALTH INSURANCE FUND	11,836,408.04	13,664,800.00	915,168.47	3,771,065.54	27.60%	9,893,734.46
51 - STUDENT CLUB FUND	13,084.58	23,934.00	2,411.23	5,453.99	22.79%	18,480.01
<b>Total Expenses</b>	<b>106,782,671.04</b>	<b>112,076,299.00</b>	<b>7,908,977.68</b>	<b>33,786,621.69</b>	<b>30.15%</b>	<b>78,289,677.31</b>

# Intermediate District 287

## *Responsive. Innovative. Solutions.*

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### INTER-OFFICE MEMORANDUM

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DATE: **December 22, 2022**

TO: Members of the School Board

FROM: Mae L. Hawkins, Executive Director of Business Services

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

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

1. A/P payments for: <b>November 2022</b>	Totaling	\$	<u>3,854,401.41</u>
a) Check #'s <b>110947 - 111132</b>			
and Wire Transfers - #'s <b>4000001352 - 4000001374, 4000001376, 9000003983 - 9000004059</b>			
2. Payroll payments for: <b>November 2022</b>	Totaling	\$	<u>2,746,194.85</u>
a) Check #'s <b>n/a</b>			
b) Direct Deposit #'s <b>9000099678 - 9000101385</b>			
3. Receipts for: <b>November 2022</b>	Totaling	\$	<u>7,966,105.60</u>
a) Receipt #'s <b>20230466 - 20230553</b>			
4. Invest. at end of mo. <b>November 2022</b>			
a) Fund 01 - General Fund	\$		24,980,629.62
b) Fund 07 - 2022A LTFM Bond (Closing Costs)	\$		61,043.50
c) Fund 11 - 2022A LTFM Bond (Construction Costs)	\$		4,683,834.82
	\$		<u>29,725,507.94</u>

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

INTERMEDIATE DISTRICT 287  
INVESTMENTS ON HAND  
NOVEMBER 2022

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

INSTITUTION	RATE OF RETURN (%)	PURCHASE DATE	MATURITY DATE	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	3.508			810.18
PMA - MNTrust Savings Deposit Account - Bell Bank	3.820			13,964,650.80
PMA - MNTrust Savings Dep. Acct. - Nexbank, SSB - ICS	3.880			6,015,168.64
PMA - MNTrust Term Series	3.450			5,000,000.00
Total PMA - MNTrust Investments on Books				24,980,629.62

**ACTIVITY DETAIL:**

Investments on our Book at End of Prior Month	24,919,809.01
Current Month Activity:	
Deposits	-
Withdrawals	-
Interest Earned - Recorded	60,818.30
Dividends	2.31
Adjustments	-
Interest/Dividends Earned - To Be Recorded in Next Month	-
Total Investments at End of Month & Un-recorded Interest	24,980,629.62

**#07-104-00 - Investments (2022A LTFM Bond - Closing Costs)**

INSTITUTION	RATE OF RETURN (%)	PURCHASE DATE	MATURITY DATE	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	3.508			61,043.50
Total PMA - MNTrust Investments on Books for Fund 06				61,043.50

**ACTIVITY DETAIL:**

Current Month Activity:	-
Deposits	61,043.50
Distributions	
Interest/Dividends Earned - Recorded	
Adjustments	
Interest/Dividends Earned - To Be Recorded in Next Month	
Total Investments at End of Month & Un-recorded Interest	61,043.50

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

INSTITUTION	RATE OF RETURN (%)	PURCHASE DATE	MATURITY DATE	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	3.508			4,683,834.82
PMA - MNTrust CD Account Balance				
PMA - MNTrust SEC Account Balance				
Total PMA - MNTrust Investments on Books for Fund 11				4,683,834.82

**ACTIVITY DETAIL:**

Current Month Activity:	-
Deposits	4,679,552.50
Distributions	
Interest/Dividends Earned - Recorded	4,282.32
Adjustments	
Interest/Dividends Earned - To Be Recorded in Next Month	
Total Investments at End of Month & Un-recorded Interest	4,683,834.82

**INTERMEDIATE DISTRICT 287**  
**INVESTMENT ACTIVITY - 2022A LTFM BOND**  
**NOVEMBER 2022**

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

<b>MONTH POSTED</b>	<b>DATE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
Nov. 2022	11/22/22	Proceeds from 2022A LTFM Bond	4,740,596.00
Nov. 2022	11/30/22	Dividends/Interest	4,282.32

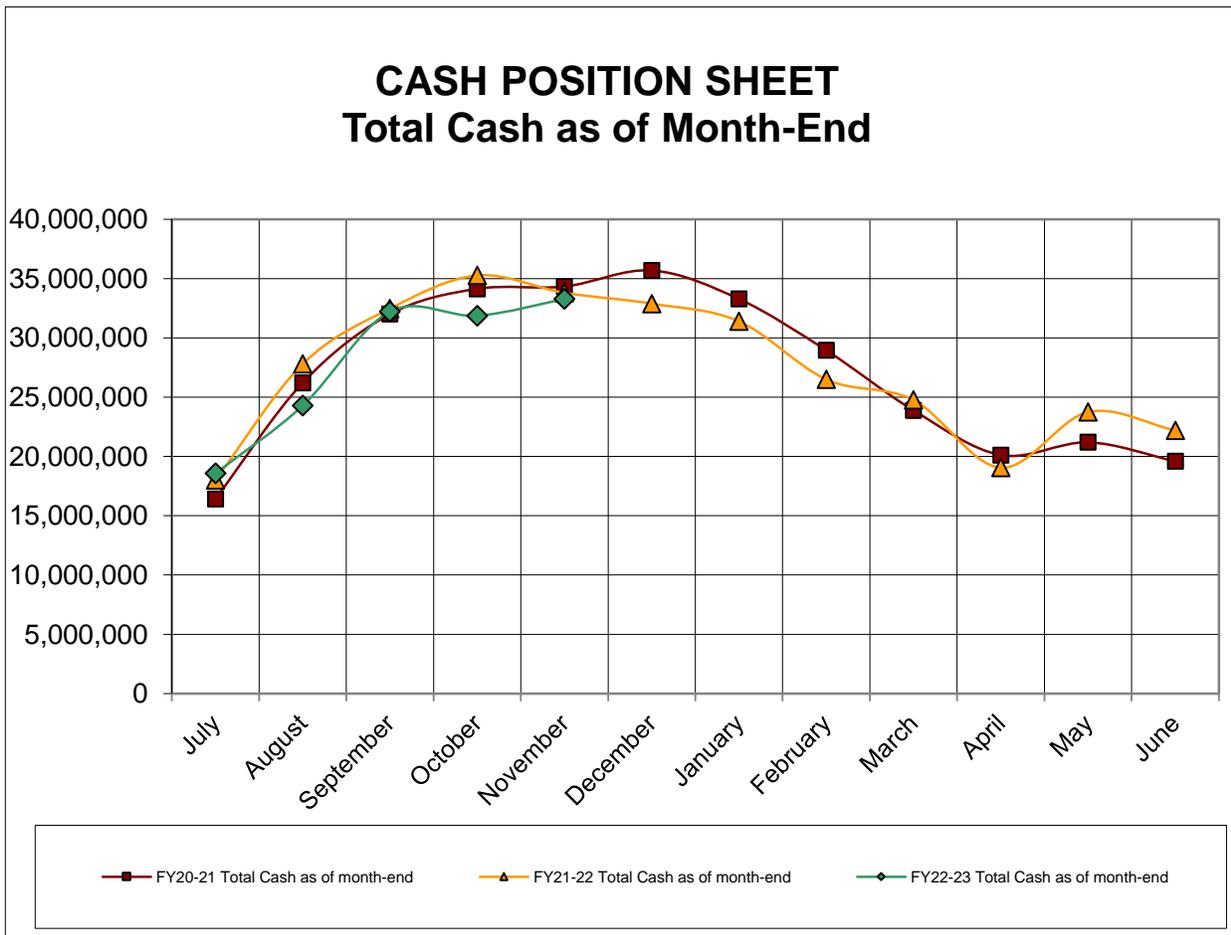
2022A LTFM Loan Balance as of End of Month 4,744,878.32

# Intermediate District 287

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

<u>Date</u>	<u>FY20-21 Total Cash as of month-end</u>	<u>FY21-22 Total Cash as of month-end</u>	<u>FY22-23 Total Cash as of month-end</u>
July	16,420,292	18,017,954	18,572,017
August	26,210,789	27,800,108	24,288,930
September	32,002,725	32,465,869	32,223,695
October	34,140,570	35,267,999	31,867,127
November	34,331,406	33,804,263	33,293,625
December	35,688,169	32,887,416	
January	33,279,452	31,397,362	
February	28,953,988	26,497,584	
March	23,888,891	24,760,657	
April	20,119,050	19,051,281	
May	21,191,254	23,745,291	
June	19,600,706	22,201,893	

- Includes Self-Funded Insurance Cash Balances.



**INTERMEDIATE DISTRICT 287**  
**NOVEMBER 2022 ACTIVITY**

**ELECTRONIC TRANSFERS IN:**

DATE	TO	AGENCY	RECEIPT #	AMOUNT	DESCRIPTION
11/2/2022	MSDLAF	US DEPT OF JUSTICE	20230525	32,617.27	STOP GRANT
11/4/2022	MSDLAF	MN DEPT OF EDUCATION-034	20230526	72,515.17	CLSD GRANT, RESTRICTIVE PROC GRANT
11/7/2022	MSDLAF	MN DEPT OF EDUCATION-034	20230527	134,029.98	PROJECT AWARE
11/7/2022	MSDLAF	ERATE	20230553	90,335.33	ERATE DEPOSIT - COMCAST, TEKSTAR
11/9/2022	MSDLAF	PFM	20230528	5,028.17	P-CARD REBATE
11/10/2022	MSDLAF	MN STATE MMB-FNS	20230529	6,799.89	CHILD NUTRITION OCTOBER 2022 - ABEC
11/10/2022	MSDLAF	MN STATE MMB-FNS	20230530	1,118.41	CHILD NUTRITION OCTOBER 2022 - HDWY N
11/10/2022	MSDLAF	MN STATE MMB-FNS	20230531	948.60	CHILD NUTRITION OCTOBER 2022 - HDWY S
11/10/2022	MSDLAF	MN STATE MMB-FNS	20230532	14,091.28	CHILD NUTRITION OCTOBER 2022 - NEC
11/10/2022	MSDLAF	MN STATE MMB-FNS	20230533	6,678.56	CHILD NUTRITION OCTOBER 2022 - SEC
11/10/2022	MSDLAF	MN STATE MMB-FNS	20230534	3,640.71	CHILD NUTRITION OCTOBER 2022 - WEC
11/10/2022	MSDLAF	MN STATE MMB-FNS	20230535	14,747.93	SUPPLY CHAIN GRANT
11/10/2022	MSDLAF	MN PROFESSIONAL EDUCATI	20230536	8,101.18	TEACH MNTRSHIP & RETAIN, PELSB GRANT
11/15/2022	MSDLAF	MN STATE MMB	20230537	4,175,712.01	IDEAS GEN ED, SP ED
11/23/2022	MSDLAF	MN DEPT OF EDUCATION-034	20230538	112,347.39	ARP HOMELESS GRANT GOV DISCR, ESSER II FIN 156, ESSER II FIN 164, ESSER III
11/23/2022	MSDLAF	MN STATE MMB	20230539	977,530.13	MA 3RD PARTY BILLING
11/30/2022	MSDLAF	COBRA	20230540	28,100.79	COBRA NOVEMBER PAYMENTS
11/30/2022	MSDLAF	MN STATE MMB	20230541	52,055.85	IDEAS GEN ED
11/30/2022	MSDLAF	MERCHANT SERVICES - ABEC	20230542	750.00	STUDENT DEFERRED REVENUE
11/30/2022	MSDLAF	MERCHANT SERVICES - HDW	20230543	757.00	STUDENT DEFERRED REVENUE
11/30/2022	MSDLAF	MERCHANT SERVICES - NEC	20230544	455.00	STUDENT DEFERRED REVENUE
11/30/2022	MSDLAF	MERCHANT SERVICES - SEC	20230545	1,290.00	STUDENT DEFERRED REVENUE
11/30/2022	MSDLAF	MERCHANT SERVICES - WEC	20230546	570.00	STUDENT DEFERRED REVENUE
11/30/2022	MSDLAF	MSDLAF	20230547	27,766.59	INTEREST EARNED NOVEMBER 2022
11/30/2022	MSDLAF	PAYPAL	20230548	4,235.81	NOVEMBER TUITION
11/30/2022	MSDLAF	SQUARE - BREMER BEAN SHI	20230549	1,654.01	NOVEMBER STORE SALES
11/30/2022	MSDLAF	SQUARE - JITTERBUG NEC	20230550	2,010.72	NOVEMBER STORE SALES
11/30/2022	MSDLAF	SQUARE - COMMON GROUND	20230551	1,478.50	NOVEMBER STORE SALES
11/30/2022	MSDLAF	SQUARE - SNACK SHACK WE	20230552	1,967.55	NOVEMBER STORE SALES
<b>MTD TOTALS</b>				<b>5,779,333.83</b>	

**INTERMEDIATE DISTRICT 287**  
**NOVEMBER 2022 ACTIVITY**

**WIRE TRANSFERS OUT:**

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
11/7/2022	MSDLAF	Bank of Montreal	400001352	54,349.77	P-Card Expense
11/10/2022	MSDLAF	HealthPartners	400001353	293,111.09	HPAI Claims
11/10/2022	MSDLAF	US Bank	9000003983-9000003993	1,219.88	Staff Reimbursements
11/15/2022	MSDLAF	BPAS	400001354	63,942.19	Veba
11/15/2022	MSDLAF	Educators Benefit Consultants	400001355	86,183.52	403b Retirement
11/15/2022	MSDLAF	MN Dept of Revenue	400001356	2,691.48	State Taxes
11/15/2022	MSDLAF	MN Dept of Revenue	400001357	80,216.50	State Taxes
11/15/2022	MSDLAF	Public Employees Retirement	400001358	110,531.56	Pera
11/15/2022	MSDLAF	Teachers Retirement Assn	400001359	202,876.17	Tra
11/15/2022	MSDLAF	US Bank	400001360	472,723.15	Federal Taxes
11/15/2022	MSDLAF	US Bank	900100530	1,857.11	Payroll
11/15/2022	MSDLAF	US Bank	9000099678-900100529	1,363,993.14	Payroll
11/15/2022	MSDLAF	US Bank	VOID 9000099802	(1,857.11)	Payroll
11/17/2022	MSDLAF	HealthPartners	400001361	771.98	Frequent Fitness Claims
11/17/2022	MSDLAF	HealthPartners	400001362	139,794.33	HPAI Claims
11/17/2022	MSDLAF	Pitney Bowes	400001363	61.59	Pitney Bowes Line of Credit
11/17/2022	MSDLAF	US Bank	400001364	188.74	Cash Management Services
11/23/2022	MSDLAF	HealthPartners	400001365	203,543.26	HPAI Claims
11/23/2022	MSDLAF	US Bank	9000003994-9000004059	9,619.19	Staff Reimbursements
11/29/2022	MSDLAF	HealthPartners	400001376	182,870.84	HPAI Claims
11/30/2022	MSDLAF	BPAS	400001366	64,601.89	Veba
11/30/2022	MSDLAF	Educators Benefit Consultants	400001367	85,264.04	403b Retirement
11/30/2022	MSDLAF	MN Dept of Revenue	400001368	2,232.47	State Taxes
11/30/2022	MSDLAF	MN Dept of Revenue	400001369	81,443.41	State Taxes
11/30/2022	MSDLAF	Public Employees Retirement	400001370	111,875.11	Pera
11/30/2022	MSDLAF	Teachers Retirement Assn	400001371	204,990.19	Tra
11/30/2022	MSDLAF	US Bank	400001372	476,793.98	Federal Taxes
11/30/2022	MSDLAF	Benefit Resource Inc	400001373	35,111.39	Flex Spending Account Payments
11/30/2022	MSDLAF	Benefit Resource Inc	400001374	9,310.80	Flex Spending Monthly Invoice
11/30/2022	MSDLAF	US Bank	900100531-900101385	1,382,201.71	Payroll
<b>MTD TOTALS</b>				<b>5,722,513.37</b>	





**DONATION REPORT**  
**INTERMEDIATE DISTRICT 287**  
**2022-2023**

**November 2022**

<b>DONATION DATE</b>	<b>DESCRIPTION</b>	<b>VIN#</b>	<b>EST VALUE</b>	<b>DONOR</b>	<b>CAMPUS</b>	<b>PROGRAM</b>
11/11/22	CHECK		\$20.00	CHARITIES AID FOUNDATION	SEC	AFTERCARE & WELLNESS
11/18/22	DIRECT DEPOSIT		\$25.00	GIVE MN ORG	SEC	AFTERCARE & WELLNESS
		<b>TOTAL</b>	<b>\$45.00</b>			

# CONSENT AGENDA - RECOMMENDATION



## Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

### Approval of Jamf Safe Internet Content Filtering and Jamf School

January 26, 2023

#### Author

Kim Helgeson, Director of Technology and Student Information Systems

#### Summary

District 287 is seeking approval to purchase Jamf Safe Internet for \$3,150 and Jamf School for \$4,950. These subscriptions are valid from 12/05/2022 - 7/31/2024. The District's vendor for this eighteen month license is Jamf. District 287 is paying for 12/05/2022 through 12/05/2023 and as part of this agreement, Jamf is providing these two solutions for free from 12/5/2023 through 7/31/2024 to cover the overlap with our current subscription to Jamf Pro.

As the term for this agreement spans two fiscal years from 12/05/2022 to 7/31/2024, Board approval is being requested.

#### Recommendation

Board approval of this agreement through 7/31/2024, with Jamf, at an estimated annual cost of \$8,100.

# CONSENT AGENDA - RECOMMENDATION

Intermediate District 287  
RESPONSIVE. INNOVATIVE. SOLUTIONS.

## Bid Award – North Education Center and South Education Center Stairway Projects

January 26, 2023

### Author

Kurt Vredenburg, Facilities Senior Manager

### Background

Both North Education Center and South Education Center have open staircases with railings from the first to the second floors. Some students have tried to crawl under or jump over the railings; to prevent students from doing so and possibly injuring themselves, the District is proposing to enclose both of these stairways.

### Summary

The bid opening for North Education Center and the South Education Center Stairway projects was held at the District Service Center on Tuesday, December 6, 2022 at 2:00 P.M. A total of three (3) contractors submitted bids, as follows:

<b>Contractor Name</b>	<b>Bid Package 1 (NEC)</b>	<b>Bid Package 2 (SEC)</b>
Versacon Inc.	\$191,500.00	\$191,000.00
Weber Inc.	\$144,000.00	\$144,000.00
Derau Construction, LLC	\$139,000.00	\$156,400.00

Bid package one (1) is for the North Education Stairway Project.

Bid package two (2) is for the South Education Center Stairway Project.

It is recommended that Weber Inc., the low bidder, be awarded bid packages one (1) and two (2), for a total project cost of \$288,000.00.

Medical Assistance (MA) funding will be used to finance the stairway projects.

### Recommendation

That the Board approve awarding Bid Packages 1 and 2 for the North and South Education Center Stairway projects to Weber, Inc. as presented.

# CONSENT AGENDA - RECOMMENDATION

**Intermediate District 287**  
RESPONSIVE. INNOVATIVE. SOLUTIONS.

## Approval of Contract for Instructional Resource

January 2023

### Author

David VanDenBoom, Principal of Northern Star Online  
Jon Voss, Director of Teaching & Learning

### Summary

Contract submitted for continuing implementation of student information and registration system from Genius SIS, Inc.

- Period is for fiscal year (FY) 2022-2023 through FY 2026-2027.
- Provides for access to student information, registration and reporting for Northern Star Online (NSO) and West Suburban Summer School (WSSS).
- Costs are based on enrollment and usage. Estimated yearly average based on recent enrollment history: \$85,000 per year over 5 years = \$425,000.
- This supports over 10,000 enrollments in NSO, and between 1500-2000 enrollments in WSSS.
- System was adopted in 2011 to provide integrated registration, reporting, student data, parent and school communication and access to student progress and participation.
- Integration with Learning Management System allows for real time updates of student progress and participation.
- Communication with stakeholders and ease of registration process has been instrumental in the growth of NSO to become the largest supplemental online provider in Minnesota.

### Recommendation

It is recommended that the board approve the five-year contract with Genius SIS, Inc. for continuing implementation of student information and registration software system.

# CONSENT AGENDA - RECOMMENDATION

**Intermediate District 287**

RESPONSIVE. INNOVATIVE. SOLUTIONS.

## Authorization of Issuance of Individual Procurement Cards (P-Cards)

January 26, 2023

### Author

Gloria Wilder, Director of Finance

Jane Thomas, Purchasing Agent

### Summary

The administration recommends the issuance of a Procurement Card to the following employee, per Minnesota Statute 123B.02, subd. 23:

Tanner Wichmann     Admin. Support-Mental Health & Partnerships     DSC

With this addition, the district will have 53 active p-cards.

### Recommendation

Approve and Authorize Issuance of Individual Procurement Cards (P-Cards).

# CONSENT AGENDA - RECOMMENDATION

## Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

### Approval of Contract – District Service Center Elevator System

January 26, 2023

#### Author

Kurt Vredenburg, Facilities Senior Manager

#### Summary

The contract award for the District Service Center elevator modernization project. District 287 will utilize the cooperative purchasing contract with OMNIA partners.

Project & Alternates	OMNIA Contract Price
Kone Inc. District Service Center Elevator modernization Project	\$139,945.00
Alternate #1 Battery backup lowing system	\$1,995.00
Alternate #2 Oil return pump for pit	\$1,450.00
Alternate #3 Refurbish existing cab	\$15,605.00
Alternate #4 Elevator pads and hooks	\$785.00
Alternate #5 Replace existing flooring	\$1560.00
Alternate #6 Paint elevator entrance at all floors	\$1,280.00
Alternate #7 ( <b>Declined</b> ) remove HVAC and add a ductless split A/C unit	<del>\$11,280.00</del>
Total Cost through Alternate #6	\$162,620.00

It is recommended that Kone Inc., under the OMNIA Partners contract, be awarded the contract package including alternates 1 through 6 for a total amount of \$162,620.00

The project will be funded from the Facility Maintenance Bonds, Series 2022A Long Term Facilities Maintenance funding.

#### Recommendation

The Board approve the District Service Center elevator project contract award to Kone Inc. as presented.



**Intermediate School District 287  
School Board Update  
January 26, 2022**

The 2023 election season once again brought an unexpected change in the political dynamic at the state legislature – a DFL trifecta in the governor’s office, the state senate, and the state house of representatives.

Senate Democrats now hold 34 seats, Senate Republicans hold 33. House Democrats continue to have a 70-seat majority, House Republicans hold 64 seats.

Because of the large number of retirements and election changes, many members new to the place and the process. Twenty-eight percent of the members are new to the capitol (71 new members in both bodies). The legislature is also growing more diverse with each election - at least 35 out of 201 members of next year’s House and Senate identify as people of color.

Shortly after the election, each caucus met to elect leadership. Senator Kari Dziedzic (DFL-Minneapolis) was elected Majority Leader. The Senate DFL caucus also elected Senator Bobby Joe Champion (DFL-Minneapolis) as President of the Senate, Senator John Marty (DFL-Roseville) as Finance Chair, and Senator Ann Rest (DFL-New Hope) as Tax Chair. Senator Mark Johnson (R-East Grand Forks) was elected Minority Leader.

In the House, Representative Melissa Hortman (DFL-Brooklyn Park) was chosen again as Speaker of the House. Representative Jamie Long (DFL-Minneapolis) was elected Majority Leader, and Representative Lisa Demuth (R-Cold Spring) was elected Minority Leader.

House and Senate leaders also established their respective committee structures and appointed new committee chairs.

**Committee structure for the 23-24 biennium**

Senate Education Finance chair, [Sen. Mary Kunesh](#)

Click [here](#) to see committee details.

House Education Finance chair, [Rep. Cheryl Youakim](#)

Click [here](#) to see committee details.

Senate Education Policy chair, [Sen. Steve Cwodzinski](#)

Click [here](#) to see committee details.

House Education Policy chair, [Rep. Laurie Pryor](#)

Click [here](#) to see committee details.

## **Budget Forecast**

On December 6, the Minnesota Management and Budget (MMB) Department released the November forecast that showed a budget surplus of \$17.6 billion for the next biennium. This surplus is due to several factors -- unspent surplus from the last session, increased tax collections, and reduced state spending. For this biennium, \$12 billion is considered one-time but MMB expects an ongoing surplus in future biennia, even though inflation does add some uncertainty.

## **Governor's budget recommendations**

This week Governor Walz unveiled the outline of his E12 budget recommendations. His priorities include:

- Increasing the per-pupil formula by 4% next year, 2% the following year, and tying future increases to inflation
- Reducing the special education cross-subsidy by 50%
- Reducing the English learner cross-subsidy by 25%
- Providing universal free meals to students
- Increasing access to career and technical education
- Increased investment in school-linked behavioral health grants and intermediate school-linked behavioral health grants
- Providing multi-tiered systems of support
- Addressing literacy achievement
- Adding school support personnel
- Investing in early childhood mental health programs
- Reducing discipline disparities

More details will be available once his budget recommendations are released on January 24.

## **Intermediate priorities**

This session, the Intermediate school districts will be advancing the following priorities:

- Increase funding to support student mental health needs, either through increases to the safe schools levy or targeted funding for districts with Level IV programs
- Increase career and technical education funding
- Remove barriers for students attending alternative learning programs
- Provide extended time revenue for districts providing education services in care and treatment settings
- Eliminate district fiscal responsibilities for students in care and treatment facilities who are wards of the state

# 2023 LEGISLATIVE PRIORITIES



## TAKE ACTION TO PROACTIVELY MAKE SCHOOLS SAFER

Public schools have become the frontline of children’s mental health services and the de facto mental health system for children and youth, at least during the school day. Critical incidents, assaults on staff, threats to schools, police interventions, and suicide attempts are not uncommon. We have pilot programs already showing results - students are avoiding hospitalization and costly county services, and they can engage in school more than ever before.

Schools do not have the funding for the necessary training, staff support, or specialized mental health services to serve in this capacity and prevent unsafe situations for students and staff. While Intermediate School Districts received temporary grant funds over the past several years, this funding will expire soon, and the programming we developed can only be sustained with ongoing funding.

*We propose that the Legislature fully and permanently fund these programs. We also ask the Legislature to expand funding to any school district with a Special Education Federal Setting Level IV program.*

## ALLOW EXTENDED TIME REVENUE FOR STUDENTS IN ALL CARE AND TREATMENT FACILITIES

A care and treatment program does not have access to revenue for extended day programs like a typical high school or an Area Learning Center (ALC). This means that students with mental health needs in residential care cannot benefit from the broad curriculum opportunities available to their peers. One residential program, Prairie Lakes Education Center in Willmar, has access to extended day revenue per MN Statute 126C.10 Subd 2a (b). Because of this funding, they can offer students options that other residential programs cannot.



*We propose expanding extended day revenue to include all care and treatment programs in the state so that students enrolled can take part in the broad curriculum experiences they need for returning to high school or to graduate.*

## ELIMINATE DISTRICT FISCAL RESPONSIBILITIES FOR STUDENTS IN CARE AND TREATMENT FACILITIES WHO ARE WARDS OF THE STATE

When a student who is a ward of the state is enrolled in a residential treatment facility, the district where the facility is located is responsible to pay for the educational costs in the current year, even if this student has never attended a district school. Eighteen months later, the state reimburses the district. These high costs and cash flow delays put a significant burden on the district’s finances and can risk their financial stability.

*We propose to clarify school district responsibilities for students who are wards of the state housed in residential facilities and provide full reimbursement for the educational services the responsible school district provides.*



NORTHEAST METRO  
Intermediate School District

916

partners in education

SOUTHWEST METRO  
INTERMEDIATE DISTRICT 288



Intermediate District 287  
RESPONSIVE. INNOVATIVE. SOLUTIONS.

# 2023 LEGISLATIVE PRIORITIES



## SUPPORT RECRUITMENT AND RETAINMENT OF A DIVERSE EDUCATOR WORKFORCE

Minnesota ranks among the lowest graduation rates nationally for Black and Hispanic students. The disproportionality of educators of color in comparison to students of the same identity remains stagnant in the state, while research shows that teachers of color help close achievement gaps for students and are resources in hard-to-staff or low-income schools.

Aspiring Black and Hispanic teachers are more likely to borrow student loans and have struggles paying them back, making the financial barrier a deterrent for entering the education profession. By increasing funding for Grow Your Own programs, the Intermediate Districts can recruit diverse educators with scholarship incentives and ensure that prospective staff successfully complete preparation programs before entering the classroom.

*We propose increasing the funding for programs that recruit more teachers of color and provide supportive professional development.*

## REMOVE BARRIERS FOR STUDENTS ATTENDING ALTERNATIVE LEARNING PROGRAMS

Each ALC program is designed to help students achieve their educational and career goals in a nontraditional learning environment. A comprehensive and rigorous high school curriculum is delivered within a personalized, flexible, and nurturing environment where students can thrive. Students receive assistance in meeting graduation requirements and have opportunities to gain vocational skills and work experience.

*We propose increasing the funding for ALC programs that use asynchronous instruction and the funding for transportation costs for students.*



## INCREASE FUNDING FOR CAREER AND TECHNICAL EDUCATION PROGRAMS

Our mission is to deliver relevant, quality technical education by providing career exploration and preparation for employment and continuing education in cooperation with member districts and employers. We are recognized as a center of excellence in quality career and technical education. An industry-experienced professional educator promotes student success through applied learning, technical skill attainment based on industry standards, academic integration, and career & college readiness.

*We propose increasing students' access to career and technical education by increasing program funding, providing start-up funding for innovative programming, and reimbursing school districts that transport their students to secondary career and technical education programs.*



NORTHEAST METRO  
Intermediate School District

916

partners in education

SOUTHWEST METRO  
INTERMEDIATE DISTRICT 288



Intermediate District 287  
RESPONSIVE. INNOVATIVE. SOLUTIONS.

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

Regular Meeting – January 26, 2023

AGENDA SECTION: BOARD BUSINESS

ITEM: Intermediate District 287: World’s Best Workforce Plan

PRESENTED BY: Dr. Jon Voss, Director of Teaching and Learning

**1. Background Information**

The mission of Intermediate District 287 is to be the premier provider of innovative specialized services to ensure that each member district can meet the unique learning needs of its students. As an extension of our member districts, we focus on creating educational opportunities for the highest needs students to enter the workforce as highly qualified individuals. Our schools serve nearly 1,000 of the highest need students in Hennepin County, and we've increasingly become the front line of the children’s mental health system. The following outlines our District’s plan and commitment to educate the World’s Best Workforce (Minnesota Statutes 2013, section 120B.11). Students are enrolled in our programs as part of their home district’s plan to provide individualized and personalized instruction, and thus this plan recognizes the intermediate district role to meet those highly individualized needs.

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

**3. RECOMMENDED ACTION: The Board approves the Intermediate District 287: World’s Best Workforce Plan as presented.**

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

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

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

# Intermediate District 287

*RESPONSIVE. INNOVATIVE. SOLUTIONS.*

## **World's Best Workforce Plan FY23**

### **Introduction and Context**

The mission of Intermediate District 287 is to be the premier provider of innovative specialized services to ensure that each member district can meet the unique learning needs of its students. As an extension of our member districts, we focus on creating educational opportunities for the highest needs students to enter the workforce as highly qualified individuals. Our schools serve nearly 1,000 of the highest need students in Hennepin County, and we've increasingly become the front line of the children's mental health system. The following outlines our District's plan and commitment to educate the *World's Best Workforce* (Minnesota Statutes 2013, section 120B.11). Students are enrolled in our programs as part of their home district's plan to provide individualized and personalized instruction, and thus this plan recognizes the intermediate district role to meet those highly individualized needs.

### **District Plan Reporting Components**

#### **1. Clearly-defined, locally-developed student achievement goals and benchmarks**

We report annually on program-level PLC goals that are related to these SIP goals. In addition, as an extension of our member districts, the intermediate district provides programs and services for specific sub-groups as identified and referred by the members. Therefore, the student performance data is best understood and analyzed in context of the member district population. We provide student data to our member districts for consideration in their reporting.

#### ***World's Best Workforce* Performance Categories**

The results reported to the state for the *World's Best Workforce* are primarily focused on growth. Students who come to our programs have often been disrupted from a coherent regular sequential educational experience. Goals are established based on individual progress to fill gaps and accelerate learning to reach equitable achievement levels.

##### **1. Kindergarten preparation**

As we do not have a preschool program, this is not directly applicable. However, as more Kindergarten students are referred to our elementary programs, we will review the readiness requirements through the IEP and intake process. The Therapeutic Teaching Model piloted in our elementary sites is intended to specifically address the impact of trauma on younger students at the earliest stages of development.

##### **2. Grade-level literacy**

We focus intently on literacy, with a series of supports to ensure that students improve

on this most critical of skills for further achievement. We have trained all staff in our adopted K-8 core literacy curriculum, Success for All, and receive ongoing coaching from the curriculum supplier in improving implementation. For our highest needs students, we support teachers in using Unique Learning Systems, which is specifically designed for students in these programs. A Comprehensive Literacy State Development (CLSD) and Striving Readers Comprehensive Literacy (SRCL) grants have supported literacy specific coaches in grades 6-12. We have also established literacy goals or actions steps within our School Improvement Plans (SIP) for schools involved in the grant. Individual reading conferences have been implemented in many programs to support individual goal-setting.

3. Closing achievement gaps

Racial equity is at the core of our strategic priorities. We have intensified our efforts on addressing achievement gaps with improved data collection, professional development on intercultural development and culturally responsive teaching, and expansion of AVID (Advancement via Individual Determination) strategies. To focus more intently on providing an equitable learning experience for all students, we have adopted a Culturally Relevant Teaching & Learning model specific to our student needs.

4. Career and college readiness

We emphasize the learning skills that will support personal achievement in K-12 and beyond through the AVID program. We also support readiness through our Career Technical Pathways program, work experience opportunities and goals within IEPs, using Standards-Based Mastery Assessments of transition standards.

5. Graduation rates

Graduation rates reflect the mobility and disrupted educational background of the students we serve. Despite this, our Alternative Learning Centers are held accountable to the same graduation outcomes measurements as all other high schools, therefore those schools have participated in Comprehensive Support through ESSA, along with this WBWF plan.

## **2. Assessment & evaluation process and Annual results reporting**

An annual report to the Intermediate District 287 School Board will outline the plan and progress the intermediate district has made on the WBWF plan. This will include innovative programs and services that are being designed in response to the members' commitment to creating the World's Best Workforce. A copy of this report will be submitted to the Commissioner of the Minnesota Department of Education each year.

### **Performance Measure Levels**

Our process for assessing and evaluating each student's progress toward meeting state and local academic standards and identifying the strengths and weaknesses of instruction includes standardized and individualized methods. Because of the uniqueness of our enrolled population, the standard measurements of progress cannot always be extrapolated to provide valid instructional feedback about our programs or schools. Students often return to their home

districts or transfer to other learning environments, causing our yearly data to reflect a different set of students than were involved the previous year, and a disproportionate number of new students by the end of the year who are just beginning their progress trajectory. To provide more effective monitoring, student progress is measured at several levels.

- Students participate in required state testing and other standardized assessments as appropriate, such as the ACT and Accuplacer, to provide a high-level view aligned with state requirements. These give an important, but limited picture of our students' academic successes.
- Students come to us with significant gaps in learning with significant mental health and learning needs. Standardized assessment measures, on the other hand, are generally normed to a regular student population. To provide more accurate indicators, we rely on curriculum or individual based growth measures to set progress goals.
- Student progress at the program or school level is better monitored within School Improvement Plans (SIP) that use ~~standardized assessments in combination with~~ a variety of ~~other~~ methods to provide valid instructional feedback. This progress is reported annually to the school board.
- Student progress at the individual level is monitored through the system of Individual Education Plans (IEPs) in special education and Continuous Learning Plans (CLPs) in the Area Learning Center (ALC). For students not enrolled full-time in District 287 programs, such as Career-Tech Pathways, Northern Star Online, or Care & Treatment programs, individual progress and grades are reported to the home district. Therefore, the student performance data is best understood and analyzed in context of the member district population. Individualized student reports are shared with member district superintendents and special education directors two times per year.

### **3. Ongoing progress reporting**

Our ongoing review process starts with the Assessment and Progress monitoring model we have developed for literacy through our Instructional Leadership Team. Based on our initial screening assessments in the fall and a comprehensive review of students history, we determine student goals, establish a curriculum placement, and then determine a progress monitoring instrument and process to follow student growth. We also gather data through classroom walkthroughs to observe instructional practices and the impact of progressional learning and coaching. As we gather data on students' responses to curriculum and instruction, we review through our Professional Learning Communities, Responsive Systems of Support (RSS), Teams and Program Teams, and make adjustments to placement, curriculum or instruction. Feedback from professional learning evaluations, as well as administrator and staff evaluations is used to plan for professional learning, curriculum adoption and adaptation, and long term strategic planning.

### **4. Strategies for improving instruction, curriculum, and student achievement.**

In connection with our use of the McREL process for staff evaluation, we have adopted the Classroom Instruction That Works (CITW) model for establishing a foundational classroom environment and instructional practices. Our Innovative Instructional Coaches provide 1-1 teacher support for building confidence in improving instructions and gathering feedback on the effectiveness of curriculum through the analysis of data from the assessment process. To focus

more intently on providing an equitable learning experience for all students, we have adopted a Culturally Relevant Teaching & Learning model specific to our student needs. Because we have been identified for Comprehensive Support and Improvement due to graduation rates, in the past we have also benefited from the support from the Regional Centers of Excellence to improve our school improvement plans and advance our leadership teams

## **5. Education effectiveness practices**

Evidence-based practices and strategies for improving instruction, curriculum, and student achievement are embedded within our District Strategic Priorities and our School SIPs. A collaborative professional culture that develops and supports teacher quality, performance, and effectiveness is supported through our Professional Development programs, which include New Staff Academy, Mentoring for new staff, Peer Coaching for all staff and a Grow Your Own program for supporting staff in acquiring a special education license. Based largely on work of Zaretta Hammond and Ghody Muhammed, we have identified Foundational Elements of Cultural Awareness, Adult Mindsets and a Warm Demander approach, along with Core Strategies in cultivating Identity, Joy, Skills, Intellect, and Criticality. Our professional learning plan includes large and small group training, Professional Learning Communities, coaching, walkthroughs and performance evaluations to further reflective practice.

## **6. Budget alignment**

The district plan is closely aligned with the Strategic Initiatives that provide an ongoing structure and resources for realizing innovative, effective instruction to meet the most challenging educational needs of our member districts.

## **Stakeholder Engagement**

Because of the relationship between the intermediate district and our members, our primary stakeholders are our member districts and our services are an extension of them. Thus our School Board fulfills the function of a district advisory committee for the WBWF plan. Our Family Engagement efforts have increased in recent years with through our strategic initiatives, and the addition a Family Literacy Specialist under the CLSD grant. The goals of the World's Best Workforce Plan are a consolidation of the goals from the School Improvement Plans, which in turn are informed by our District Strategic Plan.

This year we are beginning our process to develop a Strategic plan for 2024-2029. From the sunset of our previous Strategic Plan in 2020, we have been guided by our Strategic Priorities. District 287 is committed to advancing racial equity and producing equitable student outcomes through evidence-based instruction, trauma-responsive and healing-centered practices, and employee well-being. Racial equity is foundational to District 287's mission and embedded in all its priorities. As a trauma-responsive and healing-centered school district, we must support students' academic, emotional, and behavioral needs to thrive in school and life. Our strategic priorities of racial equity, trauma-responsive and healing-centered practices, evidence-based instruction, and employee well-being keep student outcomes at the center and exist as our roadmap to success.

Following the disruptions of the last 2-3 years from the pandemic and school or community violence, our students are faced with more sizeable learning gaps in addition to more acute trauma and mental health challenges. Our goals for student learning thus are part of a larger effort to help our students, families and staff reconstruct routines, social-emotional connections and future goals aspirations that will provide purpose and meaning to their personal, professional and academic lives. In setting specific goals for the 2022-2023 school year, we saw the need to reestablish our primary outcomes for mental health and literacy and the foundational strategies that support continued growth in those areas. These goals and strategies are articulated in our District Goals for FY23, developed from our strategic priorities.

## Goals and Results FY23

Goal Area	2022-2023 Goals
<b>1. All Students Ready for Kindergarten</b>	Continue to use IEP referral process to identify student needs and readiness for instruction.
<b>2. All Students in Third Grade Achieving Grade-Level Literacy</b>	By June 30, 2023, percent of K-2 students who improve their scores on reading screening tests will increase from 81% to 100%.
<b>3. Close the Achievement Gap(s) Among All Groups</b>	<p>By June 30, 2023, the percent of all students who reach their reading growth or catch up goal will increase by a minimum of 5%. The percent of BIPOC Students who reach their reading growth or catch up goal will increase by a minimum of 8%.</p> <p>Baseline data will be established in 2022-2023 for future goal-setting.</p>
<b>4. All Students Career- and College-Ready by Graduation</b>	<p>By June 30, 2023, the average composite score of students taking the ACT will increase from 16.7 to 18.9.</p> <p>Percentage of students on Track to success on the ACT in Grades 5-10 (using MAP and aReading/aMath) will increase from 33% to 35% in Reading, and from 18% to 20% in Math.</p>
<b>5. All Students Graduate</b>	<p>From Spring 2020 to Spring 2021 the 4-year graduation rate will increase from 31.3% to the state-mandated goal of 67% (based on ESSA requirements).</p> <p><i>Note: Graduation data from Spring 2021 will become available by the end of 2021-22, and data from Spring 2022 will become available by the end of 2022-23.</i></p>



## 2021–22 Combined World’s Best Workforce (WBWF) Summary

**District or Charter Name:** Intermediate District 287

**WBWF Contact:** Jon Voss

**Title:** Director of Teaching & Learning

**Phone:** 763-550-7134

**Email:** [jwvoss@district287.org](mailto:jwvoss@district287.org)

### World’s Best Workforce

#### Annual Report

Posted to the District website at <https://www.district287.org/academic-services/teaching-learning/>

#### Annual Public Meeting

January 26, 2023  
Intermediate District 187  
1820 Xenium Lane North  
Plymouth, MN 55441

## Goals and Results

### *All Students Ready for School*

Does your district/charter enroll students in Kindergarten? If no, please skip to the next goal.

Goal	Result	Goal Status
Continue to use member district referral process to identify student needs and readiness for instruction.	<p>Total Kindergarteners enrolled: 3</p> <p>Total First graders enrolled: 8</p> <p>Total Second Graders enrolled: 15</p> <p>Indicators of readiness: all students are in Special Education, receiving education in Federal Setting IV. Many have received Early Childhood Special Education Services as well, prior to enrolling.</p>	<p><b>Check one of the following:</b></p> <p><input checked="" type="checkbox"/> On Track (multi-year goal)</p> <p><input type="checkbox"/> Not On Track (multi-year goal)</p> <p><input type="checkbox"/> Goal Met (one-year goal)</p> <p><input type="checkbox"/> Goal Not Met (one-year goal)</p> <p><input type="checkbox"/> Met All (multiple goals)</p> <p><input type="checkbox"/> Met Some (multiple goals)</p> <p><input type="checkbox"/> Met None (multiple goals)</p>

Repeat table for additional school readiness goals as appropriate.

### *All Students in Third Grade Achieving Grade-Level Literacy*

Goal	Result	Goal Status
By June 30, 2022, percent of K-2 students who improve their scores on the aReading or MAP-R Assessment will increase from 81% to 100%	<p>2 students (both 2nd grade) had fall to spring growth information</p> <p>One student's growth pace was below target, and one student's growth pace exceeded target</p> <p>Number of students taking screening assessments in fall and spring was impacted by pandemic-related disruptions. Students continued to receive individualized support for literacy growth through our curriculum and interventions.</p>	<p><b>Check one of the following:</b></p> <p><input type="checkbox"/> On Track (multi-year goal)</p> <p><input type="checkbox"/> Not On Track (multi-year goal)</p> <p><input type="checkbox"/> Goal Met (one-year goal)</p> <p><input checked="" type="checkbox"/> Goal Not Met (one-year goal)</p> <p><input type="checkbox"/> Met All (multiple goals)</p> <p><input type="checkbox"/> Met Some (multiple goals)</p> <p><input type="checkbox"/> Met None (multiple goals)</p>

**Close the Achievement Gap(s) Between Student Groups**

Goal	Result	Goal Status																																																																								
<p><b>READING</b> By June 30, 2022, percent of all students who test in the fall and spring and <b>meet their target growth</b> in <b>Reading</b> MAP/ aReading scores will increase from 66% to 69%, and reach 50% for each ethnic group with more than 10 students, starting from following:</p> <table border="1" data-bbox="159 625 467 1012"> <thead> <tr> <th>Group</th> <th>FY19</th> </tr> </thead> <tbody> <tr> <td>Am In/AK Na</td> <td>78%</td> </tr> <tr> <td>Asian</td> <td>38%</td> </tr> <tr> <td>Bl/Afr Am</td> <td>46%</td> </tr> <tr> <td>Hispanic</td> <td>69%</td> </tr> <tr> <td>Nat Haw/OPI</td> <td>100%</td> </tr> <tr> <td>Two + Races</td> <td>74%</td> </tr> <tr> <td>White</td> <td>75%</td> </tr> <tr> <td><b>Total</b></td> <td><b>66%</b></td> </tr> </tbody> </table> <p><b>MATH</b> By June 30, 2022, percent of all students who test in the fall and spring and meet their target growth in <b>Math</b> MAP/aMath scores will increase from 47% to 50%, and reach 50% for each ethnic group with more than 10 students, starting from following:</p> <table border="1" data-bbox="159 1390 467 1776"> <thead> <tr> <th>Group</th> <th>FY19</th> </tr> </thead> <tbody> <tr> <td>Am In/AK Na</td> <td>0%</td> </tr> <tr> <td>Asian</td> <td>53%</td> </tr> <tr> <td>Bl/Afr Am</td> <td>33%</td> </tr> <tr> <td>Hispanic</td> <td>30%</td> </tr> <tr> <td>Nat Haw/OPI</td> <td>N/A</td> </tr> <tr> <td>Two + Races</td> <td>38%</td> </tr> <tr> <td>White</td> <td>58%</td> </tr> <tr> <td><b>Total</b></td> <td><b>58%</b></td> </tr> </tbody> </table>	Group	FY19	Am In/AK Na	78%	Asian	38%	Bl/Afr Am	46%	Hispanic	69%	Nat Haw/OPI	100%	Two + Races	74%	White	75%	<b>Total</b>	<b>66%</b>	Group	FY19	Am In/AK Na	0%	Asian	53%	Bl/Afr Am	33%	Hispanic	30%	Nat Haw/OPI	N/A	Two + Races	38%	White	58%	<b>Total</b>	<b>58%</b>	<p><b>READING</b> Exceed (blue) = 39% Meet (green) = 19% Below (yellow) = 43% <b>Meet or exceed = 58%</b></p> <p>54 total tested fall-spring No students went down (red) All students showed growth.</p> <table border="1" data-bbox="620 625 928 1012"> <thead> <tr> <th>Group</th> <th>FY22</th> </tr> </thead> <tbody> <tr> <td>Am In/AK Na</td> <td>n&lt;10</td> </tr> <tr> <td>Asian</td> <td>n&lt;10</td> </tr> <tr> <td>Bl/Afr Am</td> <td>63%</td> </tr> <tr> <td>Hispanic</td> <td>n&lt;10</td> </tr> <tr> <td>Nat Haw/OPI</td> <td>n&lt;10</td> </tr> <tr> <td>Two + Races</td> <td>75%</td> </tr> <tr> <td>White</td> <td>50%</td> </tr> <tr> <td><b>Total</b></td> <td><b>58%</b></td> </tr> </tbody> </table> <p><b>MATH</b> Exceed (blue) = 26% Meet (green) = 20% Below (yellow) = 37% well below (red) = 17% <b>Meet or exceed = 46%</b></p> <p>134 total tested fall-spring. 83% showed growth.</p> <table border="1" data-bbox="620 1390 928 1776"> <thead> <tr> <th>Group</th> <th>FY22</th> </tr> </thead> <tbody> <tr> <td>Am In/AK Na</td> <td>n&lt;10</td> </tr> <tr> <td>Asian</td> <td>n&lt;10</td> </tr> <tr> <td>Bl/Afr Am</td> <td>55%</td> </tr> <tr> <td>Hispanic</td> <td>n&lt;10</td> </tr> <tr> <td>Nat Haw/OPI</td> <td>n&lt;10</td> </tr> <tr> <td>Two + Races</td> <td>55%</td> </tr> <tr> <td>White</td> <td>40%</td> </tr> <tr> <td><b>Total</b></td> <td><b>46%</b></td> </tr> </tbody> </table>	Group	FY22	Am In/AK Na	n<10	Asian	n<10	Bl/Afr Am	63%	Hispanic	n<10	Nat Haw/OPI	n<10	Two + Races	75%	White	50%	<b>Total</b>	<b>58%</b>	Group	FY22	Am In/AK Na	n<10	Asian	n<10	Bl/Afr Am	55%	Hispanic	n<10	Nat Haw/OPI	n<10	Two + Races	55%	White	40%	<b>Total</b>	<b>46%</b>	<p><b>Check one of the following:</b></p> <p><input type="checkbox"/> On Track (multi-year goal)</p> <p><input type="checkbox"/> Not On Track (multi-year goal)</p> <p><input type="checkbox"/> Goal Met (one-year goal)</p> <p><input checked="" type="checkbox"/> Goal Not Met (one-year goal)</p> <p><input type="checkbox"/> Met All (multiple goals)</p> <p><input type="checkbox"/> Met Some (multiple goals)</p> <p><input type="checkbox"/> Met None (multiple goals)</p>
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**All Students Career and College-Ready by Graduation**

Goal	Result	Goal Status
<p>By June 30, 2022, the average composite score of students taking the ACT will increase from 18.7 to <b>18.9</b>.</p> <p>Percentage of students on Track to success on the ACT in Grades 5-10 (using MAP and aReading/aMath) will increase from 33% to 35% in Reading, and from 18% to 20% in Math.</p>	<p>19 students took ACT and produced reportable scores Average composite was <b>16.7</b></p>	<p><b>Check one of the following:</b></p> <p><input type="checkbox"/> On Track (multi-year goal)</p> <p><input checked="" type="checkbox"/> Not On Track (multi-year goal)</p> <p><input type="checkbox"/> Goal Met (one-year goal)</p> <p><input type="checkbox"/> Goal Not Met (one-year goal)</p> <p><input type="checkbox"/> Met All (multiple goals)</p> <p><input type="checkbox"/> Met Some (multiple goals)</p> <p><input type="checkbox"/> Met None (multiple goals)</p>

**All Students Graduate**

Goal	Result	Goal Status																										
<p>From Spring 2020 to Spring 2021 the 4-year graduation rate will increase from 31.3% to the state-mandated goal of 67% (based on ESSA requirements).</p> <p>Baseline from Spring 2020</p> <table border="1"> <thead> <tr> <th>Years</th> <th>Grad Percent</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>31.3%</td> </tr> <tr> <td>2019</td> <td>17.9%</td> </tr> <tr> <td>2018</td> <td>17.6%</td> </tr> <tr> <td>2017</td> <td>30.5%</td> </tr> <tr> <td>2016</td> <td>30.1%</td> </tr> </tbody> </table> <p>Note: Graduation data from Spring 2021 will become available by the end of 2021-22, and data from Spring 2022 will become available by the end of 2022-23.</p>	Years	Grad Percent	2020	31.3%	2019	17.9%	2018	17.6%	2017	30.5%	2016	30.1%	<p>State-mandated target was not reached, though the rate did increase from 31.3% to <b>32.2%</b>.</p> <p>2020-2021</p> <table border="1"> <thead> <tr> <th>Years</th> <th>Grad Percent</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>32.2%</td> </tr> <tr> <td>2020</td> <td>31.3%</td> </tr> <tr> <td>2019</td> <td>17.9%</td> </tr> <tr> <td>2018</td> <td>17.6%</td> </tr> <tr> <td>2017</td> <td>30.5%</td> </tr> <tr> <td>2016</td> <td>30.1%</td> </tr> </tbody> </table> <p>NOTE: Data based on 2020-21 MDE calculations</p>	Years	Grad Percent	2021	32.2%	2020	31.3%	2019	17.9%	2018	17.6%	2017	30.5%	2016	30.1%	<p><b>Check one of the following:</b></p> <p><input type="checkbox"/> On Track (multi-year goal)</p> <p><input type="checkbox"/> Not On Track (multi-year goal)</p> <p><input type="checkbox"/> Goal Met (one-year goal)</p> <p><input checked="" type="checkbox"/> Goal Not Met (one-year goal)</p> <p><input type="checkbox"/> Met All (multiple goals)</p> <p><input type="checkbox"/> Met Some (multiple goals)</p> <p><input type="checkbox"/> Met None (multiple goals)</p>
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2018	17.6%																											
2017	30.5%																											
2016	30.1%																											

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



**Regular Meeting – January 26, 2023**

**AGENDA SECTION: BUSINESS SERVICES REPORT**

**ITEM: Recommendation for Board Acceptance of the  
Audited Financial Report for the year ended June 30, 2022**

**PRESENTED BY: Mae Hawkins, Executive Director of Business Services**

**1. Background Information**

Jim Eichten, Managing Partner of MMKR, Certified Public Accountants & Co., P.A. will present the district’s Audited Financial Report for the year ended June 30, 2022.

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

**3. RECOMMENDED ACTION:**

The Board accepts the audited financial report for the year ended June 30, 2022.

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

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

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

# **INTERMEDIATE DISTRICT NO. 287 PLYMOUTH, MINNESOTA**

**Audit Report  
Year Ended June 30, 2022**





# AUDITOR'S ROLE

- **Opinion on Financial Statements**
  - **District Audit**
- **Internal Controls and Compliance**
  - **Financial Statement Audit**
  - **State Laws and Regulations**
- **Federal "Single Audit"**
  - **Schedule of Federal Awards**
  - **Internal Controls over Compliance**
  - **Compliance Requirements of Major Programs**



# AUDIT RESULTS

## ■ District Audit

### ■ Basic Financial Statements

- **Unmodified (Clean) Opinion**

- **Implementation of Governmental Accounting Standards Board (GASB) Statement #87 on Leases**

### ■ Internal Control and Compliance Reports

- **No Findings**

### ■ Minnesota Legal Compliance Audit

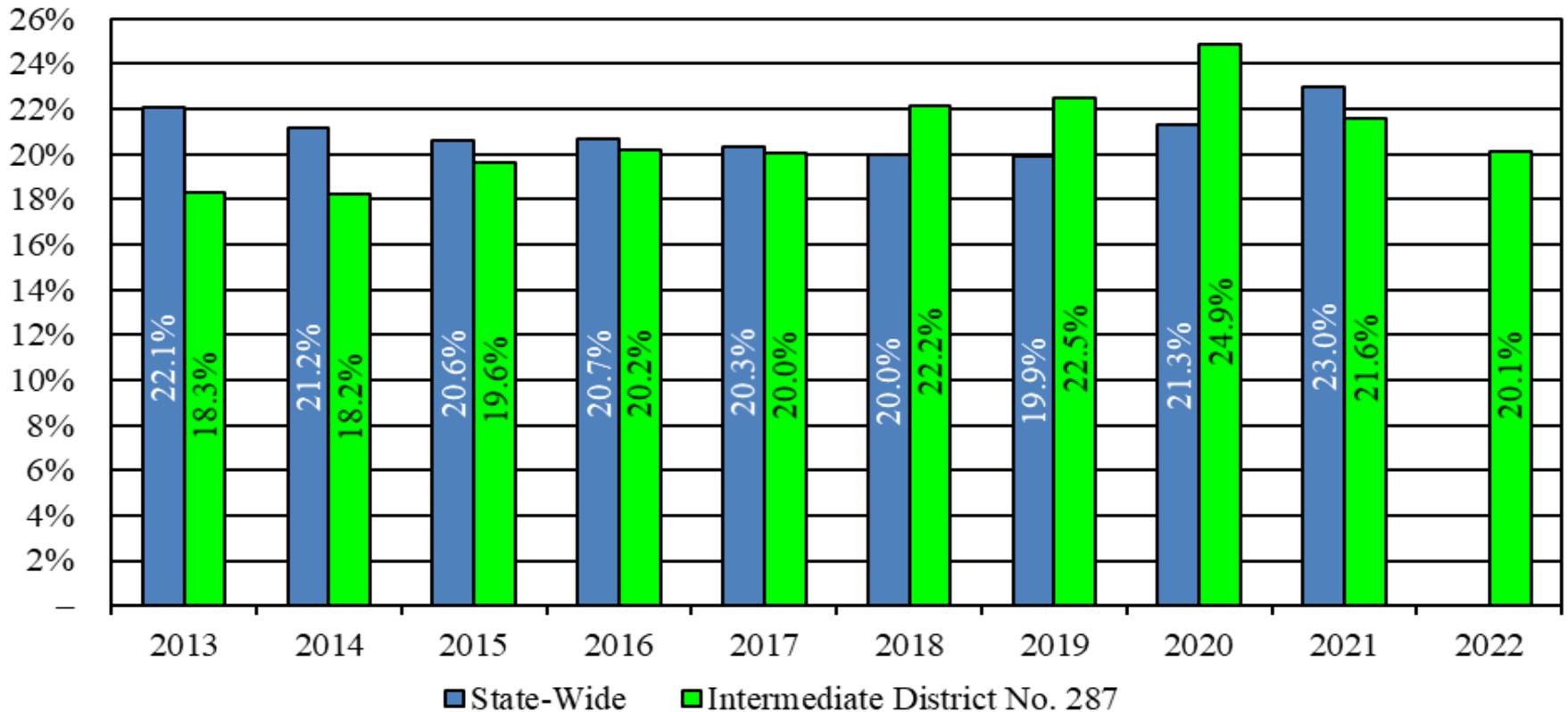
- **No Findings**

### ■ Single Audit of Federal Awards

- **No Findings**

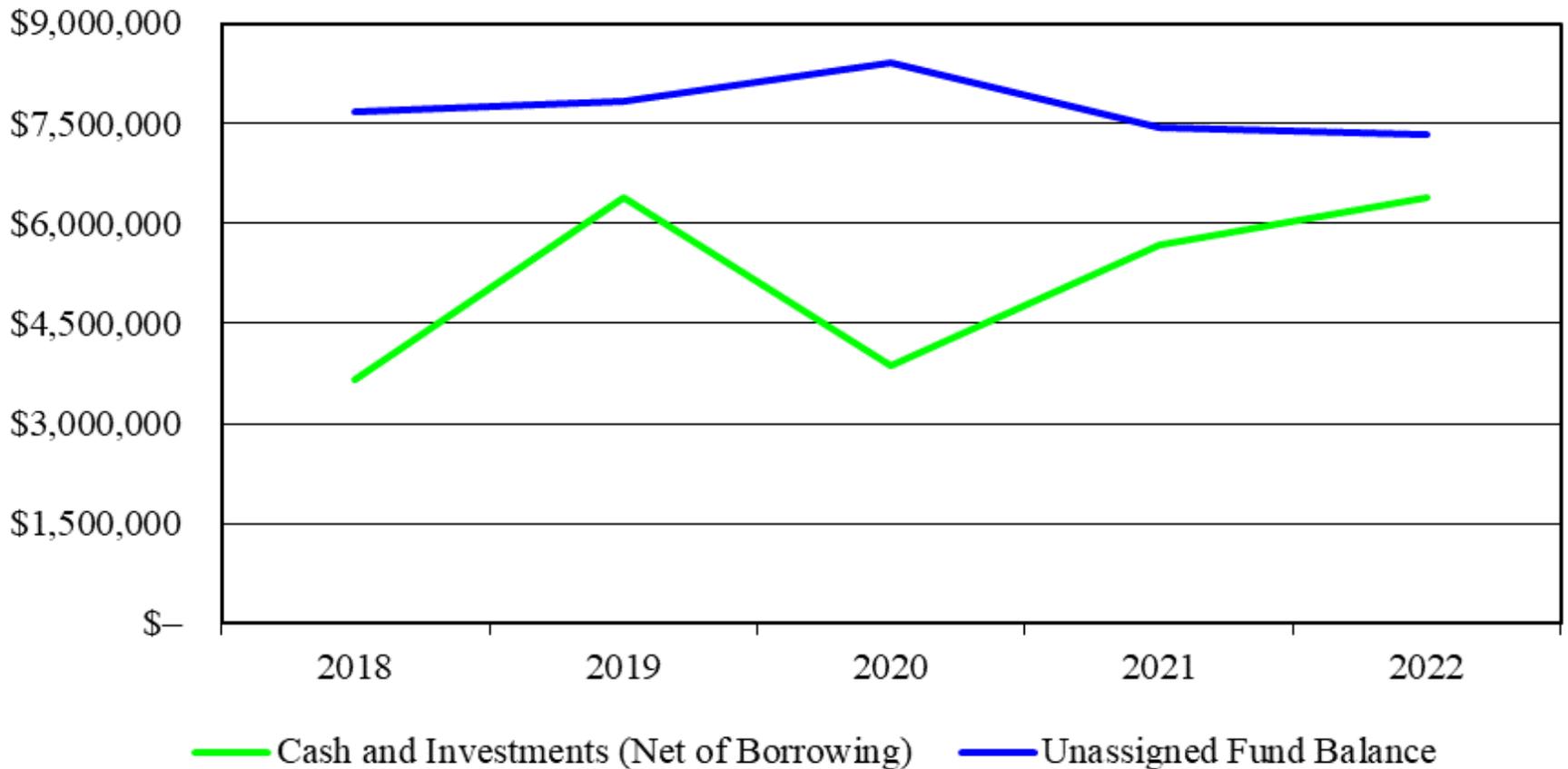
# STATE-WIDE FUND BALANCES

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



# GENERAL FUND FINANCIAL POSITION

General Fund Financial Position

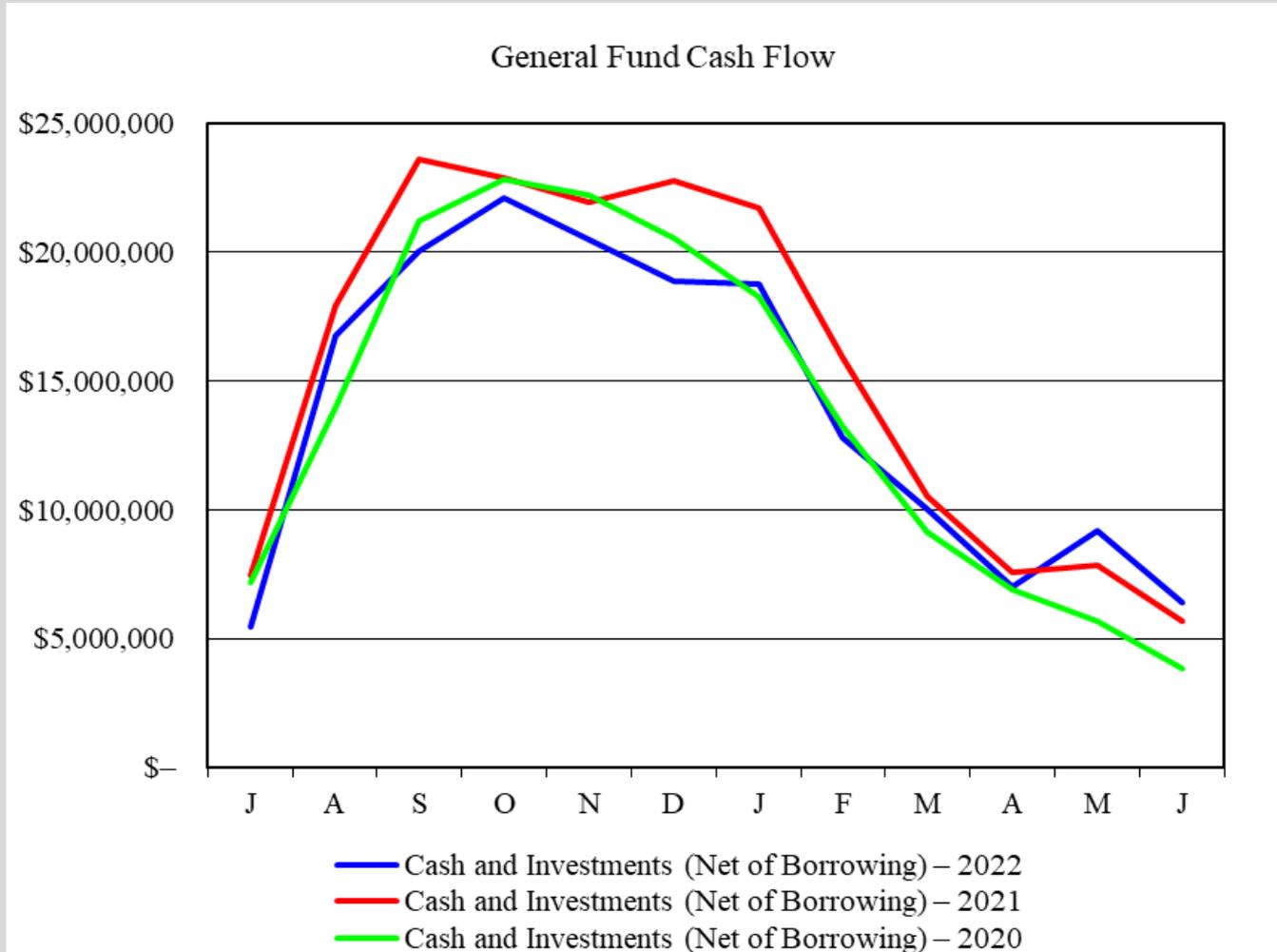




# GENERAL FUND FINANCIAL POSITION

<b>Fund balances</b>				
Beginning of year	19,226,853	19,991,149	22,719,208	20,433,556
End of year	<u>\$ 19,986,500</u>	<u>\$ 22,719,208</u>	<u>\$ 20,433,556</u>	<u>\$ 19,202,837</u>
<b>Fund balances</b>				
Nonspendable for prepaid items	\$ 87,606	\$ 191,574	\$ 59,977	\$ 125,543
Restricted for basic skills programs	448,689	368,424	264,604	115,586
Restricted for basic skills extended time	48,825	115,262	115,262	115,262
Restricted for safe schools levy	173,101	325,681	754,197	645,942
Restricted for long-term facilities maintenance	318,637	530,174	614,086	658,985
Restricted for Medical Assistance	1,327,409	1,542,854	1,267,152	1,510,671
Assigned for COVID-19	-	500,000	457,288	310,388
Assigned for donations	-	6,221	6,571	6,146
Assigned for severance	5,562,580	5,712,751	5,563,206	5,167,529
Assigned for tuition adjustments	2,677,000	2,677,000	1,788,609	1,788,609
Assigned for property	107,226	68,078	186,334	165,200
Assigned for student clubs	28,362	25,562	21,658	16,348
Assigned for vehicle depreciation	87,211	101,664	101,664	101,664
Assigned for self-insurance	10,300	-	-	-
Assigned for collaborative curriculum project	171,850	113,669	113,669	113,669
Assigned for strategic priorities	750,000	1,200,000	988,863	498,681
Assigned for subsequent year's budget	355,099	839,696	678,874	529,541
Assigned for flex plan	-	1,665	-	-
Unassigned	7,832,605	8,398,933	7,451,542	7,333,073
<b>Total fund balances</b>	<u>\$ 19,986,500</u>	<u>\$ 22,719,208</u>	<u>\$ 20,433,556</u>	<u>\$ 19,202,837</u>
<b>Unassigned General Fund balances as a percentage of expenditures</b>	<u>9.2%</u>	<u>9.8%</u>	<u>8.6%</u>	<u>8.5%</u>
<b>Total fund balances as a percentage of expenditures</b>	<u>23.6%</u>	<u>26.5%</u>	<u>23.7%</u>	<u>22.2%</u>

# GENERAL FUND CASH FLOW





# SPECIAL EDUCATION ACCOUNT

	Year Ended June 30,			
	2019	2020	2021	2022
Revenue and other financing sources	\$ 57,600,613	\$ 58,677,674	\$ 58,456,371	\$ 57,559,818
Expenditures and other financing uses	57,776,846	57,038,154	59,780,671	57,792,336
Excess (deficiency)	(176,233)	1,639,520	(1,324,300)	(232,518)
Fund balances				
Beginning of year	10,891,641	10,715,408	12,354,928	11,030,628
End of year	<u>\$ 10,715,408</u>	<u>\$ 12,354,928</u>	<u>\$ 11,030,628</u>	<u>\$ 10,798,110</u>



# CAREER AND TECHNICAL EDUCATION ACCOUNT

	Year Ended June 30,			
	2019	2020	2021	2022
Revenue and other financing sources	\$ 1,332,909	\$ 1,613,475	\$ 1,084,353	\$ 1,191,366
Expenditures and other financing uses	1,205,211	1,446,907	1,383,794	1,089,010
Excess (deficiency)	127,698	166,568	(299,441)	102,356
Fund balances				
Beginning of year	419,158	546,856	713,424	413,983
End of year	\$ 546,856	\$ 713,424	\$ 413,983	\$ 516,339



# ACADEMIC EDUCATION ACCOUNT

	Year Ended June 30,			
	2019	2020	2021	2022
Revenue and other financing sources	\$ 11,232,985	\$ 12,372,300	\$ 10,136,239	\$ 10,424,659
Expenditures and other financing uses	11,244,355	11,804,159	10,745,325	10,364,777
Excess (deficiency)	(11,370)	568,141	(609,086)	59,882
Fund balances				
Beginning of year	642,794	631,424	1,199,565	590,479
End of year	\$ 631,424	\$ 1,199,565	\$ 590,479	\$ 650,361



# DISTRICT-WIDE ACCOUNT

	Year Ended June 30,			
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenue and other financing sources	\$ 16,501,308	\$ 16,171,572	\$ 16,499,525	\$ 16,720,519
Expenditures and other financing uses	<u>15,590,091</u>	<u>15,925,965</u>	<u>16,517,157</u>	<u>17,458,837</u>
Excess (deficiency)	911,217	245,607	(17,632)	(738,318)
<b>Fund balances</b>				
Beginning of year	<u>1,488,066</u>	<u>2,399,293</u>	<u>2,644,900</u>	<u>2,627,268</u>
End of year	<u><u>\$ 2,399,283</u></u>	<u><u>\$ 2,644,900</u></u>	<u><u>\$ 2,627,268</u></u>	<u><u>\$ 1,888,950</u></u>



# GOVERNMENT-WIDE FINANCIAL STATEMENTS

	Year Ended June 30,		Change
	2021	2022	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 35,034,683	\$ 35,678,627	\$ 643,944
Net book value of capital assets	84,199,348	82,785,733	(1,413,615)
Financed purchases payable	(145,158)	–	145,158
Certificates of participation payable	(66,315,000)	(63,390,000)	2,925,000
General obligation bonds payable	(4,300,000)	(4,020,000)	280,000
Severance benefits and compensated absences payable	(7,115,519)	(7,393,067)	(277,548)
OPEB adjustments	(4,649,178)	(4,438,480)	210,698
Net pension-related adjustments	(70,913,593)	(67,092,347)	3,821,246
Bond refunding deferments	379,736	348,091	(31,645)
Internal service funds net position	13,146,550	14,280,654	1,134,104
Accrued interest payable	(519,924)	(483,393)	36,531
Unamortized premium/discount on debt issued	(3,211,236)	(2,890,594)	320,642
Total net position – governmental activities	<u>\$ (24,409,291)</u>	<u>\$ (16,614,776)</u>	<u>\$ 7,794,515</u>
Net position			
Net investment in capital assets	\$ 10,607,690	\$ 12,833,230	\$ 2,225,540
Restricted	17,096,504	19,038,843	1,942,339
Unrestricted	(52,113,485)	(48,486,849)	3,626,636
Total net position	<u>\$ (24,409,291)</u>	<u>\$ (16,614,776)</u>	<u>\$ 7,794,515</u>



# SUMMARY

- **Clean Opinion on District Financial Statements**
- **Implementation of GASB on Leases**
- **No Findings Single Audit of Federal Awards**
- **No Findings Overall**
- **Stable Financial Position**
- **Excellent Financial Recordkeeping**

INTERMEDIATE DISTRICT NO. 287  
PLYMOUTH, MINNESOTA

Financial Statements and  
Supplementary Information

Year Ended  
June 30, 2022

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INTERMEDIATE DISTRICT NO. 287

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INTRODUCTORY SECTION

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INTERMEDIATE DISTRICT NO. 287

Board of Directors and Administration  
as of June 30, 2022

**BOARD OF DIRECTORS**

<u>Board of Directors</u>	<u>Member District</u>	<u>Position on Board</u>
Crystal Brakke	Richfield	Chairperson
Anne Casey	St. Louis Park	Vice Chairperson
Ruthie Dallas	Brooklyn Center	Treasurer
Shannon Andreson	Hopkins	Clerk
Sarah Johansen	Wayzata	Director
Michèle Kunz	Orono	Director
Heidi Marty	Westonka	Director
Jacqueline Mosqueda-Jones	Osseo	Director
Regina Neville	Edina	Director
Francesca Pagan-Umar	Eden Prairie	Director
Samir Sant	Robbinsdale	Director

**ADMINISTRATION**

Sandra Lewandowski	Superintendent
Elisabeth Lodge Rogers	Assistant Superintendent of Programs and Services
Anne Becker	General Counsel and Executive Director of Labor Relations
Benjamin Magras	Executive Director of School and Student Outcomes
Mae Hawkins	Executive Director of Business Services
Michelle Axell	Director of Human Resources
Kim Helgeson	Director of Technology and Student Information Systems
Rachel Hicks	Director of Communications and Public Relations
Melissa Brateng	Director of Special Education and Student Support and Itinerant Services
Jonathan Voss	Director of Teaching and Learning
Tonya Allen	Director of Mental Health and Family Engagement
Radious Guess	Director of Equity and Inclusion
Gloria Wilder	Director of Finance
David Anderson	Senior Finance Manager
Wauneen Denson-Mgeni	School Board Coordinator

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FINANCIAL SECTION

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**PRINCIPALS**

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

**INDEPENDENT AUDITOR'S REPORT**

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

**OPINIONS**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Intermediate School District No. 287 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

**BASIS FOR OPINIONS**

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

**EMPHASIS OF MATTER**

***Change in Accounting Principle***

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

(continued)

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

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

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

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

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

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

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

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

(continued)

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

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

## **Other Information**

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

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

(continued)

## **Prior Year Comparative Information**

We have previously audited the District's 2021 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 15, 2021. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
December 19, 2022

## INTERMEDIATE DISTRICT NO. 287

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

This section of Intermediate District No. 287's (the District) annual financial statements presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended June 30, 2022. We encourage readers to consider the financial information presented here in conjunction with the other components of the District's annual financial statements.

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year 2022 include the following:

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2022 by (\$16,614,776) (deficit net position). The District's total net position increased by \$7,794,515 during the fiscal year ended June 30, 2022. This increase is mostly related to positive operating results in the District's Internal Service Fund and Debt Service Fund offset by changes in pension-related deferred inflows, deferred outflows, and net pension liabilities in the state-wide pension plans the District participates in.
- In the District's General Fund, the fund balance decreased \$1,230,719 and ended the year at \$19,202,837.
- The District's governmental fund Balance Sheet reflects a \$7,333,073 unassigned fund balance.
- As described in Note 1 of the notes to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. As described in Note 1 of the basic financial statements, this standard changed the way lease transactions are reported by the District, but did not result in a restatement of net position in the current year.

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

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

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

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

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

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

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

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

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

### **FUND FINANCIAL STATEMENTS**

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

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

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

The District maintains the following kinds of funds:

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

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

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2022	2021
<b>Assets</b>		
Current and other assets	\$ 46,949,707	\$ 45,714,415
Restricted assets	15,926,536	14,218,423
Capital assets, net of accumulated depreciation/amortization	82,785,733	84,199,348
Total assets	\$ 145,661,976	\$ 144,132,186
<b>Deferred outflows of resources</b>		
Bond refunding deferments	\$ 348,091	\$ 379,736
Pension plan deferments	21,252,619	21,196,316
OPEB plan deferments	979,118	1,154,278
Total deferred outflows of resources	\$ 22,579,828	\$ 22,730,330
<b>Liabilities</b>		
Current and other liabilities	\$ 11,324,009	\$ 12,271,529
Long-term liabilities, including due within one year	116,647,310	142,579,882
Total liabilities	\$ 127,971,319	\$ 154,851,411
<b>Deferred inflows of resources</b>		
Lease revenue for subsequent years	\$ 2,076,346	\$ -
Pension plan deferments	53,263,596	35,498,107
OPEB plan deferments	1,545,319	922,289
Total deferred inflows of resources	\$ 56,885,261	\$ 36,420,396
<b>Net position</b>		
Net investment in capital assets	\$ 12,833,230	\$ 10,607,690
Restricted	19,038,843	17,096,504
Unrestricted	(48,486,849)	(52,113,485)
Total net position	\$ (16,614,776)	\$ (24,409,291)

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

Overall, net position increased by \$7,794,515. The net investment in capital assets increased by \$2,225,540 from capital asset additions, retirement of debt, and annual depreciation/amortization. The increase in restricted assets is largely attributable to payments to the Debt Service Fund's cash held in escrow, which will be used to pay a portion of future outstanding debt payments. The increase in unrestricted net position was from the increase in the Internal Service Fund net position and the changes in the District's proportionate share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) state-wide pension obligations. This change in pensions was also the significant factor in the changes in deferred outflows and inflows of resources, and long-term liabilities. The increase in lease revenue for subsequent years relates to the implementation of GASB Statement No. 87, *Leases*.

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

<b>Table 2</b>		
<b>Summary Statement of Activities</b>		
<b>for the Years Ended June 30, 2022 and 2021</b>		
	2022	2021
<b>Revenue</b>		
Program revenues		
Charges for services	\$ 20,834,633	\$ 19,630,956
Operating grants and contributions	64,325,990	63,896,514
General revenues		
General grants and aids	8,450,890	8,469,580
Other general revenues	218,173	450,404
Investment earnings	596,950	516,617
Total revenue	94,426,636	92,964,071
<b>Expenses</b>		
Career and technical education	998,931	1,521,795
Academic education	9,689,617	10,847,983
Special education	54,196,824	58,192,490
Student clubs	13,084	5,787
Administrative support services and operations and maintenance	17,940,049	17,523,399
Food service	739,308	663,423
Interest and fiscal charges on debt	3,054,308	3,054,146
Total expenses	86,632,121	91,809,023
Change in net position	7,794,515	1,155,048
Net position – beginning	(24,409,291)	(25,564,339)
Net position – ending	\$ (16,614,776)	\$ (24,409,291)

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

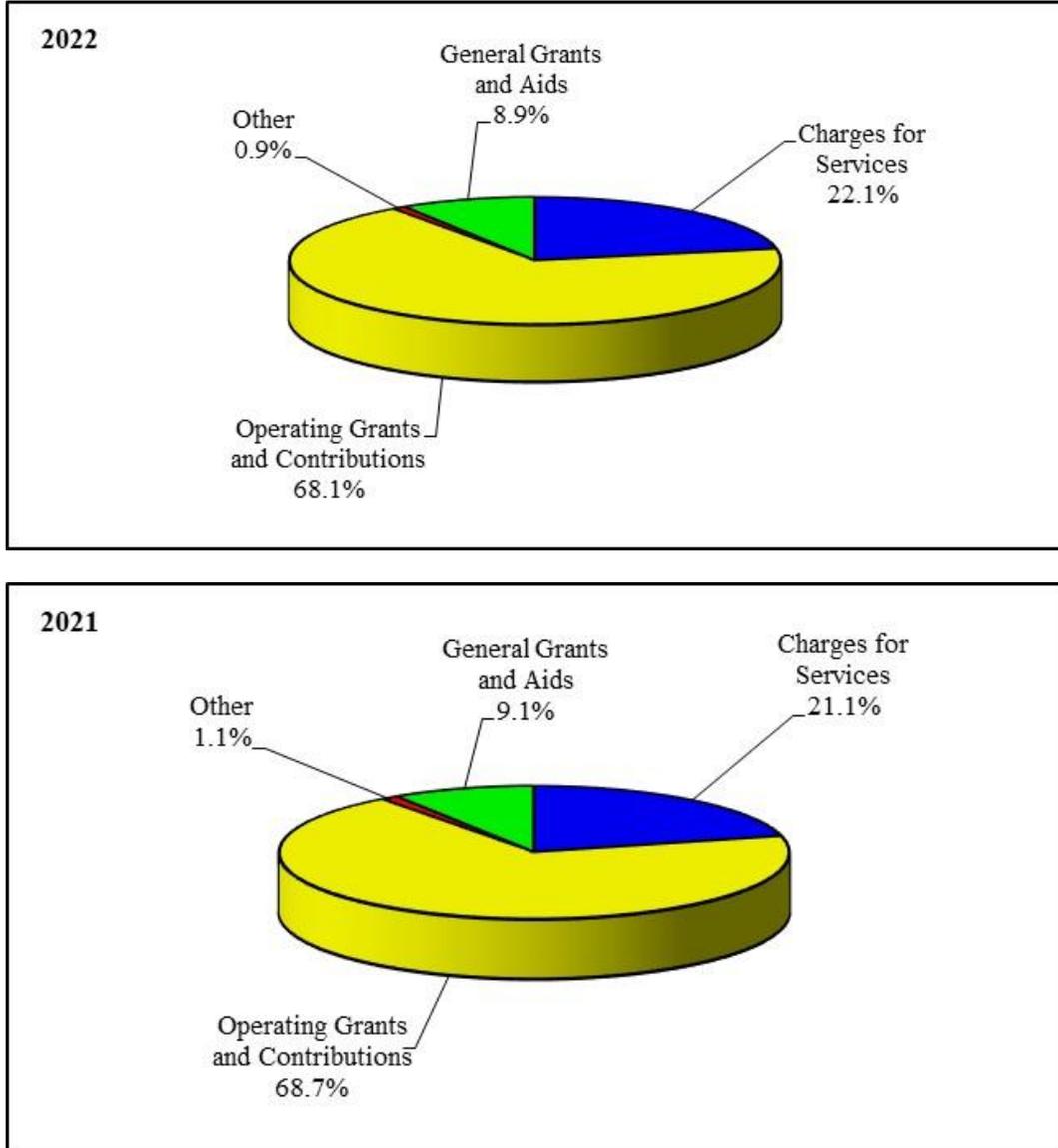
The District’s total revenues were \$94,426,636 for the year ended June 30, 2022. Charges for services account for 22.1 percent of total revenues for the year, while operating grants and contributions accounted for 68.1 percent. General grants and aids accounted for 8.9 percent of the total revenue, and are mainly from pass-through levies for debt service and the federal reimbursement received for interest payments made on the Build America Bonds and Qualified School Construction Bonds.

Revenue increased \$1,462,565 in fiscal 2022, mainly due to an increase in tuition revenue. Due to the COVID-19 pandemic, the District booked an estimated liability for potential rebates decreasing tuition revenues in fiscal year 2021, which was not paid, thus was reversed in fiscal year 2022. This amount was offset by a reduction in state special education tuition revenues in the current year. As pandemic-related restrictions eased in fiscal 2022, enrollment in district programs increased.

The total cost of all programs and services was \$86,632,121, mainly from changes to pension plan liabilities and plan deferments in both fiscal 2022 and 2021.

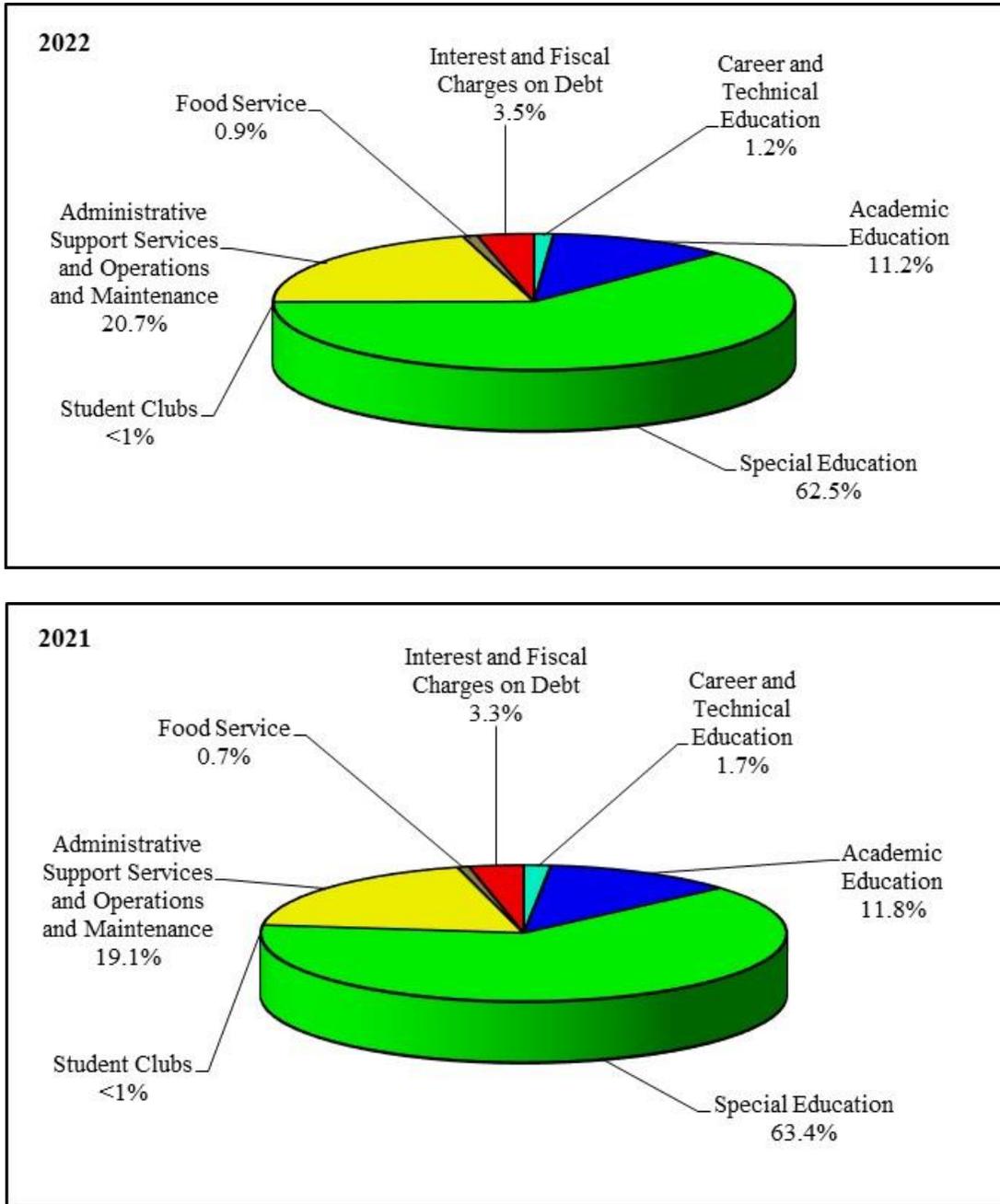
Figures A and B show further analysis of these revenue sources and expense functions:

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



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

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



The District's expenses are predominately in categories that correlate directly to providing instruction, which includes: special education, academic education, and career and technical education, comprising 74.9 percent of the total. Total expenses for the year in administrative support services and operations and maintenance were 20.7 percent, which include administrative, business services, instructional support services, and building operations and maintenance. Debt service expenses related to financing of facilities were 3.5 percent of total expenses.

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

	2022		2021	
	Total Cost of Services	Net (Expenses Over) Revenues From Services	Total Cost of Services	Net (Expenses Over) Revenues From Services
Governmental activities				
Career and technical education	\$ 998,931	\$ 192,435	\$ 1,521,795	\$ (437,442)
Academic education	9,689,617	338,244	10,847,983	(2,507,827)
Special education	54,196,824	3,080,869	58,192,490	243,515
Student clubs	13,084	(5,310)	5,787	(3,905)
Administrative support services and operations and maintenance	17,940,049	(1,789,239)	17,523,399	(2,187,100)
Food service	739,308	(234,189)	663,423	(334,648)
Interest and fiscal charges on debt	3,054,308	(3,054,308)	3,054,146	(3,054,146)
	<u>\$ 86,632,121</u>	<u>\$ (1,471,498)</u>	<u>\$ 91,809,023</u>	<u>\$ (8,281,553)</u>

The change in net (expenses over) revenues from services in academic education is mainly related to the increase in state aid from the on-line learning program, the increase in the Internal Service Fund net position, and the changes in the District's proportionate share of the PERA and the TRA state-wide pension obligations.

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	2022	2021	Change
Major funds			
General	\$ 19,202,837	\$ 20,433,556	\$ (1,230,719)
Debt Service	16,475,790	14,601,127	1,874,663
Nonmajor fund			
Food Service Special Revenue	—	—	—
	<u>\$ 35,678,627</u>	<u>\$ 35,034,683</u>	<u>\$ 643,944</u>

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

The District has several assigned fund balances, including assigned for severance \$5,167,529. The District assigned an amount of fund balance to designate funding for the key strategic priorities of: Student Outcomes, Racial Equity, Trauma Sensitive/Healing Center, Evidence-Based Instruction, and Staff and Student Well-Being. The District also has an assigned fund balance for MDE special education state aid tuition adjustments totaling \$1,788,609. This is in recognition of the potential for additional calculation changes in this area by state agencies.

### Analysis of the General Fund

Table 5 presents a summary of General Fund revenues:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Local sources			
Pass-through levies	\$ 2,473,934	\$ 2,576,713	\$ (102,779)
Tuition	20,738,868	18,699,103	2,039,765
Investment earnings	24,389	16,438	7,951
Other	547,139	802,054	(254,915)
State sources	59,345,316	60,530,137	(1,184,821)
Federal sources	<u>2,550,036</u>	<u>1,554,714</u>	<u>995,322</u>
 Total General Fund revenues	 <u>\$ 85,679,682</u>	 <u>\$ 84,179,159</u>	 <u>\$ 1,500,523</u>

The District received \$2,473,934 in property taxes that were levied on the District’s behalf by its member districts. The pass-through levies are authorized in Minnesota Statutes to cover the District’s lease costs, safe school initiatives, and long-term facilities maintenance programs. Tuition revenues increased, due to the reversal of an estimated liability for potential rebates that decreased tuition revenues in fiscal year 2021. This amount was offset by a reduction in state special education tuition revenues as a result of decreases in the special education aid, due to declining enrollment. The federal revenue increase is related to aid received from COVID-19 pandemic and stimulus grant funding received in fiscal 2022.

Table 6 presents a summary of General Fund expenditures:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Salaries	\$ 53,148,884	\$ 53,579,849	\$ (430,965)
Employee benefits	23,159,800	23,232,753	(72,953)
Purchased services	6,822,248	6,111,956	710,292
Supplies and materials	2,338,947	1,877,734	461,213
Capital expenditures	638,382	1,034,938	(396,556)
Other expenditures	414,134	395,660	18,474
Debt service	<u>136,449</u>	<u>—</u>	<u>136,449</u>
Total General Fund expenditures	<u>\$ 86,658,844</u>	<u>\$ 86,232,890</u>	<u>\$ 425,954</u>

The increase in expenditures of \$425,954 is mainly the result of increases in purchased services and supplies and materials, offset by a decrease in salaries and benefits, mainly due to difficulties in filling open positions, which resulted in higher substitute teacher costs. Supplies and materials costs were higher with the return to in-person learning.

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Unrestricted – unassigned fund balance	\$ 7,669,423	\$ 7,832,605	\$ 8,398,933	\$ 7,451,542	\$ 7,333,073
Unassigned fund balance as a percentage of expenditures	9.4%	9.2%	9.8%	8.6%	8.5%

Unassigned fund balance as a percentage of noncapital lease-related expenditures is one key measurement of a district's financial health. The unassigned fund balance of \$7,333,073 at June 30, 2022, represents 8.5 percent of annual expenditures. The District continues to monitor its fund balances closely. The Board of Director's policy sets a goal of at least 6.0 to 8.0 percent for the unassigned fund balance as a percentage of expenditures.

## General Fund Budgetary Highlights

Table 8 summarizes the General Fund budget to actual comparison:

	Original Budget	Final Budget	Actual	Over (Under) Final Budget	
				Amount	Percent
Revenue and other financing sources	<u>\$ 87,478,600</u>	<u>\$ 85,745,854</u>	<u>\$ 85,684,281</u>	<u>\$ (61,573)</u>	<u>(0.1%)</u>
Expenditures and other financing uses	<u>\$ 89,932,707</u>	<u>\$ 88,728,658</u>	<u>\$ 86,915,000</u>	<u>\$ (1,813,658)</u>	<u>(2.0%)</u>
Change in fund balance	<u>\$ (2,454,107)</u>	<u>\$ (2,982,804)</u>	<u>\$ (1,230,719)</u>	<u>\$ 1,752,085</u>	<u>(58.7%)</u>

Expenditures and other financing uses were under budget by \$1,813,658. Special education expenditures were under budget by \$502,700, mainly in salaries and purchased services from cost-containment measures related to declining enrollment. Academic education expenditures were under budget by \$280,314, mainly in salaries and benefits from cost-containment measures related to declining enrollment in the Alternative Learning Center (ALC) programs. Administrative support services and operations and maintenance were under budget by \$978,593, mainly in grant funding, as well as health and safety and long-term facilities maintenance projects being underspent in fiscal 2022. The budgeted transfer to the Food Service Special Revenue Fund was \$228,107 lower than expectations, due to federal funding of student lunches.

### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, debt principal, interest, and related costs. The Debt Service Fund balance will continue to grow, as funds are accumulated in an escrow account that will be used to pay the North Education Center Qualified School Construction Bonds in 2029.

### Food Service Special Revenue Fund

Expenditures exceeded revenues by \$256,156 in the current year. After transfers in from the General Fund, the fund ended the year with a zero fund balance.

## Internal Service Funds

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

Operating revenues for the internal service funds for fiscal 2022 totaled \$13,630,439. Operating expenses totaled \$12,522,206 for self-insured health and dental benefit claims.

The net position for internal service funds as of June 30, 2022 totaled \$14,280,654, which represents an increase of \$1,134,104 in net position from the prior year.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

Table 9 shows the District's capital assets, together with changes from the previous year. The table also shows total depreciation/amortization expense for fiscal years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Land	\$ 10,865,963	\$ 10,865,963	\$ -
Buildings	96,440,633	95,847,167	593,466
Equipment	4,281,950	4,988,154	(706,204)
Construction in progress	10,658	14,000	(3,342)
Less accumulated depreciation/amortization	<u>(28,813,471)</u>	<u>(27,515,936)</u>	<u>(1,297,535)</u>
Total	<u>\$ 82,785,733</u>	<u>\$ 84,199,348</u>	<u>\$ (1,413,615)</u>
Depreciation/amortization expense	<u>\$ 2,131,297</u>	<u>\$ 2,097,181</u>	<u>\$ 34,116</u>

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

## Long-Term Liabilities

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

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Financed purchases payable	\$ –	\$ 145,158	\$ (145,158)
Certificates of participation payable	63,390,000	66,315,000	(2,925,000)
General obligation bonds payable	4,020,000	4,300,000	(280,000)
Unamortized premium/discount on debt issued	2,890,594	3,211,236	(320,642)
Severance benefits payable	6,003,753	5,673,259	330,494
Compensated absences payable	1,389,314	1,442,260	(52,946)
Total OPEB liability	3,872,279	4,881,167	(1,008,888)
Net pension liability	<u>35,081,370</u>	<u>56,611,802</u>	<u>(21,530,432)</u>
Total	<u>\$ 116,647,310</u>	<u>\$ 142,579,882</u>	<u>\$ (25,932,572)</u>

The decrease in bonds payable, certificates of participation payable, and premium/discount on debt issued is due to the payment of debt and the amortization of the related premium/discount in the current year. The decline in net pension liability is related to the changes in state-wide pension obligations previously discussed.

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

## FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

INTERMEDIATE DISTRICT NO. 287

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

	Governmental Activities	
	2022	2021
<b>Assets</b>		
Cash and temporary investments	\$ 22,108,275	\$ 19,507,400
Receivables		
Accounts and interest	496,590	547,911
Due from other governmental units	22,115,242	25,575,332
Lease	2,076,346	–
Inventory	22,600	23,515
Prepaid items	130,654	60,257
Restricted assets – temporarily restricted		
Cash and investments for debt service	15,926,536	14,218,423
Capital assets, net of depreciation/amortization		
Not depreciated/amortized	10,876,621	10,879,963
Depreciated, net of accumulated depreciation/amortization	71,909,112	73,319,385
Total capital assets, net of accumulated depreciation/amortization	<u>82,785,733</u>	<u>84,199,348</u>
Total assets	145,661,976	144,132,186
Deferred outflows of resources		
Bond refunding deferments	348,091	379,736
Pension plan deferments	21,252,619	21,196,316
OPEB plan deferments	979,118	1,154,278
Total deferred outflows of resources	<u>22,579,828</u>	<u>22,730,330</u>
Total assets and deferred outflows of resources	<u>\$ 168,241,804</u>	<u>\$ 166,862,516</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 7,003,542	\$ 6,857,761
Accounts and contracts payable	1,485,777	1,630,265
Accrued interest payable	483,393	519,924
Due to other governmental units	1,016,343	1,956,758
Unearned revenue	1,334,954	1,306,821
Long-term liabilities		
Due within one year	6,052,435	6,200,298
Due in more than one year	110,594,875	136,379,584
Total long-term liabilities	<u>116,647,310</u>	<u>142,579,882</u>
Total liabilities	127,971,319	154,851,411
Deferred inflows of resources		
Lease revenue for subsequent years	2,076,346	–
Pension plan deferments	53,263,596	35,498,107
OPEB plan deferments	1,545,319	922,289
Total deferred inflows of resources	<u>56,885,261</u>	<u>36,420,396</u>
Net position		
Net investment in capital assets	12,833,230	10,607,690
Restricted for		
State funding restrictions	3,046,446	3,015,301
Debt service	15,992,397	14,081,203
Unrestricted	<u>(48,486,849)</u>	<u>(52,113,485)</u>
Total net position	<u>(16,614,776)</u>	<u>(24,409,291)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 168,241,804</u>	<u>\$ 166,862,516</u>

INTERMEDIATE DISTRICT NO. 287

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

Functions/Programs	2022			2021	
	Expenses	Program Revenues		Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position	Revenue and Changes in Net Position
			Governmental Activities	Governmental Activities	
Governmental activities					
Career and technical education	\$ 998,931	\$ 1,150,883	\$ 40,483	\$ 192,435	\$ (437,442)
Academic education	9,689,617	4,963,945	5,063,916	338,244	(2,507,827)
Special education	54,196,824	9,337,644	47,940,049	3,080,869	243,515
Student clubs	13,084	—	7,774	(5,310)	(3,905)
Administrative support services and operations and maintenance	17,940,049	5,375,271	10,775,539	(1,789,239)	(2,187,100)
Food service	739,308	6,890	498,229	(234,189)	(334,648)
Interest and fiscal charges on debt	3,054,308	—	—	(3,054,308)	(3,054,146)
<b>Total governmental activities</b>	<b>\$ 86,632,121</b>	<b>\$ 20,834,633</b>	<b>\$ 64,325,990</b>	<b>(1,471,498)</b>	<b>(8,281,553)</b>
General revenues					
General grants and aids				8,450,890	8,469,580
Other general revenues				218,173	450,404
Investment earnings				596,950	516,617
Total general revenues				9,266,013	9,436,601
Change in net position				7,794,515	1,155,048
Net position – beginning				(24,409,291)	(25,564,339)
Net position – ending				\$ (16,614,776)	\$ (24,409,291)

INTERMEDIATE DISTRICT NO. 287

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

	General Fund	Debt Service Fund	Nonmajor Funds Food Service Special Revenue Fund
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Funds Food Service Special Revenue Fund</u>
<b>Assets</b>			
Cash and temporary investments	\$ 5,751,560	\$ -	\$ 8,657
Cash and investments held by trustee	-	15,926,536	-
Receivables			
Accounts and interest	257,116	236,860	1,311
Due from other funds	636,539	-	-
Due from other governmental units	21,149,634	959,171	6,437
Lease	-	2,076,346	-
Inventory	-	-	22,600
Prepaid items	125,542	1,292	3,820
	<u>125,542</u>	<u>1,292</u>	<u>3,820</u>
Total assets	<u>\$ 27,920,391</u>	<u>\$ 19,200,205</u>	<u>\$ 42,825</u>
<b>Liabilities</b>			
Salaries and compensated absences payable	\$ 6,970,358	\$ -	\$ 33,184
Due to other funds	-	636,539	-
Accounts and contracts payable	421,645	-	5,348
Due to other governmental units	1,011,273	-	-
Unearned revenue	314,278	11,530	4,293
Total liabilities	<u>8,717,554</u>	<u>648,069</u>	<u>42,825</u>
<b>Deferred inflows of resources</b>			
Lease revenue for subsequent years	-	2,076,346	-
<b>Fund balances</b>			
Nonspendable	125,543	1,292	-
Restricted	3,046,446	16,474,498	-
Assigned	8,697,775	-	-
Unassigned	7,333,073	-	-
Total fund balances	<u>19,202,837</u>	<u>16,475,790</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 27,920,391</u>	<u>\$ 19,200,205</u>	<u>\$ 42,825</u>

Total Governmental Funds

2022	2021
\$ 5,760,217 15,926,536  495,287 636,539 22,115,242 2,076,346 22,600 130,654	\$ 4,383,332 14,218,423  547,783 1,283,682 25,575,332 – 23,515 60,257
\$ 47,163,421	\$ 46,092,324
\$ 7,003,542 636,539 426,993 1,011,273 330,101 9,408,448	\$ 6,857,761 1,283,682 671,253 1,951,768 293,177 11,057,641
2,076,346	–
126,835 19,520,944 8,697,775 7,333,073 35,678,627	59,977 17,616,428 9,906,736 7,451,542 35,034,683
\$ 47,163,421	\$ 46,092,324

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INTERMEDIATE DISTRICT NO. 287

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2022

(With Partial Comparative Information as of June 30, 2021)

	<u>2022</u>	<u>2021</u>
Total fund balances – governmental funds	\$ 35,678,627	\$ 35,034,683
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	111,599,204	111,715,284
Accumulated depreciation/amortization	(28,813,471)	(27,515,936)
Governmental funds do not report a liability for accrued interest on long-term debt until due and payable.		
	(483,393)	(519,924)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
Financed purchases payable	–	(145,158)
Certificates of participation payable	(63,390,000)	(66,315,000)
General obligation bonds payable	(4,020,000)	(4,300,000)
Unamortized premium/discount on debt issued	(2,890,594)	(3,211,236)
Severance benefits payable	(6,003,753)	(5,673,259)
Compensated absences payable	(1,389,314)	(1,442,260)
Total OPEB liability	(3,872,279)	(4,881,167)
Net pension liability	(35,081,370)	(56,611,802)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – bond refunding deferments	348,091	379,736
Deferred outflows of resources – pension plan deferments	21,252,619	21,196,316
Deferred inflows of resources – pension plan deferments	(53,263,596)	(35,498,107)
Deferred outflows of resources – OPEB plan deferments	979,118	1,154,278
Deferred inflows of resources – OPEB plan deferments	(1,545,319)	(922,289)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
	<u>14,280,654</u>	<u>13,146,550</u>
Total net position – governmental activities	<u>\$ (16,614,776)</u>	<u>\$ (24,409,291)</u>

INTERMEDIATE DISTRICT NO. 287

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Funds Food Service Special Revenue Fund</u>
<b>Revenue</b>			
Local sources			
Pass-through levies	\$ 2,473,934	\$ 5,238,572	\$ -
Tuition	20,738,868	907,176	-
Investment earnings	24,389	546,690	-
Other	547,139	223,962	6,890
State sources	59,345,316	-	12,615
Federal sources	2,550,036	1,538,744	485,614
Total revenue	<u>85,679,682</u>	<u>8,455,144</u>	<u>505,119</u>
<b>Expenditures</b>			
Current			
Career and technical education	1,089,010	-	-
Academic education	10,453,635	-	-
Special education	57,716,077	-	-
Student clubs	13,084	-	-
Administrative support services and operations and maintenance	17,250,589	-	-
Food service	-	-	761,275
Capital outlay	-	-	-
Debt service			
Principal	132,094	3,205,000	-
Interest and fiscal charges	4,355	3,375,481	-
Total expenditures	<u>86,658,844</u>	<u>6,580,481</u>	<u>761,275</u>
Excess (deficiency) of revenue over expenditures	(979,162)	1,874,663	(256,156)
<b>Other financing sources (uses)</b>			
Debt issued	-	-	-
Transfers in	-	-	256,156
Transfers (out)	(256,156)	-	-
Sale of assets	4,599	-	-
Total other financing sources (uses)	<u>(251,557)</u>	<u>-</u>	<u>256,156</u>
Net change in fund balances	(1,230,719)	1,874,663	-
<b>Fund balances</b>			
Beginning of year	<u>20,433,556</u>	<u>14,601,127</u>	<u>-</u>
End of year	<u>\$ 19,202,837</u>	<u>\$ 16,475,790</u>	<u>\$ -</u>

<u>Total Governmental Funds</u>	
<u>2022</u>	<u>2021</u>
\$ 7,712,506	\$ 7,771,681
21,646,044	19,586,822
571,079	502,400
777,991	1,030,578
59,357,931	60,530,227
<u>4,574,394</u>	<u>3,429,311</u>
94,639,945	92,851,019
1,089,010	1,514,310
10,453,635	10,760,251
57,716,077	57,773,180
13,084	5,787
17,250,589	16,179,362
761,275	707,653
–	577,044
3,337,094	3,095,000
<u>3,379,836</u>	<u>3,495,461</u>
<u>94,000,600</u>	<u>94,108,048</u>
639,345	(1,257,029)
–	145,158
256,156	378,877
(256,156)	(378,877)
4,599	1,798
<u>4,599</u>	<u>146,956</u>
643,944	(1,110,073)
<u>35,034,683</u>	<u>36,144,756</u>
<u>\$ 35,678,627</u>	<u>\$ 35,034,683</u>

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INTERMEDIATE DISTRICT NO. 287

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2022

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

	<u>2022</u>	<u>2021</u>
Total net change in fund balances – governmental funds	\$ 643,944	\$(1,110,073)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	717,682	1,352,890
Depreciation expense	(2,131,297)	(2,097,181)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
Financed purchases payable	–	(145,158)
Repayment of long-term debt principal does not affect the change in net position. However, it reduces fund balances.		
Financed purchases payable	145,158	–
Certificates of participation payable	2,925,000	2,830,000
General obligation bonds payable	280,000	265,000
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	36,531	152,322
The internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	1,134,104	2,043,390
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses or interest and fiscal charges.		
	320,642	320,638
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Severance benefits payable	(330,494)	(207,597)
Compensated absences payable	52,946	(239,251)
Total OPEB liability	1,008,888	(10,447)
Net pension liability	21,530,432	(7,651,242)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflow of resources – bond refunding deferments	(31,645)	(31,645)
Deferred outflows of resources – pension plan deferments	56,303	(12,274,072)
Deferred inflows of resources – pension plan deferments	(17,765,489)	17,791,116
Deferred outflows of resources – OPEB plan deferments	(175,160)	24,629
Deferred inflows of resources – OPEB plan deferments	(623,030)	141,729
Change in net position – governmental activities	<u>\$ 7,794,515</u>	<u>\$ 1,155,048</u>

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INTERMEDIATE DISTRICT NO. 287

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

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Pass-through levies	\$ 2,491,516	\$ 2,466,018	\$ 2,473,934	\$ 7,916
Tuition	19,673,517	19,474,535	20,738,868	1,264,333
Investment earnings	205,635	16,000	24,389	8,389
Other	685,561	616,843	547,139	(69,704)
State sources	62,028,472	60,360,376	59,345,316	(1,015,060)
Federal sources	2,393,899	2,812,082	2,550,036	(262,046)
Total revenue	<u>87,478,600</u>	<u>85,745,854</u>	<u>85,679,682</u>	<u>(66,172)</u>
Expenditures				
Current				
Career and technical education	1,112,705	1,122,820	1,089,010	(33,810)
Academic education	10,081,319	10,715,091	10,453,635	(261,456)
Special education	60,165,301	58,218,777	57,716,077	(502,700)
Student clubs	24,171	16,510	13,084	(3,426)
Administrative support services and operations and maintenance	18,054,550	18,034,748	17,250,589	(784,159)
Debt service				
Principal	–	132,094	132,094	–
Interest and fiscal charges	–	4,355	4,355	–
Total expenditures	<u>89,438,046</u>	<u>88,244,395</u>	<u>86,658,844</u>	<u>(1,585,551)</u>
Excess (deficiency) of revenue over expenditures	(1,959,446)	(2,498,541)	(979,162)	1,519,379
Other financing sources (uses)				
Transfers (out)	(494,661)	(484,263)	(256,156)	228,107
Sale of assets	–	–	4,599	4,599
Total other financing sources (uses)	<u>(494,661)</u>	<u>(484,263)</u>	<u>(251,557)</u>	<u>232,706</u>
Net change in fund balances	<u>\$ (2,454,107)</u>	<u>\$ (2,982,804)</u>	<u>(1,230,719)</u>	<u>\$ 1,752,085</u>
Fund balances				
Beginning of year			<u>20,433,556</u>	
End of year			<u>\$ 19,202,837</u>	

INTERMEDIATE DISTRICT NO. 287

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

(With Partial Comparative Information as of June 30, 2021)

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and temporary investments	\$ 16,348,058	\$ 15,124,068
Receivables		
Accounts and interest	<u>1,303</u>	<u>128</u>
Total current assets	<u>16,349,361</u>	<u>15,124,196</u>
Current liabilities		
Accounts payable	184,447	297,390
Claims payable	874,337	661,622
Due to other governmental units	5,070	4,990
Unearned revenue	<u>1,004,853</u>	<u>1,013,644</u>
Total current liabilities	<u>2,068,707</u>	<u>1,977,646</u>
Net position		
Unrestricted	<u>\$ 14,280,654</u>	<u>\$ 13,146,550</u>

INTERMEDIATE DISTRICT NO. 287

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

	<u>2022</u>	<u>2021</u>
Operating revenue		
Contributions from governmental funds	\$ 13,630,439	\$ 13,688,219
Operating expenses		
Dental benefit claims and expenses	640,266	644,104
Health benefit claims and expenses	10,692,910	9,617,195
Administrative fees	1,189,030	1,397,744
Total operating expenses	<u>12,522,206</u>	<u>11,659,043</u>
Operating income	1,108,233	2,029,176
Nonoperating revenue		
Investment earnings	<u>25,871</u>	<u>14,214</u>
Change in net position	1,134,104	2,043,390
Net position		
Beginning of year	<u>13,146,550</u>	<u>11,103,160</u>
End of year	<u>\$ 14,280,654</u>	<u>\$ 13,146,550</u>

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INTERMEDIATE DISTRICT NO. 287

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

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

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$ 13,620,473	\$ 13,719,536
Payments for claims	(11,233,324)	(10,300,046)
Payments for fees	<u>(1,189,030)</u>	<u>(1,397,744)</u>
Net cash provided by operating activities	1,198,119	2,021,746
Cash flows from investing activities		
Investment income received	<u>25,871</u>	<u>14,214</u>
Net change in cash and cash equivalents	1,223,990	2,035,960
Cash and temporary investments		
Beginning of year	<u>15,124,068</u>	<u>13,088,108</u>
End of year	<u><u>\$ 16,348,058</u></u>	<u><u>\$ 15,124,068</u></u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,108,233	\$ 2,029,176
Adjustments to reconcile operating income to net cash provided by operating activities		
Changes in assets and liabilities		
Accounts and interest receivable	(1,175)	95
Accounts payable	(112,943)	175,902
Claims payable	212,715	(213,969)
Due to other governmental units	80	(680)
Unearned revenue	<u>(8,791)</u>	<u>31,222</u>
Net cash provided by operating activities	<u><u>\$ 1,198,119</u></u>	<u><u>\$ 2,021,746</u></u>

INTERMEDIATE DISTRICT NO. 287

Statement of Fiduciary Net Position  
as of June 30, 2022

	<u>Custodial Fund</u>
Assets	
Cash and temporary investments	\$ <u>93,617</u>
Net position	
Restricted for scholarships	\$ <u>93,617</u>

Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2022

	<u>Custodial Fund</u>
Additions	
Donations	\$ 4,021
Deductions	
Scholarships awarded	<u>3,709</u>
Change in net position	312
Net position	
Beginning of year	<u>93,305</u>
End of year	<u>\$ 93,617</u>

## INTERMEDIATE DISTRICT NO. 287

Notes to Basic Financial Statements  
June 30, 2022

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

#### **A. Organization**

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

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

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

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

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no organizations considered to be component units of the District.

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

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

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

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

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

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

### D. Fund Financial Statement Presentation

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

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

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

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

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

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

### **Description of Funds**

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

#### **Major Governmental Funds**

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

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

#### **Nonmajor Governmental Funds**

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

#### **Proprietary Funds**

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

#### **Fiduciary Funds**

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

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

### **E. Budgeting**

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

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

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

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

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

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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

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

### **G. Receivables**

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

### **H. Inventories**

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

### **I. Prepaid Items**

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

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

### **J. Capital Assets**

Capital assets are capitalized at historical cost or estimated historical cost for purchased or constructed assets. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated/amortized using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation/amortization purposes. Useful lives vary, ranging from 20 to 50 years for buildings, and 4 to 15 years for equipment.

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

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

### **K. Unearned Revenue**

Unearned revenue consists of tuition for fiscal 2023, West Suburban Summer School classes collected with spring registration, gifts and grants for the fiscal 2023 school year, balances remaining in student lunch accounts, and collections in advance of premiums in the internal service funds.

### **L. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

### **M. Compensated Absences Payable**

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

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

### **N. Severance Benefits**

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

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

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

### **O. State-Wide Pension Plans**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) and additions to/deductions from the PERA's and the TRA's fiduciary net positions have been determined on the same basis as they are reported by the PERA and the TRA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

### **P. Tuition Billings**

The District's policy is to recognize tuition revenue in the fiscal year that corresponds with the fiscal year in which the educational services are rendered to resident districts. Therefore, tuition revenue for the year ended June 30, 2022 represents services performed during the 2021–2022 fiscal year.

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

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

**Q. Risk Management**

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District’s insurance coverage in fiscal 2022.
2. **Self-Insurance** – The District utilizes internal service funds to account for and finance its uninsured risk of loss for its employee dental and medical plans. The internal service funds are funded by the District, employee contributions, and interest income. The claims liability reported in the internal service funds for the dental and medical plans at June 30, 2022, is based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the loss can be reasonably estimated. Changes in the internal service funds’ dental and medical plan claims liability were:

**Dental**

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
June 30, 2021	\$ 20,023	\$ 644,104	\$ 654,900	\$ 9,227
June 30, 2022	\$ 9,227	\$ 575,690	\$ 570,832	\$ 14,085

**Medical**

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
June 30, 2021	\$ 855,568	\$ 9,617,195	\$ 9,820,368	\$ 652,395
June 30, 2022	\$ 652,395	\$ 10,870,349	\$ 10,662,492	\$ 860,252

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

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

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

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

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

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

### S. Statement of Cash Flows

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

### T. Restricted Assets

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

### 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 amounts reported in the financial statements during the reporting period. Actual results could differ from those estimates.

### V. Net Position

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

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

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

### W. Fund Balance Classifications

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

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

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

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

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

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

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

### Y. Change in Accounting Principle

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. This statement included major changes in recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Certain amounts necessary to fully restate fiscal year 2021 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new GASB statement in the current year resulted in the District reporting a new lease receivable and deferred inflows of resources in the current year. See Note 1 and Note 3 for additional details on these balances.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Deposits

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

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

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

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

The District’s deposit policies do not further limit depository choices.

At year-end, the carrying amount of the District’s deposits was \$18,357,114, while the balance on the bank records was \$18,793,388. At June 30, 2022, all deposits were insured or collateralized by securities held by the District’s agent in the District’s name.

### B. Cash on Hand

Cash in the possession of the District, consisting of petty cash and change funds, totaled \$450 at year-end.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### C. Investments

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

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

**Credit Risk** – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the District’s investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. The District’s investment policies do not further restrict investing in specific financial instruments.

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

**Concentration Risk** – This is the risk associated with investing a significant portion of the District’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk. At June 30, 2022, the District’s investments portfolio includes the following percentages of specific issuers:

Repurchase agreement	
Citigroup Global Markets	80.5%

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

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### D. Summary Information

The following table presents the District’s deposit and investment balances at June 30, 2022, and information relating to potential investment risks:

Investment Type	Credit Risk		Interest	Fair Value Measurements Using	Carrying Value
	Credit Rating	Rating Agency	Rate Risk Maturity Date		
Repurchase agreement					
Citigroup Global Markets (U.S. agency underlying security)	AAA	S&P	February 2029	N/A	\$ 15,914,794
Investment pools/mutual funds					
MNTrust Investment Shares Portfolio	AAA	S&P	N/A	Amortized Cost	123
Minnesota School District Liquid Asset Fund Liquid Portfolio	AAA	S&P	N/A	Amortized Cost	3,844,204
First American Government Obligations Fund	AAA	S&P	N/A	Level 1	207
Wells Fargo Treasury Money Market	AAA	S&P	N/A	Level 1	11,536
Total investments					19,770,864
Deposits					18,357,114
Cash on hand					450
Total cash and investments					<u>\$ 38,128,428</u>

N/A – Not Applicable

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

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

Cash and temporary investments – Statement of Net Position	\$ 22,108,275
Restricted assets – temporarily restricted	
Cash and investments for debt service	15,926,536
Cash and investments – Statement of Fiduciary Net Position	
Custodial Fund	93,617
Total cash and investments	<u>\$ 38,128,428</u>

### NOTE 3 – LEASE RECEIVABLE

The District has entered into a lease receivable agreement for building space on district property. The adoption of GASB Statement No. 87 resulted in recording this agreement as a \$2,076,346 lease receivable and offsetting deferred inflow of resources in the Debt Service Fund as of the July 1, 2021 implementation date. The lease is reported using an incremental borrowing rate of 2.31 percent with a final maturity in fiscal 2033. During the current year, the District received principal and interest payments on this lease of \$223,962.

## NOTE 4 – CAPITAL ASSETS

Capital assets activity for the current year is as follows:

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized					
Land	\$ 10,865,963	\$ –	\$ –	\$ –	\$ 10,865,963
Construction in progress	14,000	238,209	–	(241,551)	10,658
Total capital assets, not depreciated/amortized	10,879,963	238,209	–	(241,551)	10,876,621
Capital assets, depreciated/amortized					
Buildings	95,847,167	351,915	–	241,551	96,440,633
Equipment	4,988,154	127,558	(833,762)	–	4,281,950
Total capital assets, depreciated/amortized	100,835,321	479,473	(833,762)	241,551	100,722,583
Less accumulated depreciation/amortization for					
Buildings	(23,639,455)	(1,987,485)	–	–	(25,626,940)
Equipment	(3,876,481)	(143,812)	833,762	–	(3,186,531)
Total accumulated depreciation/amortization	(27,515,936)	(2,131,297)	833,762	–	(28,813,471)
Net capital assets, depreciated/amortized	73,319,385	(1,651,824)	–	241,551	71,909,112
Total capital assets, net	\$ 84,199,348	\$ (1,413,615)	\$ –	\$ –	\$ 82,785,733

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

Career and technical education	\$ 2,844
Special education	32,958
Administrative support services and operations and maintenance	2,091,746
Food service	3,749
Total depreciation/amortization expense	\$ 2,131,297

## NOTE 5 – LONG-TERM LIABILITIES

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

	June 30, 2021	Additions (Rebates)	Retirements	June 30, 2022	Due Within One Year
Financed purchases payable	\$ 145,158	\$ (13,064)	\$ 132,094	\$ –	\$ –
Certificates of participation payable	66,315,000	–	2,925,000	63,390,000	3,020,000
General obligation bonds payable	4,300,000	–	280,000	4,020,000	290,000
Unamortized premium/discount on debt issued	3,211,236	–	320,642	2,890,594	–
Severance benefits payable	5,673,259	1,515,941	1,185,447	6,003,753	374,003
Compensated absences payable	1,442,260	1,055,908	1,108,854	1,389,314	1,389,314
Total OPEB liability	4,881,167	188,678	1,197,566	3,872,279	979,118
Net pension liability	56,611,802	11,081,224	32,611,656	35,081,370	–
	\$ 142,579,882	\$ 13,828,687	\$ 39,761,259	\$ 116,647,310	\$ 6,052,435

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

**B. Descriptions of Long-Term Liabilities**

**Financed Purchases Payable**

<u>Financed Purchase Description</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Guaranteed Energy Savings	3.00%	12/02/2020	01/28/2022	<u>\$ —</u>

**Certificates of Participation Payable** – The following certificates of participation are outstanding as of June 30, 2022:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Certificates of participation (COP) payable					
2010B COP Build America					
Bonds – Direct Pay	01/07/2010	5.48%	\$ 2,050,000	02/01/2025	\$ 1,275,000
2010E COP Qualified School					
Construction Bonds – Direct Pay	11/18/2010	6.00%	\$ 29,790,000	02/01/2029	29,790,000
2011A COP	05/19/2011	3.00–4.20%	\$ 4,075,000	02/01/2026	1,290,000
2016A Refunding COP	09/15/2016	3.00–4.00%	\$ 25,805,000	05/01/2032	17,235,000
2017A COP	08/24/2017	3.13–5.00%	\$ 11,880,000	02/01/2037	11,880,000
2019A Refunding COP	12/30/2019	3.00–4.00%	\$ 3,085,000	02/01/2025	<u>1,920,000</u>
Total certificates of participation payable					<u>\$ 63,390,000</u>

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

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

**General Obligation Bonds Payable** – The following general obligation bonds are outstanding as of June 30, 2022:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
General obligation bonds payable					
Facilities Maintenance Bonds – 2017B	08/24/2017	4.00–5.00%	\$ 5,065,000	05/01/2033	<u>\$ 4,020,000</u>

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

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

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

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

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

District employees participate in two state-wide, cost-sharing, multiple-employer defined benefit pension plans, administered by the PERA and the TRA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2022:

Pension Plans	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA	\$ 11,790,707	\$ 8,784,489	\$ 10,954,376	\$ (207,583)
TRA	23,290,663	12,468,130	42,309,220	484,339
Total	\$ 35,081,370	\$ 21,252,619	\$ 53,263,596	\$ 276,756

**C. Minimum Debt Payments**

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

Year Ending June 30,	Certificates of Participation		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest
2023	\$ 3,020,000	\$ 3,079,011	\$ 290,000	\$ 169,950
2024	3,120,000	2,969,425	305,000	155,450
2025	3,230,000	2,855,735	320,000	140,200
2026	3,390,000	2,737,643	335,000	124,200
2027	2,695,000	2,601,363	350,000	110,800
2028–2032	42,475,000	6,112,663	1,975,000	332,000
2033–2037	5,460,000	642,225	445,000	17,800
	\$ 63,390,000	\$ 20,998,065	\$ 4,020,000	\$ 1,050,400

## NOTE 6 – FUND BALANCES

### A. Classifications

At June 30, 2022, a summary of the District’s governmental fund balance classifications are as follows:

	General Fund	Debt Service Fund	Nonmajor Fund	Total
Nonspendable				
Prepaid items	\$ 125,543	\$ 1,292	\$ –	\$ 126,835
Restricted				
Basic skills programs	115,586	–	–	115,586
Safe schools levy	645,942	–	–	645,942
Basic skills extended time	115,262	–	–	115,262
Long-term facilities maintenance	658,985	–	–	658,985
Medical Assistance	1,510,671	–	–	1,510,671
Debt service	–	16,474,498	–	16,474,498
Total restricted	<u>3,046,446</u>	<u>16,474,498</u>	<u>–</u>	<u>19,520,944</u>
Assigned				
COVID-19	310,388	–	–	310,388
Damage donations	211	–	–	211
Food service donations	5,935	–	–	5,935
Severance	5,167,529	–	–	5,167,529
Tuition adjustments	1,788,609	–	–	1,788,609
Property	165,200	–	–	165,200
Student clubs	16,348	–	–	16,348
Vehicle depreciation	101,664	–	–	101,664
Collaborative curriculum project	113,669	–	–	113,669
Strategic priorities	498,681	–	–	498,681
Subsequent year’s budget	529,541	–	–	529,541
Total assigned	<u>8,697,775</u>	<u>–</u>	<u>–</u>	<u>8,697,775</u>
Unassigned	<u>7,333,073</u>	<u>–</u>	<u>–</u>	<u>7,333,073</u>
Total	<u>\$ 19,202,837</u>	<u>\$ 16,475,790</u>	<u>\$ –</u>	<u>\$ 35,678,627</u>

### B. Fund Balance Policy

The Board of Directors has formally adopted a fund balance policy regarding the unassigned fund balance for the General Fund. The policy establishes that the District will endeavor to maintain an unassigned fund balance of at least 6.0–8.0 percent of the District’s General Fund operating budget, excluding operating capital programs. At June 30, 2022, the unassigned fund balance of the General Fund was 8.5 percent of total current year expenditures.

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

### A. Plan Description

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

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

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

### B. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the District. The District's contributions in the current year totaled \$425,832, as required on a pay-as-you-go basis to finance the current year benefits as described in the previous section. The District has not established a trust fund to finance these OPEB benefits.

### C. Membership

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

Retirees and beneficiaries receiving benefits	38
Active plan members	<u>807</u>
Total members	<u><u>845</u></u>

### D. Total OPEB Liability of the District

The District's total OPEB liability of \$3,872,279 at year-end was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

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

### E. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	1.92%
20-year municipal bond yield	1.92%
Inflation rate	2.25%
Healthcare cost trend rate	6.30%, grading to 3.80% over 54 years

Mortality rates were based on the RP-2014 with projected mortality improvements based on scale MP-2015 for teachers and MP-2019 for non-teachers.

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

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

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

### F. Discount Rate

The discount rate used to measure the total OPEB liability was 1.92 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due.

### G. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Beginning balance – July 1, 2021	\$ 4,881,167
Changes for the year	
Service cost	451,141
Interest	124,803
Difference between expected and actual experience	(611,957)
Changes of assumptions	(254,201)
Changes of benefit terms	(242,064)
Benefit payments	(476,610)
Total net changes	<u>(1,008,888)</u>
Ending balance – June 30, 2022	<u>\$ 3,872,279</u>

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

Plan changes since the prior measurement date include the following:

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

Assumption changes since the prior measurement date include the following:

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

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

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB discount rate	0.92%	1.92%	2.92%
Total OPEB liability	\$ 4,092,870	\$ 3,872,279	\$ 3,656,894

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

	1% Decrease in Healthcare Cost Trend Rates	Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Healthcare cost trend rate	5.30%, grading to 2.80% over 54 years	6.30%, grading to 3.80% over 54 years	7.30%, grading to 4.80% over 54 years
Total OPEB liability	\$ 3,599,144	\$ 3,872,279	\$ 4,200,695

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ –	\$ 1,233,071
Changes in actuarial assumptions	553,286	312,248
District’s contributions to the OPEB Plan subsequent to the measurement date	<u>425,832</u>	<u>–</u>
Total	<u>\$ 979,118</u>	<u>\$ 1,545,319</u>

A total of \$425,832 reported as deferred outflows of resources related to OPEB, resulting from district contributions to the OPEB Plan subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>OPEB Expense Amount</u>
2023	\$ (145,202)
2024	\$ (145,202)
2025	\$ (145,202)
2026	\$ (128,006)
2027	\$ (121,138)
Thereafter	\$ (307,283)

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

**A. Plan Descriptions**

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

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

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

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

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

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

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

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

### **B. Benefits Provided**

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

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

#### **1. GERF Benefits**

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. 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.

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

**2. TRA Benefits**

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

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

**Tier I Benefits**

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

With these provisions:

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

**Tier II Benefits**

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

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

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

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

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

**C. Contributions**

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

**1. GERF Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2022 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District’s contributions to the GERF for the year ended June 30, 2022, were \$1,460,444. The District’s contributions were equal to the required contributions as set by state statutes.

**2. TRA Contributions**

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

	Year Ended June 30,					
	2020		2021		2022	
	Employee	Employer	Employee	Employer	Employee	Employer
<b>Basic Plan</b>	11.00 %	11.92 %	11.00 %	12.13 %	11.00 %	12.34 %
<b>Coordinated Plan</b>	7.50 %	7.92 %	7.50 %	8.13 %	7.50 %	8.34 %

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2022, were \$2,630,479. The District’s contributions were equal to the required contributions for each year as set by state statutes.

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

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

	<i>in thousands</i>
Employer contributions reported in the TRA’s Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	\$ 448,829
Add employer contributions not related to future contribution efforts	379
Deduct the TRA’s contributions not included in allocation	<u>(538)</u>
Total employer contributions	448,670
Total nonemployer contributions	<u>37,840</u>
Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations	<u>\$ 486,510</u>

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

### D. Pension Costs

#### 1. GERF Pension Costs

At June 30, 2022, the District reported a liability of \$11,790,707 for its proportionate share of the General Employees Fund’s net pension liability. The District’s net pension liability reflected a reduction due to the state of Minnesota’s contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The state of Minnesota’s proportionate share of the net pension liability associated with the District totaled \$360,150. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.2761 percent at the end of the measurement period and 0.2777 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$ 11,790,707
State’s proportionate share of the net pension liability associated with the District	\$ 360,150

For the year ended June 30, 2022, the District recognized negative pension expense of (\$236,631) for its proportionate share of the GERF’s pension expense. In addition, the District recognized an additional \$29,048 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s pension expense for the annual \$16 million contribution.

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

At June 30, 2022, the District reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 72,360	\$ 361,070
Changes in actuarial assumptions	7,199,162	261,758
Net collective difference between projected and actual investment earnings	–	10,208,287
Changes in proportion	52,523	123,261
District’s contributions to the GERF subsequent to the measurement date	<u>1,460,444</u>	<u>–</u>
Total	<u>\$ 8,784,489</u>	<u>\$ 10,954,376</u>

The \$1,460,444 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2023	\$ (558,558)
2024	\$ (173,125)
2025	\$ (113,507)
2026	\$ (2,785,141)

**2. TRA Pension Costs**

At June 30, 2022, the District reported a liability of \$23,290,663 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District’s proportionate share was 0.5322 percent at the end of the measurement period and 0.5409 percent for the beginning of the period.

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

District’s proportionate share of the net pension liability	\$ 23,290,663
State’s proportionate share of the net pension liability associated with the District	\$ 1,964,357

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

For the year ended June 30, 2022, the District recognized pension expense of \$506,334. It also recognized \$21,995 as a decrease to pension expense for the support provided by direct aid.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 641,127	\$ 660,474
Changes in actuarial assumptions	8,535,537	21,048,878
Net collective difference between projected and actual investment earnings on pension plan investments	–	19,491,304
Changes in proportion	660,987	1,108,564
District’s contributions to the TRA subsequent to the measurement date	2,630,479	–
	<u>12,468,130</u>	<u>42,309,220</u>
Total	<u>\$ 12,468,130</u>	<u>\$ 42,309,220</u>

A total of \$2,630,479 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2023	\$(15,673,891)
2024	\$(12,015,337)
2025	\$ (2,809,221)
2026	\$ (3,510,001)
2027	\$ 1,536,881

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

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

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

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

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

**F. Actuarial Methods and Assumptions**

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

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

**1. GERF**

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

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

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

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

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

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

### **2. TRA**

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP-2014 tables for the TRA for males and females, as appropriate, with slight adjustments to fit the TRA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.00 percent for January 2020 through January 2023, then increasing by 0.10 percent each year, up to 1.50 percent annually.

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

The following changes in actuarial assumptions occurred in 2021:

#### **1. GERF**

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

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

#### **2. TRA**

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

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

### **G. Discount Rate**

#### **1. GERF**

The discount rate used to measure the total pension liability in 2021 was 6.50 percent. The discount rate used to measure the total pension liability at the prior measurement date was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### **2. TRA**

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

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

### H. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	5.50%	6.50%	7.50%
District’s proportionate share of the GERF net pension liability	\$ 24,047,023	\$ 11,790,707	\$ 1,733,651
TRA discount rate	6.00%	7.00%	8.00%
District’s proportionate share of the TRA net pension liability	\$ 47,048,274	\$ 23,290,663	\$ 3,807,529

### I. Pension Plan Fiduciary Net Position

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

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

## **NOTE 9 – FLEXIBLE BENEFIT PLAN**

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

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

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

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

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

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

### **A. Interfund Transfers**

During the year ended June 30, 2022, the District's Food Service Special Revenue Fund received a transfer in the amount of \$256,156 from the General Fund. This transfer was made to finance current year operations in this fund.

### **B. Due To/Due From**

As of June 30, 2022, the General Fund has a receivable of \$636,539 from the District's Debt Service Fund to assist with cash flow.

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

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

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

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

### **B. Legal Contingencies**

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

### **C. State Tuition Billing Revenue**

At June 30, 2022, the District reported a balance due from other governmental units of approximately \$12 million related to amounts receivable from the MDE for state aid from the state's special education tuition billing process.

Special education state aid revenue includes amounts related to tuition billings to other school districts for special education services, which are computed using formulas derived by the MDE. Because of the timing of the MDE's calculations, these final aid amounts for fiscal 2022 have not been finalized. The amount of the receivable and revenue recorded for fiscal 2022 for state special education aid is calculated using preliminary information available to the District.

The District has reported a \$1,788,609 assigned fund balance for tuition adjustments of the MDE tuition calculations in the General Fund. This was reported to recognize the potential for additional calculation changes in these aid categories by state agencies.

### **D. Construction Commitments**

At June 30, 2022, the District has commitments totaling \$251,722 under a construction contract for which the work was not yet completed.

## **NOTE 12 – SUBSEQUENT EVENT**

In November 2022, the District issued Facilities Maintenance Bonds, Series 2022A totaling \$4,750,000. These bonds will be used for district maintenance projects. The bonds carry an interest rate between 3.35–5.00 percent and mature on May 1, 2043.

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REQUIRED SUPPLEMENTARY INFORMATION

INTERMEDIATE DISTRICT NO. 287

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2022

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

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

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

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

INTERMEDIATE DISTRICT NO. 287

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2022

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

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

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

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

INTERMEDIATE DISTRICT NO. 287

Other Post-Employment Benefits Plan  
 Schedule of Changes in the District's Total  
 OPEB Liability and Related Ratios  
 Year Ended June 30, 2022

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

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

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

INTERMEDIATE SCHOOL DISTRICT NO. 287

Notes to Required Supplementary Information  
June 30, 2022

**PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2020 CHANGES IN PLAN PROVISIONS**

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

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INTERMEDIATE SCHOOL DISTRICT NO. 287

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

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

**2019 CHANGES IN PLAN PROVISIONS**

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

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2018 CHANGES IN PLAN PROVISIONS**

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

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INTERMEDIATE SCHOOL DISTRICT NO. 287

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

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

**2017 CHANGES IN PLAN PROVISIONS**

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

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035, and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

**2015 CHANGES IN PLAN PROVISIONS**

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

**2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INTERMEDIATE SCHOOL DISTRICT NO. 287

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

**TEACHERS RETIREMENT ASSOCIATION (TRA)**

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INTERMEDIATE SCHOOL DISTRICT NO. 287

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

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

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The COLA was assumed to increase from 2.00 percent annually to 2.50 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50 percent, but remain at 2.00 percent for all future years.
- Adjustments were made to the CSA loads. The active load was reduced from 1.40 percent to zero percent, the vested inactive load increased from 4.00 percent to 7.00 percent, and the nonvested inactive load increased from 4.00 percent to 9.00 percent.
- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2015 CHANGES IN PLAN PROVISIONS**

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

**2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INTERMEDIATE SCHOOL DISTRICT NO. 287

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

**OTHER POST-EMPLOYMENT BENEFITS PLAN**

**2022 CHANGES IN PLAN PROVISIONS**

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

**2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INTERMEDIATE SCHOOL DISTRICT NO. 287

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

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

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2018 CHANGES IN PLAN PROVISIONS**

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

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

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SUPPLEMENTARY INFORMATION

INTERMEDIATE DISTRICT NO. 287

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

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and temporary investments	\$ 5,751,560	\$ 4,383,332
Receivables		
Accounts and interest	257,116	332,554
Due from other funds	636,539	1,283,682
Due from other governmental units	21,149,634	24,105,133
Prepaid items	<u>125,542</u>	<u>59,977</u>
Total assets	<u>\$ 27,920,391</u>	<u>\$ 30,164,678</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 6,970,358	\$ 6,825,979
Accounts and contracts payable	421,645	668,964
Due to other governmental units	1,011,273	1,949,513
Unearned revenue	<u>314,278</u>	<u>286,666</u>
Total liabilities	8,717,554	9,731,122
<b>Fund balances</b>		
Nonspendable for prepaid items	125,543	59,977
Restricted for basic skills programs	115,586	264,604
Restricted for safe schools levy	645,942	754,197
Restricted for basic skills extended time	115,262	115,262
Restricted for long-term facilities maintenance	658,985	614,086
Restricted for Medical Assistance	1,510,671	1,267,152
Assigned for COVID-19	310,388	457,288
Assigned for damage donations	211	636
Assigned for food service donations	5,935	5,935
Assigned for severance	5,167,529	5,563,206
Assigned for tuition adjustments	1,788,609	1,788,609
Assigned for property	165,200	186,334
Assigned for student clubs	16,348	21,658
Assigned for vehicle depreciation	101,664	101,664
Assigned for collaborative curriculum project	113,669	113,669
Assigned for strategic priorities	498,681	988,863
Assigned for subsequent year's budget	529,541	678,874
Unassigned	<u>7,333,073</u>	<u>7,451,542</u>
Total fund balances	<u>19,202,837</u>	<u>20,433,556</u>
Total liabilities and fund balances	<u>\$ 27,920,391</u>	<u>\$ 30,164,678</u>

INTERMEDIATE DISTRICT NO. 287

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

	2022		Over (Under) Budget	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 2,466,018	\$ 2,473,934	\$ 7,916	\$ 2,576,713
Tuition	19,474,535	20,738,868	1,264,333	18,699,103
Investment earnings	16,000	24,389	8,389	16,438
Other	616,843	547,139	(69,704)	802,054
State sources	60,360,376	59,345,316	(1,015,060)	60,530,137
Federal sources	2,812,082	2,550,036	(262,046)	1,554,714
Total revenue	<u>85,745,854</u>	<u>85,679,682</u>	<u>(66,172)</u>	<u>84,179,159</u>
<b>Expenditures</b>				
Current				
Career and technical education	1,122,820	1,089,010	(33,810)	1,514,310
Academic education	10,715,091	10,453,635	(261,456)	10,760,251
Special education	58,218,777	57,716,077	(502,700)	57,773,180
Student clubs	16,510	13,084	(3,426)	5,787
Administrative support services and operations and maintenance	18,034,748	17,250,589	(784,159)	16,179,362
Debt service				
Principal	132,094	132,094	—	—
Interest and fiscal charges	4,355	4,355	—	—
Total expenditures	<u>88,244,395</u>	<u>86,658,844</u>	<u>(1,585,551)</u>	<u>86,232,890</u>
Excess (deficiency) of revenue over expenditures	(2,498,541)	(979,162)	1,519,379	(2,053,731)
<b>Other financing sources (uses)</b>				
Debt issued	—	—	—	145,158
Transfers (out)	(484,263)	(256,156)	228,107	(378,877)
Sale of assets	—	4,599	4,599	1,798
Total other financing sources (uses)	<u>(484,263)</u>	<u>(251,557)</u>	<u>232,706</u>	<u>(231,921)</u>
Net change in fund balances	<u>\$ (2,982,804)</u>	<u>(1,230,719)</u>	<u>\$ 1,752,085</u>	<u>(2,285,652)</u>
<b>Fund balances</b>				
Beginning of year		<u>20,433,556</u>		<u>22,719,208</u>
End of year		<u>\$ 19,202,837</u>		<u>\$ 20,433,556</u>

INTERMEDIATE DISTRICT NO. 287

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

	Career and Technical Education Account	Academic Education Account	Special Education Account
<b>Revenue</b>			
Local sources			
Pass-through levies	\$ 208,386	\$ 33,533	\$ -
Tuition	942,497	4,856,055	11,789,044
Investment earnings	-	-	-
Other	11,999	217,226	18,266
State sources	9,834	4,859,171	45,470,752
Federal sources	18,650	238,819	281,756
Total revenue	<u>1,191,366</u>	<u>10,204,804</u>	<u>57,559,818</u>
<b>Expenditures</b>			
Current			
Career and technical education	1,089,010	-	-
Academic education	-	10,453,635	-
Special education	-	-	57,716,077
Student clubs	-	-	-
Administrative support services and operations and maintenance	-	-	-
Allocated costs	-	(88,858)	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,089,010</u>	<u>10,364,777</u>	<u>57,716,077</u>
Excess (deficiency) of revenue over expenditures	102,356	(159,973)	(156,259)
<b>Other financing sources (uses)</b>			
Intrafund transfers	-	219,855	(76,259)
Transfers (out)	-	-	-
Sale of assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>219,855</u>	<u>(76,259)</u>
Net change in fund balances	102,356	59,882	(232,518)
<b>Fund balances</b>			
Beginning of year	<u>413,983</u>	<u>590,479</u>	<u>11,030,628</u>
End of year	<u>\$ 516,339</u>	<u>\$ 650,361</u>	<u>\$ 10,798,110</u>

District-Wide Account	Severance and Property Account	Student Clubs Account	Total
\$ 2,232,015	\$ -	\$ -	\$ 2,473,934
3,151,272	-	-	20,738,868
24,389	-	-	24,389
291,874	-	7,774	547,139
9,005,559	-	-	59,345,316
2,010,811	-	-	2,550,036
<u>16,715,920</u>	<u>-</u>	<u>7,774</u>	<u>85,679,682</u>
-	-	-	1,089,010
-	-	-	10,453,635
-	-	-	57,716,077
-	-	13,084	13,084
17,250,589	-	-	17,250,589
(380,941)	469,799	-	-
132,094	-	-	132,094
4,355	-	-	4,355
<u>17,006,097</u>	<u>469,799</u>	<u>13,084</u>	<u>86,658,844</u>
(290,177)	(469,799)	(5,310)	(979,162)
(196,584)	52,988	-	-
(256,156)	-	-	(256,156)
4,599	-	-	4,599
<u>(448,141)</u>	<u>52,988</u>	<u>-</u>	<u>(251,557)</u>
(738,318)	(416,811)	(5,310)	(1,230,719)
<u>2,627,268</u>	<u>5,749,540</u>	<u>21,658</u>	<u>20,433,556</u>
<u>\$ 1,888,950</u>	<u>\$ 5,332,729</u>	<u>\$ 16,348</u>	<u>\$ 19,202,837</u>

INTERMEDIATE DISTRICT NO. 287

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

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 200,000	\$ 208,386	\$ 8,386	\$ 229,586
Tuition	918,902	942,497	23,595	746,481
Other	10,500	11,999	1,499	8,000
State sources	11,465	9,834	(1,631)	80,541
Federal sources	18,650	18,650	–	19,745
Total revenue	<u>1,159,517</u>	<u>1,191,366</u>	<u>31,849</u>	<u>1,084,353</u>
<b>Expenditures</b>				
Career and technical education				
Salaries and wages	676,532	656,883	(19,649)	946,506
Employee benefits	316,689	305,462	(11,227)	381,779
Purchased services	40,085	38,523	(1,562)	13,468
Supplies and materials	82,574	82,865	291	154,754
Capital expenditures	–	–	–	11,751
Other	6,940	5,277	(1,663)	6,052
Allocated costs	<u>(40,000)</u>	<u>–</u>	<u>40,000</u>	<u>(130,516)</u>
Total expenditures	<u>1,082,820</u>	<u>1,089,010</u>	<u>6,190</u>	<u>1,383,794</u>
Excess (deficiency) of revenue over expenditures	76,697	102,356	25,659	(299,441)
<b>Other financing sources</b>				
Intrafund transfers	<u>(40,000)</u>	<u>–</u>	<u>40,000</u>	<u>–</u>
Net change in fund balances	<u>\$ 36,697</u>	102,356	<u>\$ 65,659</u>	(299,441)
<b>Fund balances</b>				
Beginning of year		<u>413,983</u>		<u>713,424</u>
End of year		<u>\$ 516,339</u>		<u>\$ 413,983</u>

INTERMEDIATE DISTRICT NO. 287

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

Year Ended June 30, 2022

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

	2022		Over (Under) Budget	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 30,000	\$ 33,533	\$ 3,533	\$ 36,151
Tuition	4,588,202	4,856,055	267,853	4,224,002
Other	211,256	217,226	5,970	181,472
State sources	4,660,366	4,859,171	198,805	3,898,531
Federal sources	170,803	238,819	68,016	38,283
Total revenue	<u>9,660,627</u>	<u>10,204,804</u>	<u>544,177</u>	<u>8,378,439</u>
<b>Expenditures</b>				
Academic education				
Salaries and wages	7,101,276	7,001,775	(99,501)	7,221,686
Employee benefits	2,613,139	2,495,962	(117,177)	2,647,230
Purchased services	652,649	650,290	(2,359)	617,490
Supplies and materials	275,491	238,250	(37,241)	224,022
Capital expenditures	510	–	(510)	–
Other	72,026	67,358	(4,668)	49,823
Allocated costs	<u>(70,000)</u>	<u>(88,858)</u>	<u>(18,858)</u>	<u>(14,926)</u>
Total expenditures	<u>10,645,091</u>	<u>10,364,777</u>	<u>(280,314)</u>	<u>10,745,325</u>
Excess (deficiency) of revenue over expenditures	(984,464)	(159,973)	824,491	(2,366,886)
<b>Other financing sources</b>				
Intrafund transfers	<u>457,058</u>	<u>219,855</u>	<u>(237,203)</u>	<u>1,757,800</u>
Net change in fund balances	<u>\$ (527,406)</u>	<u>59,882</u>	<u>\$ 587,288</u>	<u>(609,086)</u>
<b>Fund balances</b>				
Beginning of year		<u>590,479</u>		<u>1,199,565</u>
End of year		<u>\$ 650,361</u>		<u>\$ 590,479</u>

INTERMEDIATE DISTRICT NO. 287

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

	2022		2021	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	\$ 10,958,677	\$ 11,789,044	\$ 830,367	\$ 11,784,723
Other	4,164	18,266	14,102	50,217
State sources	46,323,962	45,470,752	(853,210)	46,597,575
Federal sources	328,592	281,756	(46,836)	23,856
Total revenue	<u>57,615,395</u>	<u>57,559,818</u>	<u>(55,577)</u>	<u>58,456,371</u>
Expenditures				
Special education				
Current				
Salaries and wages	37,496,203	37,304,104	(192,099)	37,924,821
Employee benefits	17,004,314	17,088,552	84,238	17,137,755
Purchased services	2,747,552	2,555,562	(191,990)	1,987,656
Supplies and materials	675,619	488,679	(186,940)	392,428
Capital expenditures	41,390	37,107	(4,283)	78,811
Other	253,699	242,073	(11,626)	251,709
Total expenditures	<u>58,218,777</u>	<u>57,716,077</u>	<u>(502,700)</u>	<u>57,773,180</u>
Excess (deficiency) of revenue over expenditures	(603,382)	(156,259)	447,123	683,191
Other financing sources (uses)				
Intrafund transfers	<u>(527,058)</u>	<u>(76,259)</u>	<u>450,799</u>	<u>(2,007,491)</u>
Net change in fund balances	<u>\$ (1,130,440)</u>	<u>(232,518)</u>	<u>\$ 897,922</u>	<u>(1,324,300)</u>
Fund balances				
Beginning of year		<u>11,030,628</u>		<u>12,354,928</u>
End of year		<u>\$ 10,798,110</u>		<u>\$ 11,030,628</u>

INTERMEDIATE DISTRICT NO. 287

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

	2022		Over (Under) Budget	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 2,236,018	\$ 2,232,015	\$ (4,003)	\$ 2,310,976
Tuition	3,008,754	3,151,272	142,518	1,943,897
Investment earnings	16,000	24,389	8,389	16,438
Other	375,723	291,874	(83,849)	560,482
State sources	9,364,583	9,005,559	(359,024)	9,953,490
Federal sources	2,294,037	2,010,811	(283,226)	1,472,830
Total revenue	<u>17,295,115</u>	<u>16,715,920</u>	<u>(579,195)</u>	<u>16,258,113</u>
<b>Expenditures</b>				
Current				
Administrative support services and operations and maintenance				
Salaries and wages	8,066,497	8,186,122	119,625	7,486,836
Employee benefits	3,270,415	3,269,824	(591)	3,065,989
Purchased services	3,966,775	3,577,873	(388,902)	3,493,342
Supplies and materials	1,735,871	1,529,153	(206,718)	1,106,530
Capital expenditures	893,024	601,275	(291,749)	944,376
Other	102,166	86,342	(15,824)	82,289
Allocated costs	(186,507)	(380,941)	(194,434)	(41,082)
Debt service				
Principal	132,094	132,094	–	–
Interest and fiscal charges	4,355	4,355	–	–
Total expenditures	<u>17,984,690</u>	<u>17,006,097</u>	<u>(978,593)</u>	<u>16,138,280</u>
Excess (deficiency) of revenue over expenditures	(689,575)	(290,177)	399,398	119,833
<b>Other financing sources (uses)</b>				
Debt issued	–	–	–	145,158
Intrafund transfers	(186,507)	(196,584)	(10,077)	94,456
Transfers (out)	(484,263)	(256,156)	228,107	(378,877)
Sale of assets	–	4,599	4,599	1,798
Total other financing sources (uses)	<u>(670,770)</u>	<u>(448,141)</u>	<u>222,629</u>	<u>(137,465)</u>
Net change in fund balances	<u>\$ (1,360,345)</u>	<u>(738,318)</u>	<u>\$ 622,027</u>	<u>(17,632)</u>
<b>Fund balances</b>				
Beginning of year		<u>2,627,268</u>		<u>2,644,900</u>
End of year		<u>\$ 1,888,950</u>		<u>\$ 2,627,268</u>

INTERMEDIATE DISTRICT NO. 287

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

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources	\$ –	\$ –	\$ –	\$ –
Expenditures				
Current				
Severance costs				
Allocated costs	<u>296,507</u>	<u>469,799</u>	<u>173,292</u>	<u>186,524</u>
Excess (deficiency) of revenue over expenditures	(296,507)	(469,799)	(173,292)	(186,524)
Other financing sources				
Intrafund transfers	<u>296,507</u>	<u>52,988</u>	<u>(243,519)</u>	<u>155,235</u>
Net change in fund balances	<u>\$ –</u>	<u>(416,811)</u>	<u>\$ (416,811)</u>	<u>(31,289)</u>
Fund balances				
Beginning of year		<u>5,749,540</u>		<u>5,780,829</u>
End of year		<u>\$ 5,332,729</u>		<u>\$ 5,749,540</u>

INTERMEDIATE DISTRICT NO. 287

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

	2022		Over (Under) Budget	2021
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 15,200	\$ 7,774	\$ (7,426)	\$ 1,883
Expenditures				
Current				
Student clubs				
Other	16,510	13,084	(3,426)	5,787
Net change in fund balances	<u>\$ (1,310)</u>	<u>(5,310)</u>	<u>\$ (4,000)</u>	<u>(3,904)</u>
Fund balances				
Beginning of year		21,658		25,562
End of year		<u>\$ 16,348</u>		<u>\$ 21,658</u>

INTERMEDIATE DISTRICT NO. 287

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

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and temporary investments	\$ 8,657	\$ -
Receivables		
Accounts and interest	1,311	2,738
Due from other governmental units	6,437	26,350
Inventory	22,600	23,515
Prepaid items	<u>3,820</u>	<u>280</u>
 Total assets	 <u>\$ 42,825</u>	 <u>\$ 52,883</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 33,184	\$ 31,782
Accounts and contracts payable	5,348	2,289
Due to other funds	-	10,084
Due to other governmental units	-	2,217
Unearned revenue	<u>4,293</u>	<u>6,511</u>
 Total liabilities	 <u>\$ 42,825</u>	 <u>\$ 52,883</u>

INTERMEDIATE DISTRICT NO. 287

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

	2022		Over (Under) Budget	2021
	Budget	Actual		Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 3,350	\$ 6,890	\$ 3,540	\$ 4,562
State sources	–	12,615	12,615	90
Federal sources	400,885	485,614	84,729	324,124
Total revenue	<u>404,235</u>	<u>505,119</u>	<u>100,884</u>	<u>328,776</u>
Expenditures				
Current				
Food service	<u>888,498</u>	<u>761,275</u>	<u>(127,223)</u>	<u>707,653</u>
Excess (deficiency) of revenue over expenditures	(484,263)	(256,156)	228,107	(378,877)
Other financing sources				
Transfers in	<u>484,263</u>	<u>256,156</u>	<u>(228,107)</u>	<u>378,877</u>
Net change in fund balances	<u>\$ –</u>	<u>–</u>	<u>\$ –</u>	<u>–</u>
Fund balances				
Beginning of year		<u>–</u>		<u>–</u>
End of year		<u>\$ –</u>		<u>\$ –</u>

INTERMEDIATE DISTRICT NO. 287

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

	<u>2022</u>	<u>2021</u>
Assets		
Cash and investments held by trustee	\$ 15,926,536	\$ 14,218,423
Receivables		
Accounts and interest	236,860	212,491
Due from other governmental units	959,171	1,443,849
Lease	2,076,346	-
Prepaid items	<u>1,292</u>	<u>-</u>
Total assets	<u>\$ 19,200,205</u>	<u>\$ 15,874,763</u>
Liabilities		
Due to other funds	\$ 636,539	\$ 1,273,598
Due to other governmental units	-	38
Unearned revenue	<u>11,530</u>	<u>-</u>
Total liabilities	648,069	1,273,636
Deferred inflows of resources		
Lease revenue for subsequent years	2,076,346	-
Fund balances		
Nonspendable for prepaid items	1,292	-
Restricted for debt service	<u>16,474,498</u>	<u>14,601,127</u>
Total fund balances	<u>16,475,790</u>	<u>14,601,127</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,200,205</u>	<u>\$ 15,874,763</u>

INTERMEDIATE DISTRICT NO. 287

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

	2022		Over (Under)	2021
	Budget	Actual	Budget	Actual
Revenue				
Local sources				
Pass-through levies	\$ 5,234,572	\$ 5,238,572	\$ 4,000	\$ 5,194,968
Tuition	650,000	907,176	257,176	887,719
Investment earnings	522,293	546,690	24,397	485,921
Other	223,962	223,962	–	223,962
Federal sources	1,538,744	1,538,744	–	1,550,473
Total revenue	<u>8,169,571</u>	<u>8,455,144</u>	<u>285,573</u>	<u>8,343,043</u>
Expenditures				
Debt service				
Principal	3,205,000	3,205,000	–	3,095,000
Interest	3,362,576	3,362,573	(3)	3,478,545
Fiscal charges and other	17,250	12,908	(4,342)	16,916
Total expenditures	<u>6,584,826</u>	<u>6,580,481</u>	<u>(4,345)</u>	<u>6,590,461</u>
Net change in fund balances	<u>\$ 1,584,745</u>	1,874,663	<u>\$ 289,918</u>	1,752,582
Fund balances				
Beginning of year		<u>14,601,127</u>		<u>12,848,545</u>
End of year		<u>\$ 16,475,790</u>		<u>\$ 14,601,127</u>

INTERMEDIATE DISTRICT NO. 287

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

(With Comparative Totals as of June 30, 2021)

	Health Self-Insurance	Dental Self-Insurance	2022	2021
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Current assets				
Cash and temporary investments	\$ 15,639,354	\$ 708,704	\$ 16,348,058	\$ 15,124,068
Receivables				
Accounts and interest	1,247	56	1,303	128
Total current assets	<u>15,640,601</u>	<u>708,760</u>	<u>16,349,361</u>	<u>15,124,196</u>
Current liabilities				
Accounts payable	119,871	64,576	184,447	297,390
Claims payable	860,252	14,085	874,337	661,622
Due to other governmental units	5,070	-	5,070	4,990
Unearned revenue	<u>1,004,853</u>	<u>-</u>	<u>1,004,853</u>	<u>1,013,644</u>
Total current liabilities	<u>1,990,046</u>	<u>78,661</u>	<u>2,068,707</u>	<u>1,977,646</u>
Net position				
Unrestricted	<u>\$ 13,650,555</u>	<u>\$ 630,099</u>	<u>\$ 14,280,654</u>	<u>\$ 13,146,550</u>

INTERMEDIATE DISTRICT NO. 287

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

	Health Self-Insurance	Dental Self-Insurance	2022	2021
Operating revenue				
Contributions from governmental funds	\$ 13,012,387	\$ 618,052	\$ 13,630,439	\$ 13,688,219
Operating expenses				
Dental benefit claims and expenses	-	640,266	640,266	644,104
Health benefit claims and expenses	10,692,910	-	10,692,910	9,617,195
Administrative fees	1,143,498	45,532	1,189,030	1,397,744
Total operating expenses	<u>11,836,408</u>	<u>685,798</u>	<u>12,522,206</u>	<u>11,659,043</u>
Operating income (loss)	1,175,979	(67,746)	1,108,233	2,029,176
Nonoperating revenues				
Investment earnings	<u>24,609</u>	<u>1,262</u>	<u>25,871</u>	<u>14,214</u>
Change in net position	1,200,588	(66,484)	1,134,104	2,043,390
Net position				
Beginning of year	<u>12,449,967</u>	<u>696,583</u>	<u>13,146,550</u>	<u>11,103,160</u>
End of year	<u>\$ 13,650,555</u>	<u>\$ 630,099</u>	<u>\$ 14,280,654</u>	<u>\$ 13,146,550</u>

INTERMEDIATE DISTRICT NO. 287

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

	Health Self-Insurance	Dental Self-Insurance	2022	2021
Cash flows from operating activities				
Received from assessments made to other funds	\$ 13,002,477	\$ 617,996	\$ 13,620,473	\$ 13,719,536
Payments for claims	(10,662,492)	(570,832)	(11,233,324)	(10,300,046)
Payments for fees	(1,143,498)	(45,532)	(1,189,030)	(1,397,744)
Net cash provided by operating activities	<u>1,196,487</u>	<u>1,632</u>	<u>1,198,119</u>	<u>2,021,746</u>
Cash flows from investing activities				
Investment income received	<u>24,609</u>	<u>1,262</u>	<u>25,871</u>	<u>14,214</u>
Net change in cash and cash equivalents	1,221,096	2,894	1,223,990	2,035,960
Cash and temporary investments				
Beginning of year	<u>14,418,258</u>	<u>705,810</u>	<u>15,124,068</u>	<u>13,088,108</u>
End of year	<u>\$ 15,639,354</u>	<u>\$ 708,704</u>	<u>\$ 16,348,058</u>	<u>\$ 15,124,068</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 1,175,979	\$ (67,746)	\$ 1,108,233	\$ 2,029,176
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Changes in assets and liabilities				
Accounts and interest receivable	(1,119)	(56)	(1,175)	95
Accounts payable	(177,519)	64,576	(112,943)	175,902
Claims payable	207,857	4,858	212,715	(213,969)
Due to other governmental units	80	-	80	(680)
Unearned revenue	(8,791)	-	(8,791)	31,222
Net cash provided by operating activities	<u>\$ 1,196,487</u>	<u>\$ 1,632</u>	<u>\$ 1,198,119</u>	<u>\$ 2,021,746</u>

OTHER DISTRICT INFORMATION

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INTERMEDIATE DISTRICT NO. 287

Government-Wide Revenue by Type  
Last Ten Fiscal Years

Year Ended June 30,	Program Revenues		General Revenues	Total
	Charges for Services	Operating Grants and Contributions		
2013	\$ 24,693,241 31.0%	\$ 49,209,282 61.8%	\$ 5,662,277 7.2%	\$ 79,564,800 100.0%
2014	23,543,538 28.5%	53,222,921 64.5%	5,808,833 7.0%	82,575,292 100.0%
2015	23,560,298 27.7%	55,382,586 65.1%	6,128,183 7.2%	85,071,067 100.0%
2016	23,370,376 27.1%	56,860,030 66.0%	5,896,624 6.9%	86,127,030 100.0%
2017	21,967,097 23.9%	63,067,492 68.6%	6,938,340 7.5%	91,972,929 100.0%
2018	21,577,449 23.2%	63,488,292 68.4%	7,819,389 8.4%	92,885,130 100.0%
2019	20,647,784 22.3%	64,929,651 70.2%	6,908,878 7.5%	92,486,313 100.0%
2020	21,104,022 21.7%	67,325,134 69.1%	8,982,484 9.2%	97,411,640 100.0%
2021	19,630,956 21.1%	63,896,514 68.7%	9,436,601 10.2%	92,964,071 100.0%
2022	20,834,633 22.1%	64,325,990 68.1%	9,266,013 9.8%	94,426,636 100.0%

INTERMEDIATE DISTRICT NO. 287

Government-Wide Expenses by Function  
Last Ten Fiscal Years

Year Ended June 30,	Career and Technical Education	Academic Education	Special Education	Student Clubs	Administrative Support Services and Operations and Maintenance
2013	\$ 1,545,389 2.0%	\$ 9,836,410 12.6%	\$ 46,711,262 59.8%	\$ 29,161 -	\$ 15,030,687 19.3%
2014	1,764,840 2.1%	11,274,730 13.5%	49,225,704 58.9%	34,837 -	16,507,110 19.8%
2015	1,204,770 1.5%	10,771,569 13.1%	49,436,189 60.2%	29,074 -	15,884,064 19.4%
2016	1,142,660 1.4%	10,121,670 12.3%	51,068,483 62.0%	29,516 -	15,386,789 18.7%
2017	1,369,906 1.3%	13,060,608 12.6%	67,710,721 65.0%	39,188 -	17,056,602 16.4%
2018	1,189,352 1.2%	13,538,974 13.2%	66,311,391 64.8%	26,229 -	16,765,264 16.3%
2019	870,531 1.2%	8,577,294 12.0%	43,028,735 60.4%	18,349 -	14,436,356 20.4%
2020	1,441,711 1.6%	11,808,725 12.7%	57,723,643 62.3%	13,682 -	17,469,152 18.9%
2021	1,521,795 1.7%	10,847,983 11.8%	58,192,490 63.4%	5,787 -	17,523,399 19.1%
2022	998,931 1.2%	9,689,617 11.2%	54,196,824 62.6%	13,084 -	17,940,049 20.7%

Food Service		Community Service		Interest and Fiscal Charges		Total	
\$	590,030	\$	221,269	\$	4,044,542	\$	78,008,750
	0.8%		0.3%		5.2%		100.0%
	671,461		181,463		3,901,822		83,561,967
	0.8%		0.2%		4.7%		100.0%
	771,783		152,350		3,835,131		82,084,930
	0.9%		0.2%		4.7%		100.0%
	718,400		162,080		3,739,564		82,369,162
	0.9%		0.2%		4.5%		100.0%
	792,317		99,396		3,911,327		104,040,065
	0.8%		0.1%		3.8%		100.0%
	787,048		96,678		3,710,574		102,425,510
	0.8%		0.1%		3.6%		100.0%
	729,364		—		3,533,236		71,193,865
	1.0%		—		5.0%		100.0%
	659,890		—		3,523,231		92,640,034
	0.7%		—		3.8%		100.0%
	663,423		—		3,054,146		91,809,023
	0.7%		—		3.3%		100.0%
	739,308		—		3,054,308		86,632,121
	0.8%		—		3.5%		100.0%

INTERMEDIATE DISTRICT NO. 287

General Fund Revenue by Source  
Last Ten Fiscal Years

<u>Year Ended June 30,</u>	<u>Pass-Through Levies</u>	<u>Tuition</u>	<u>Federal Revenue</u>	<u>State Revenue</u>	<u>Other Revenue</u>	<u>Total</u>
2013	\$ 2,974,288	\$ 18,994,895	\$ 667,828	\$ 46,793,472	\$ 4,431,219	\$ 73,861,702
2014	2,800,789	19,448,574	654,280	49,297,310	4,693,338	76,894,291
2015	3,151,287	20,430,978	928,060	51,522,895	3,079,307	79,112,527
2016	3,850,274	19,398,980	275,271	53,880,747	2,794,534	80,199,806
2017	3,279,663	19,262,787	336,177	58,159,071	2,303,186	83,340,884
2018	2,319,442	20,447,609	320,008	59,815,242	2,145,934	85,048,235
2019	2,426,180	19,865,146	546,783	61,551,068	1,380,770	85,769,947
2020	2,597,370	21,051,703	550,089	63,397,394	1,127,821	88,724,377
2021	2,576,713	18,699,103	1,554,714	60,530,137	818,492	84,179,159
2022	2,473,934	20,738,868	2,550,036	59,345,316	571,528	85,679,682

SINGLE AUDIT AND OTHER REQUIRED REPORTS

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INTERMEDIATE DISTRICT NO. 287

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Agriculture</b>			
Passed through Minnesota Department of Education			
Child nutrition cluster			
National School Lunch Program	10.555	\$ 90,251	
COVID-19 – National School Lunch Program	10.555	<u>251,918</u>	
Total ALN 10.555		\$ 342,169	
COVID-19 – School Breakfast Program	10.553	123,075	
COVID-19 – Summer Food Service Program for Children	10.559	19,676	
Total child nutrition cluster			\$ 484,920
COVID-19 – Pandemic EBT Administrative Costs	10.649		1,271
<b>U.S. Department of the Treasury</b>			
Passed through Hennepin County			
COVID-19 – Coronavirus Relief Fund	21.019		3,384
Passed through Minnesota Department of Education			
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		7,591
<b>Federal Communications Commission</b>			
Direct			
COVID-19 – Emergency Connectivity Fund Program	32.009		167,639
<b>U.S. Department of Education</b>			
Passed through Minnesota Department of Education			
Special education cluster			
Special Education – Grants to States	84.027		1,728
Comprehensive Literacy Development	84.371		670,732
Education Stabilization Fund			
COVID-19 – Governor’s Emergency Education Relief (GEER) Fund	84.425C	32,042	
COVID-19 – Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	467,503	
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth Fund	84.425W	<u>3,157</u>	
Total ALN 84.425			502,702
English Language Acquisition State Grant	84.365		22,300
Supporting Effective Instruction State Grants	84.367		8,440
Passed through Independent School District No. 284			
Career and Technical Education – Basic Grants to States	84.048		18,650
Direct			
School Safety National Activities	84.184		26,802
<b>U.S. Department of Justice</b>			
Direct			
STOP School Violence	16.839		196,812
<b>U.S. Department of Health and Human Services</b>			
Passed through Minnesota Department of Education			
Substance Abuse and Mental Health Services Projects of Regional and National Significance			
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.243		519,781
	93.323		40,000
Passed through Minnesota Department of Human Services			
Child care and development fund cluster			
COVID-19 – Child Care and Development Block Grant	93.575		32,848
<b>U.S. Department of Homeland Security</b>			
Direct			
COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	29,024	
Passed through Minnesota Department of Homeland Security			
COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	<u>15,512</u>	
Total ALN 97.036			<u>44,536</u>
Total federal awards			<u>\$ 2,750,136</u>

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

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

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

Note 4: The District had \$29,013 of noncash assistance included in the National School Lunch Program, federal ALN 10.555.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate District No. 287 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2022.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

(continued)

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

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

### **PURPOSE OF THIS REPORT**

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

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

Minneapolis, Minnesota  
December 19, 2022



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

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

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

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

We have audited Intermediate School District No. 287's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2022.

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

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

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

(continued)

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

Management is responsible for compliance with the requirements referred to 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to 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.

(continued)

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

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

Minneapolis, Minnesota  
December 19, 2022

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INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate School District No. 287 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2022.

**MINNESOTA LEGAL COMPLIANCE**

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

**PURPOSE OF THIS REPORT**

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

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

Minneapolis, Minnesota  
December 19, 2022

INTERMEDIATE DISTRICT NO. 287

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

**A. SUMMARY OF AUDIT RESULTS**

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

**Financial Statements**

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

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No

Significant deficiencies identified?        Yes   X   None reported

Noncompliance material to the financial statements noted?        Yes   X   No

**Federal Awards**

Internal controls over major federal award programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiencies identified?        Yes   X   None reported

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

U.S. Department of Education – Comprehensive Literacy Development Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        Yes   X   No

Programs tested as major programs:

<u>Program or Cluster</u>	<u>Federal ALN</u>
U.S. Department of Education – Comprehensive Literacy Development	84.371
Threshold for distinguishing between type A and B programs.	<u>\$ 750,000</u>
Does the auditee qualify as a low-risk auditee?	<u>  X  </u> Yes <u>      </u> No

INTERMEDIATE DISTRICT NO. 287

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2022

**B. FINANCIAL STATEMENT FINDINGS**

None.

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

None.

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS**

None.

INTERMEDIATE DISTRICT NO. 287

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

	Audit	UFARS	Audit – UFARS
<b>General Fund</b>			
Total revenue	\$ 85,679,682	\$ 85,679,682	\$ –
Total expenditures	\$ 86,658,844	\$ 86,658,844	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ 125,543	\$ 125,543	\$ –
Restricted			
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
403 Staff development	\$ –	\$ –	\$ –
407 Capital projects levy	\$ –	\$ –	\$ –
408 Cooperative revenue	\$ –	\$ –	\$ –
413 Projects funded by COP	\$ –	\$ –	\$ –
414 Operating debt	\$ –	\$ –	\$ –
416 Levy reduction	\$ –	\$ –	\$ –
417 Taconite building maintenance	\$ –	\$ –	\$ –
424 Operating capital	\$ –	\$ –	\$ –
426 \$25 taconite	\$ –	\$ –	\$ –
427 Disabled accessibility	\$ –	\$ –	\$ –
428 Learning and development	\$ –	\$ –	\$ –
434 Area learning center	\$ –	\$ –	\$ –
435 Contracted alternative programs	\$ –	\$ –	\$ –
436 State approved alternative program	\$ –	\$ –	\$ –
438 Gifted and talented	\$ –	\$ –	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
441 Basic skills programs	\$ 115,586	\$ 115,586	\$ –
448 Achievement and integration	\$ –	\$ –	\$ –
449 Safe schools levy	\$ 645,942	\$ 645,942	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
453 Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459 Basic skills extended time	\$ 115,262	\$ 115,262	\$ –
467 Long-term facilities maintenance	\$ 658,985	\$ 658,985	\$ –
472 Medical Assistance	\$ 1,510,671	\$ 1,510,671	\$ –
473 PPP loans	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
475 Title VII – Impact Aid	\$ –	\$ –	\$ –
476 PILT	\$ –	\$ –	\$ –
Committed			
418 Committed for separation	\$ –	\$ –	\$ –
461 Committed fund balance	\$ –	\$ –	\$ –
Assigned			
462 Assigned fund balance	\$ 8,697,775	\$ 8,697,777	\$ (2)
Unassigned			
422 Unassigned fund balance	\$ 7,333,073	\$ 7,333,073	\$ –
<b>Food Service</b>			
Total revenue	\$ 505,119	\$ 505,119	\$ –
Total expenditures	\$ 761,275	\$ 761,275	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
452 OPEB liability not in trust	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Community Service</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
426 \$25 taconite	\$ –	\$ –	\$ –
431 Community education	\$ –	\$ –	\$ –
432 ECFE	\$ –	\$ –	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
444 School readiness	\$ –	\$ –	\$ –
447 Adult basic education	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
473 PPP loans	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

INTERMEDIATE DISTRICT NO. 287

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

	Audit	UFARS	Audit – UFARS
<b>Building Construction</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
407 Capital projects levy	\$ –	\$ –	\$ –
413 Projects funded by COP	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Debt Service</b>			
Total revenue	\$ 8,455,144	\$ 8,455,144	\$ –
Total expenditures	\$ 6,580,481	\$ 6,580,481	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ 1,292	\$ 1,292	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
433 Maximum effort loan	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 16,474,498	\$ 16,474,498	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Trust</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>Custodial Fund</b>			
Total revenue	\$ 4,021	\$ 4,021	\$ –
Total expenditures	\$ 3,709	\$ 3,710	\$ (1)
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ 93,617	\$ 93,617	\$ –
448 Achievement and integration	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
<b>Internal Service</b>			
Total revenue	\$ 13,656,310	\$ 13,656,310	\$ –
Total expenditures	\$ 12,522,206	\$ 12,522,206	\$ –
422 Net position	\$ 14,280,654	\$ 14,280,654	\$ –
<b>OPEB Revocable Trust Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>OPEB Irrevocable Trust Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>OPEB Debt Service Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

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

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Management Report

for

Intermediate District No. 287  
Plymouth, Minnesota

June 30, 2022

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PRINCIPALS

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Paul A. Radosevich, CPA  
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Victoria L. Holinka, CPA/CMA  
Jaclyn M. Huegel, CPA  
Kalen T. Karnowski, CPA

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

We have prepared this management report in conjunction with our audit of Intermediate District No. 287's (the District) financial statements for the year ended June 30, 2022. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota  
December 19, 2022

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## AUDIT SUMMARY

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

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

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

### **AUDIT OPINION AND FINDINGS**

Based on our audit of the District's financial statements for the year ended June 30, 2022:

- We have issued an unmodified opinion on the District's basic financial statements. Our report included a paragraph emphasizing the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the year. Our opinion was not modified with respect to this matter.
- We noted no deficiencies in the District's internal control over financial reporting that we consider to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

## **SIGNIFICANT ACCOUNTING POLICIES**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2022. However, the District implemented the following governmental accounting standard during the year:

As described in Note 1 of the notes to the basic financial statements, the District implemented GASB Statement No. 87, *Leases*, during fiscal year ended June 30, 2022. The cumulative effect on the beginning of year balances as a result of this change was also described in Note 1 to the basic financial statements.

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

## **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### **DISAGREEMENTS WITH MANAGEMENT**

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

#### **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated December 19, 2022.

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

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

#### **OTHER AUDIT FINDINGS OR ISSUES**

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

## **OTHER MATTERS**

We applied certain limited procedures to the management's discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the introductory section and other district information, which accompany the financial statements, but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## FUNDING PUBLIC EDUCATION IN MINNESOTA

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this report. This section provides selected state-wide funding and financial trend information.

### BASIC GENERAL EDUCATION REVENUE

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

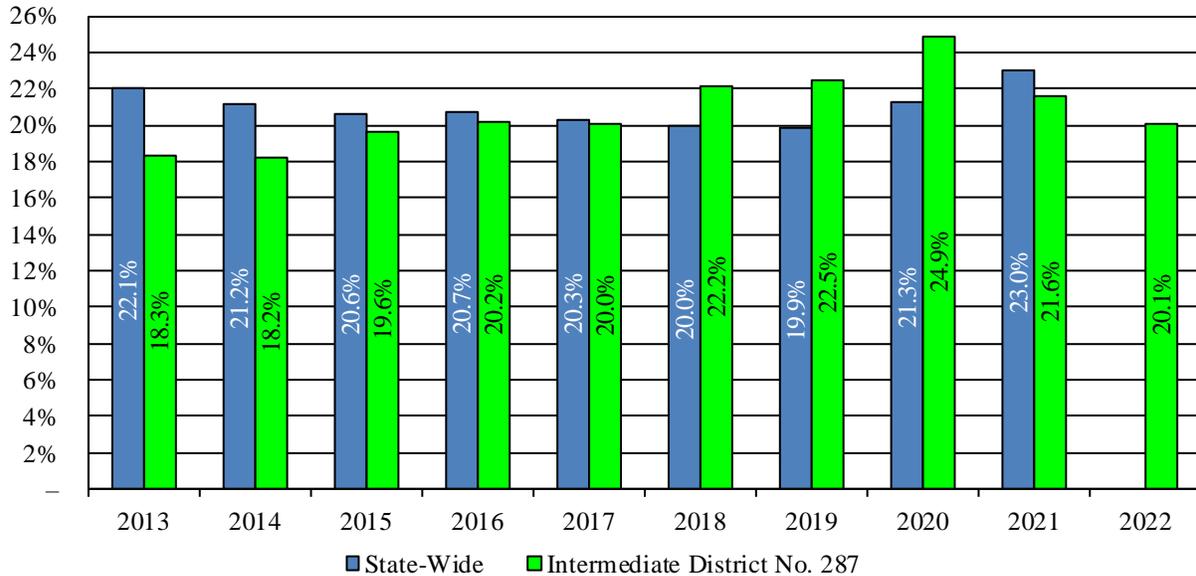
The table below presents a summary of the formula allowance for the past decade and as approved for the current audit period and the next fiscal year. The Legislature approved a per pupil increase of \$135 for fiscal 2023. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.00 percent, state-wide.

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

## STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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

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



Note: State-wide information is not available for fiscal 2022.

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

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

The District's unrestricted operating fund balance as a percentage of operating expenditures was 20.1 percent at the end of the current year, as compared to 21.6 percent at June 30, 2021.

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

## FINANCIAL TRENDS OF YOUR DISTRICT

### DISTRICT FINANCIAL POSITION

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

	Year Ended June 30,			
	2019	2020	2021	2022
Revenue	\$ 85,769,947	\$ 88,724,377	\$ 84,179,159	\$ 85,679,682
Expenditures	84,724,168	85,678,051	86,232,890	86,658,844
Excess (deficiency) of revenue over expenditures	1,045,779	3,046,326	(2,053,731)	(979,162)
Other financing sources (uses)	(286,132)	(318,267)	(231,921)	(251,557)
Net change in fund balance	759,647	2,728,059	(2,285,652)	(1,230,719)
Fund balances				
Beginning of year	19,226,853	19,991,149	22,719,208	20,433,556
End of year	<u>\$ 19,986,500</u>	<u>\$ 22,719,208</u>	<u>\$ 20,433,556</u>	<u>\$ 19,202,837</u>
Fund balances				
Nonspendable for prepaid items	\$ 87,606	\$ 191,574	\$ 59,977	\$ 125,543
Restricted for basic skills programs	448,689	368,424	264,604	115,586
Restricted for basic skills extended time	48,825	115,262	115,262	115,262
Restricted for safe schools levy	173,101	325,681	754,197	645,942
Restricted for long-term facilities maintenance	318,637	530,174	614,086	658,985
Restricted for Medical Assistance	1,327,409	1,542,854	1,267,152	1,510,671
Assigned for COVID-19	-	500,000	457,288	310,388
Assigned for donations	-	6,221	6,571	6,146
Assigned for severance	5,562,580	5,712,751	5,563,206	5,167,529
Assigned for tuition adjustments	2,677,000	2,677,000	1,788,609	1,788,609
Assigned for property	107,226	68,078	186,334	165,200
Assigned for student clubs	28,362	25,562	21,658	16,348
Assigned for vehicle depreciation	87,211	101,664	101,664	101,664
Assigned for self-insurance	10,300	-	-	-
Assigned for collaborative curriculum project	171,850	113,669	113,669	113,669
Assigned for strategic priorities	750,000	1,200,000	988,863	498,681
Assigned for subsequent year's budget	355,099	839,696	678,874	529,541
Assigned for flex plan	-	1,665	-	-
Unassigned	7,832,605	8,398,933	7,451,542	7,333,073
Total fund balances	<u>\$ 19,986,500</u>	<u>\$ 22,719,208</u>	<u>\$ 20,433,556</u>	<u>\$ 19,202,837</u>
Unassigned General Fund balances as a percentage of expenditures	<u>9.2%</u>	<u>9.8%</u>	<u>8.6%</u>	<u>8.5%</u>
Total fund balances as a percentage of expenditures	<u>23.6%</u>	<u>26.5%</u>	<u>23.7%</u>	<u>22.2%</u>

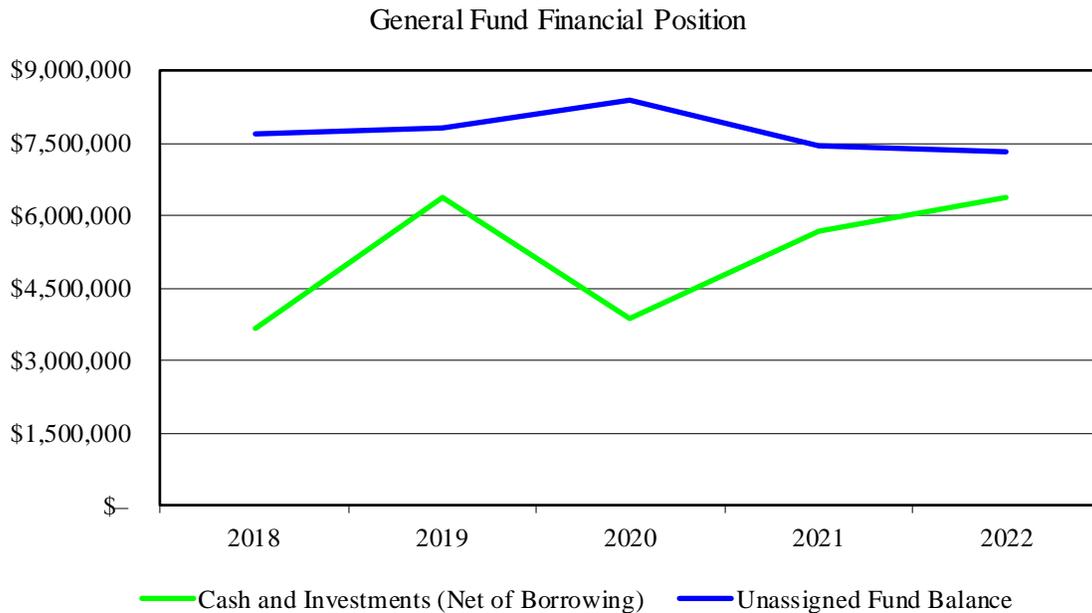
The District completed the year with a net decrease in General Fund balance of \$1,230,719. This compares to a budget which projected a decrease in fund balance of \$2,982,804. The net change in fund balance was \$1,752,085 higher when compared to budgeted amounts. This difference was mainly the result of the net change in fund balance increasing more than budgeted amounts in the District-Wide Account by \$622,027, in the Special Education Account by \$897,922, and the Academic Education Account by \$587,288.

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

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

Unassigned fund balance as a percentage of expenditures is one key measure of a district's financial health. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion the impact of unexpected costs or funding shortfalls. For your district, this ratio is 8.5 percent of total current year expenditures. This ratio compares to the District's fund balance policy, which endeavors to maintain an unassigned fund balance as a percentage of the District's operating budget, excluding operating capital programs, of at least 6.0 to 8.0 percent.

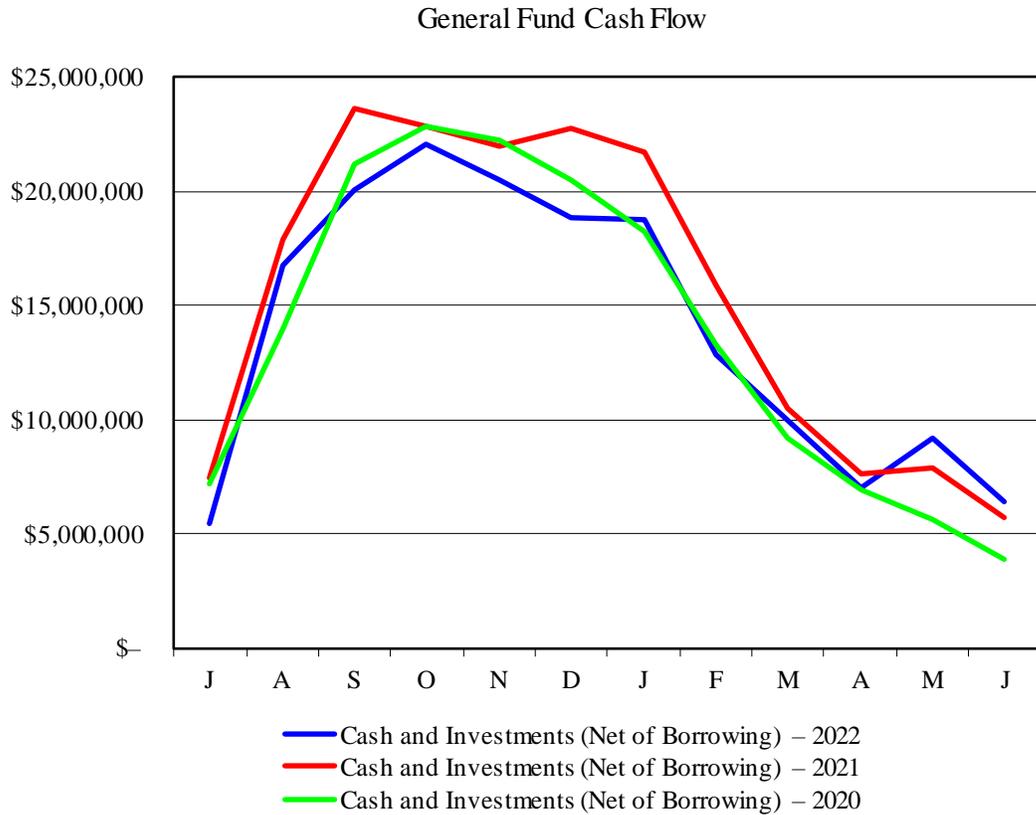
The following graph summarizes the level of cash and investments, net of borrowing, and unassigned fund balance in the General Fund:



The above graph shows a decrease in unassigned fund balance and a significant increase in cash and investments (net of borrowing) at June 30, 2022. The graph also shows significant fluctuations in year-end cash balances. These changes are typically caused by changes in the tuition billing cycles and systems of the District. Changes in funding structure and state aid payment schedules also significantly affect the cash flow of Minnesota school districts. The increase in cash and investments in 2022 is the result of a decrease in amounts due from the MDE.

## GENERAL FUND CASH FLOW

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



The graph above shows the peaks and valleys of the General Fund cash and investments balance (net of borrowing) on a monthly basis. The swing between its high and low month-end cash balances was about \$16.7 million for fiscal 2022.

## GENERAL FUND OPERATIONS AND FINANCIAL POSITION BY ACCOUNT

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

### Special Education Account

	Year Ended June 30,			
	2019	2020	2021	2022
Revenue and other financing sources	\$ 57,600,613	\$ 58,677,674	\$ 58,456,371	\$ 57,559,818
Expenditures and other financing uses	57,776,846	57,038,154	59,780,671	57,792,336
Excess (deficiency)	(176,233)	1,639,520	(1,324,300)	(232,518)
Fund balances				
Beginning of year	10,891,641	10,715,408	12,354,928	11,030,628
End of year	<u>\$ 10,715,408</u>	<u>\$ 12,354,928</u>	<u>\$ 11,030,628</u>	<u>\$ 10,798,110</u>

In fiscal 2022, the Special Education Account expenditures and other financing uses is more than revenues by \$232,518, while the District's budgeted expectations projected a decrease of \$1,130,440. State sources was lower than budget by \$853,210, mainly due to lower than projected state special education state aid. Tuition revenue exceeded budget by \$830,367, mainly due to higher than projected revenues in the District's care and treatment programs. Expenditures were less than budget by \$502,700, mainly in salaries, purchased services, and supplies, mostly from open positions and lower than projected enrollment. The District recorded an intra-fund transfer out of this account of \$76,259 that was \$450,799 lower than the final budget.

Special Education Account revenue and other financing sources decreased \$896,553, due to lower state aid as a result of decreasing enrollment. Special Education Account expenditures (excluding other financing uses) decreased \$57,103. Intra-fund transfers decreased \$1,931,232 as transfers to the Academic Account were lower in the current year.

### Career and Technical Education Account

	Year Ended June 30,			
	2019	2020	2021	2022
Revenue and other financing sources	\$ 1,332,909	\$ 1,613,475	\$ 1,084,353	\$ 1,191,366
Expenditures and other financing uses	1,205,211	1,446,907	1,383,794	1,089,010
Excess (deficiency)	127,698	166,568	(299,441)	102,356
Fund balances				
Beginning of year	419,158	546,856	713,424	413,983
End of year	<u>\$ 546,856</u>	<u>\$ 713,424</u>	<u>\$ 413,983</u>	<u>\$ 516,339</u>

In fiscal 2022, the Career and Technical Education Account fund balance increased by \$102,356, while budget expectations projected an increase of \$36,697 in fund balance.

## Academic Education Account

	Year Ended June 30,			
	2019	2020	2021	2022
Revenue and other financing sources	\$ 11,232,985	\$ 12,372,300	\$ 10,136,239	\$ 10,424,659
Expenditures and other financing uses	11,244,355	11,804,159	10,745,325	10,364,777
Excess (deficiency)	(11,370)	568,141	(609,086)	59,882
Fund balances				
Beginning of year	642,794	631,424	1,199,565	590,479
End of year	<u>\$ 631,424</u>	<u>\$ 1,199,565</u>	<u>\$ 590,479</u>	<u>\$ 650,361</u>

The Academic Education Account fund balance increased by \$59,882 in 2022, while budget projections provided for a decrease in fund balance of \$527,406. State and tuition revenue was more than budgeted by \$198,805 and \$267,853, respectively, mainly related to the increase in students enrolled in the Northern Star On-line program. Expenditures were lower than budget by \$280,314, mainly in salaries and benefits, due to the reduction of an assistant principal position and the reclassification of certain salaries to special education. The District reported an intra-fund transfer of \$219,855 that was less than budgeted amounts by \$237,203, due to higher than anticipated revenues received related to the Northern Star On-Line program.

Revenue (excluding other financing sources) in this account increased by \$1,826,365 in fiscal 2022. This was mainly in on-line learning programs as discussed above.

Expenditures (excluding other financing uses) decreased in this account by \$380,548 in fiscal 2022. Most of this decrease was related to decreases in salaries and benefits as previously discussed. Intra-fund transfers were \$1,537,945 less than the prior year, as operating results improved in the current year.

## District-Wide Account

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

	Year Ended June 30,			
	2019	2020	2021	2022
Revenue and other financing sources	\$ 16,501,308	\$ 16,171,572	\$ 16,499,525	\$ 16,720,519
Expenditures and other financing uses	15,590,091	15,925,965	16,517,157	17,458,837
Excess (deficiency)	911,217	245,607	(17,632)	(738,318)
Fund balances				
Beginning of year	1,488,066	2,399,293	2,644,900	2,627,268
End of year	\$ 2,399,283	\$ 2,644,900	\$ 2,627,268	\$ 1,888,950

The District-Wide Account fund balance decreased by \$738,318 in 2022. This compares to a budgeted decrease in fund balance of \$1,360,345. Revenues (excluding other financing sources) were under budget by \$579,195, mostly in state and federal revenue. Expenditures (excluding other financing uses) were under budget by \$978,593. The most significant expenditures under budget were for purchased services by \$388,902, capital expenditures by \$291,749, and supplies and materials by \$206,718. Much of the costs below budget relate to project delays, due to pandemic-related supply chain shortages. Revenue (excluding other financing sources) in this account increased by \$457,807, mainly in federal sources, due to additional COVID-19-related pandemic funding. Expenditures (excluding other financing uses) increased by \$867,817, mainly in salaries and benefits, due to contractual increases and increased costs for health insurance.

## OTHER GOVERNMENTAL FUNDS

### Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund expenditures exceeded revenue by \$256,156. A planned transfer was made from the General Fund to eliminate this deficit.

### Debt Service Fund

The District's Debt Service Fund revenue exceeded expenditures by \$1,874,663, leaving a fund balance of \$16,475,790 at June 30, 2022. This increase in fund balance was planned and correlates to the increase in cash and investments held by trustee for debt service payments.

### Internal Service Funds

The District's internal service funds are used to account for health and dental insurance offered by the District to its employees as self-insured plans. As of June 30, 2022, the Dental Self-Insurance Fund had unrestricted net position of \$630,099. The Health Self-Insurance Fund showed an increase in net position for the year of \$1,200,588, and ended the year with an unrestricted net position of \$13,650,555 at June 30, 2022, representing 115.3 percent of operating expenses.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	Year Ended June 30,		Change
	2021	2022	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 35,034,683	\$ 35,678,627	\$ 643,944
Net book value of capital assets	84,199,348	82,785,733	(1,413,615)
Financed purchases payable	(145,158)	–	145,158
Certificates of participation payable	(66,315,000)	(63,390,000)	2,925,000
General obligation bonds payable	(4,300,000)	(4,020,000)	280,000
Severance benefits and compensated absences payable	(7,115,519)	(7,393,067)	(277,548)
OPEB adjustments	(4,649,178)	(4,438,480)	210,698
Net pension-related adjustments	(70,913,593)	(67,092,347)	3,821,246
Bond refunding deferments	379,736	348,091	(31,645)
Internal service funds net position	13,146,550	14,280,654	1,134,104
Accrued interest payable	(519,924)	(483,393)	36,531
Unamortized premium/discount on debt issued	(3,211,236)	(2,890,594)	320,642
Total net position – governmental activities	<u>\$ (24,409,291)</u>	<u>\$ (16,614,776)</u>	<u>\$ 7,794,515</u>
Net position			
Net investment in capital assets	\$ 10,607,690	\$ 12,833,230	\$ 2,225,540
Restricted	17,096,504	19,038,843	1,942,339
Unrestricted	<u>(52,113,485)</u>	<u>(48,486,849)</u>	<u>3,626,636</u>
Total net position	<u>\$ (24,409,291)</u>	<u>\$ (16,614,776)</u>	<u>\$ 7,794,515</u>

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

Unrestricted net position increased \$3,626,636 in fiscal 2022. This change in unrestricted net position was from an increase in the Internal Service Fund net position and the changes in the District's proportionate share of the PERA and the TRA pension obligations in the current year.

The District's net investment in capital assets increased \$2,225,540 in fiscal 2022. The change in this category of net position typically depends on the relationship between the rate at which the District is adding capital assets, the rate capital assets are being depreciated/amortized, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The restricted balance increased \$1,942,339, mainly in restricted for debt service.

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## ACCOUNTING AND AUDITING UPDATES

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

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

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

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

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

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

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

### **GASB STATEMENT NO. 99, *OMNIBUS 2022***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Regular Meeting – January 26, 2023**

**AGENDA SECTION: BUSINESS SERVICES REPORT**

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

**PRESENTED BY: Mae Hawkins, Executive Director of Business Services**

**1. Background Information**

The December Budget vs. Actual Reports are presented for Board information and review. These reports indicate that year-to-date revenue in all funds (excluding Funds 06 & 11) total \$53,303,854 or 47.6% of the Revenue Budget of \$111,881,819. Including Funds 06 & 11 year-to-date revenue in all funds total \$57,987,688, or 51.8% of the Revenue Budget of \$111,881,819. The District’s monthly revenue will continue to be based upon the cash payments we receive from MDE Special Education Uniform Tuition system and other state aids. Revenue will be made whole at the end of each fiscal year as we calculate all of our receivables and recognize the revenue receivable as part of the audit.

Year-to-date expenditures in all funds (excluding Funds 06 & 11) total \$42,097,487, or 37.6% of the Expenditure Budget of \$112,076,299. Including Funds 06 & 11 year-to-date expenditures in all funds total \$42,098,764, or 37.6% of the Expenditure Budget of \$112,076,299.

The amounts for 2021-22 are as of the end of the fiscal year at June 30th, and are preliminary at this point. They reflect the normal month end which is basically on a cash basis without accrual entries. Numerous receivables and payables are calculated after year-end, and these amounts will continue to change up to and through the audit process.

DDA

Attachments

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

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

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

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

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

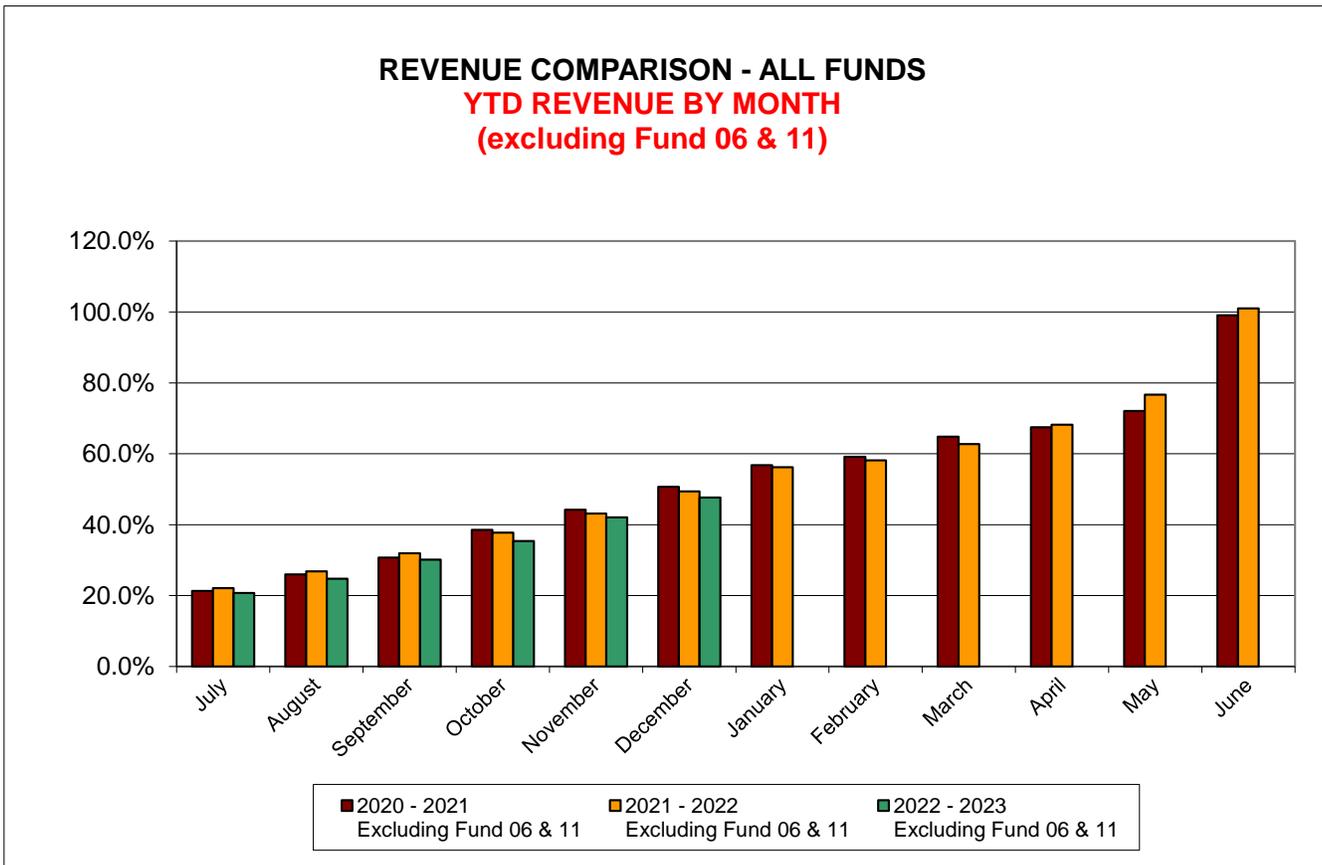
**The mission of Intermediate District 287 is to be the premier provider of innovative specialized services to ensure that each member district can meet the unique learning needs of its students.**

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

Month	2020 - 2021		2021 - 2022		2022 - 2023		2022 - 2023	
	Excluding Fund 06 & 11		Excluding Fund 06 & 11		Excluding Fund 06 & 11		Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
July	23,045,139	21.3% <sup>1</sup>	23,731,333	22.1%	23,192,942	20.7%	23,192,942	20.7%
August	4,992,183	26.0% <sup>1</sup>	5,084,693	26.8%	4,486,051	24.7%	4,486,051	24.7%
September	5,108,432	30.7% <sup>1</sup>	5,527,550	32.0%	6,032,596	30.1%	6,032,596	30.1%
October	8,500,611	38.6% <sup>1</sup>	6,233,283	37.8%	5,841,372	35.4%	5,841,372	35.4%
November	6,125,945	44.2% <sup>1</sup>	5,744,399	43.1%	7,490,646	42.0% <sup>2</sup>	12,174,481	46.2%
December	6,926,379	50.7% <sup>1</sup>	6,751,237	49.4%	6,260,247	47.6% <sup>2</sup>	6,260,247	51.8%
January	6,603,947	56.8% <sup>1</sup>	7,295,217	56.2%				
February	2,594,384	59.2% <sup>1</sup>	2,102,436	58.1%				
March	6,080,355	64.8% <sup>1</sup>	4,917,443	62.7%				
April	2,873,340	67.5% <sup>1</sup>	5,872,931	68.2%				
May	4,939,931	72.0% <sup>1</sup>	9,107,048	76.6%				
June	29,145,602	99.0% <sup>1</sup>	26,193,462	101.0%				
<b>TOTAL</b>	<b>106,936,248</b>	<b>99.0%</b>	<b>108,561,032</b>	<b>101.0%</b>	<b>53,303,854</b>	<b>47.6%</b>	<b>57,987,688</b>	<b>51.8%</b>
<b>BUDGET</b>	<b>107,978,713</b> <sup>1</sup>		<b>107,471,010</b>		<b>111,881,819</b>		<b>111,881,819</b>	

<sup>1</sup> excludes Funds 06 & 11 budgeted revenue of \$28,500

<sup>2</sup> excludes Funds 06 & 11 budgeted revenue of \$0



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

December 2022-2023

Intermediate District No. 287

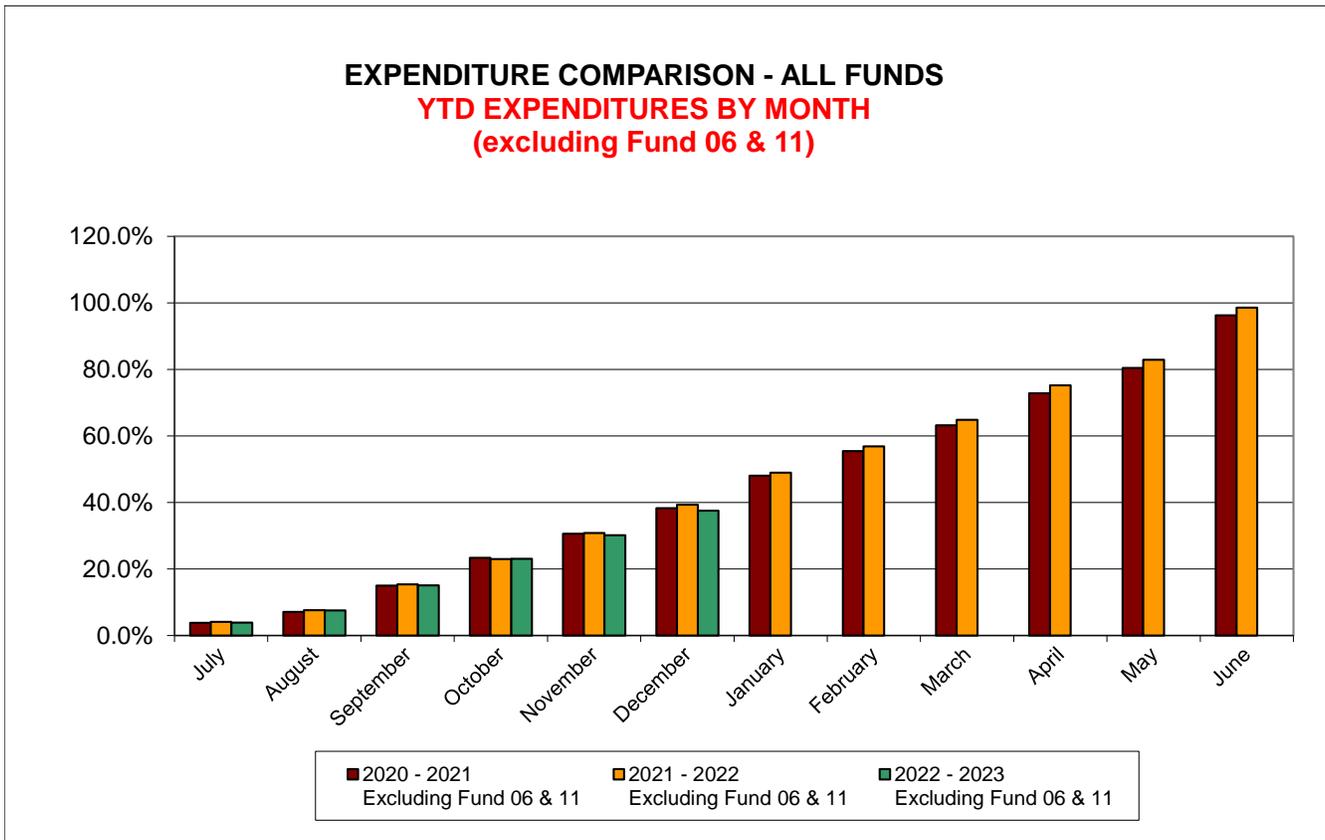
Revenue Fund	Prior YE Act	Budget	MTD Activity	YTD Activity	% Used	YTD Unrealized
01 - GENERAL FUND	16,720,515.22	16,861,072.00	202,663.47	4,512,154.48	26.76%	12,348,917.52
02 - FOOD SERVICE FUND	761,274.69	879,198.00	37,247.16	154,976.79	17.63%	724,221.21
04 - COMMUNITY SERVICE FUND	0.00	0.00	0.00	0.00		0.00
06 - BUILDING CONSTRUCTION FUND	0.00	0.00	0.00	0.00		0.00
07 - DEBT SERVICE FUND	8,455,143.64	8,353,513.00	0.00	5,853,144.90	70.07%	2,500,368.10
08 - TRUST FUND	0.00	0.00	0.00	0.00		0.00
10 - SCHOLARSHIP FUND	4,021.36	110.00	0.00	0.00	0.00%	110.00
11 - EDGEWOOD LTFM BOND FUND	0.00	0.00	0.00	4,683,834.82		-4,683,834.82
12 - ALC - ACADEMIC FUND	10,204,804.18	10,155,500.00	8,549.25	2,075,002.70	20.43%	8,080,497.30
13 - CAREER & TECH FUND	1,191,366.16	1,768,526.00	0.00	915,575.89	51.77%	852,950.11
14 - SPECIAL EDUCATION FUND	57,559,821.66	59,571,762.00	4,618,926.99	33,140,490.70	55.63%	26,431,271.30
20 - INTERNAL SERVICE FUND	619,314.63	615,300.00	58,258.61	257,878.45	41.91%	357,421.55
21 - SELF HEALTH INSURANCE FUND	13,036,995.76	13,664,800.00	1,332,952.30	6,391,665.03	46.77%	7,273,134.97
51 - STUDENT CLUB FUND	7,774.21	12,038.00	1,649.70	2,964.70	24.63%	9,073.30
<b>Total Revenue</b>	<b>108,561,031.51</b>	<b>111,881,819.00</b>	<b>6,260,247.48</b>	<b>57,987,688.46</b>	<b>51.83%</b>	<b>53,894,130.54</b>

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

Month	2020 - 2021		2021 - 2022		2022 - 2023		2022 - 2023	
	Excluding Fund 06 & 11		Excluding Fund 06 & 11		Excluding Fund 06 & 11		Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
July	4,177,239	3.8%	4,493,228	4.1%	4,329,606	3.9%	4,329,606	3.9%
August	3,598,620	7.1%	3,753,484	7.6%	4,135,827	7.6%	4,135,827	7.6%
September	8,693,373	15.0%	8,447,438	15.4%	8,396,694	15.0%	8,396,694	15.0%
October	9,144,055	23.4%	8,194,961	23.0%	9,015,517	23.1%	9,015,517	23.1%
November	7,897,782	30.6%	8,523,649	30.8%	7,908,978	30.1%	7,908,978	30.1%
December	8,444,956	38.3%	9,205,713	39.3%	8,310,856	37.6%	8,312,143	37.6%
January	10,697,937	48.1%	10,442,639	49.0%				
February	8,032,344	55.4%	8,521,055	56.8%				
March	8,529,603	63.2%	8,658,724	64.8%				
April	10,515,187	72.8%	11,213,173	75.2%				
May	8,314,387	80.4%	8,326,109	82.9%				
June	17,379,894	96.3%	17,002,499	98.6%				
<b>TOTAL</b>	<b>105,425,376</b>	<b>96.3%</b>	<b>106,782,671</b>	<b>98.6%</b>	<b>42,097,478</b>	<b>37.6%</b>	<b>42,098,764</b>	<b>37.6%</b>
<b>BUDGET</b>	<b>109,506,874</b> <sup>1</sup>		<b>108,331,213</b>		<b>112,076,299</b>		<b>112,076,299</b>	

<sup>1</sup> excludes Funds 06 & 11 budgeted expenditures of \$1,739,175

<sup>2</sup> excludes Funds 06 & 11 budgeted expenditures of \$0



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

December 2022-2023

Intermediate District No. 287

Expenditure Fund	Prior YE Act	Budget	MTD Activity	YTD Activity	% Used	YTD Unrealized
01 - GENERAL FUND	17,643,191.12	17,448,157.00	1,220,307.60	8,102,239.57	46.44%	9,345,917.43
02 - FOOD SERVICE FUND	761,274.69	879,198.00	91,520.71	416,211.01	47.34%	462,986.99
04 - COMMUNITY SERVICE FUND	0.00	0.00	0.00	0.00		0.00
06 - BUILDING CONSTRUCTION FUND	0.00	0.00	0.00	0.00		0.00
07 - DEBT SERVICE FUND	6,580,480.62	6,575,443.00	3,971.23	1,703,356.00	25.90%	4,872,087.00
08 - TRUST FUND	0.00	0.00	0.00	0.00		0.00
09 - AGENCY FUND	0.00	0.00	0.00	0.00		0.00
10 - SCHOLARSHIP FUND	3,709.93	8,137.00	186.25	449.10	5.52%	7,687.90
11 - EDGEWOOD LTFM BOND FUND	0.00	0.00	1,286.45	1,286.45		-1,286.45
12 - ALC - ACADEMIC FUND	10,453,634.49	10,833,659.00	869,422.29	4,157,737.56	38.38%	6,675,921.44
13 - CAREER & TECH FUND	1,089,010.24	1,808,526.00	157,375.83	632,053.38	34.95%	1,176,472.62
14 - SPECIAL EDUCATION FUND	57,716,079.31	60,136,945.00	5,147,712.76	22,282,844.35	37.05%	37,854,100.65
20 - INTERNAL SERVICE FUND	685,798.02	697,500.00	46,385.47	252,093.33	36.14%	445,406.67
21 - SELF HEALTH INSURANCE FUND	11,836,408.04	13,664,800.00	772,394.91	4,543,460.45	33.25%	9,121,339.55
51 - STUDENT CLUB FUND	13,084.58	23,934.00	1,579.04	7,033.03	29.39%	16,900.97
<b>Total Expenses</b>	<b>106,782,671.04</b>	<b>112,076,299.00</b>	<b>8,312,142.54</b>	<b>42,098,764.23</b>	<b>37.56%</b>	<b>69,977,534.77</b>

# Intermediate District 287

## *Responsive. Innovative. Solutions.*

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### INTER-OFFICE MEMORANDUM

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DATE: **December 22, 2022**

TO: Members of the School Board

FROM: Mae L. Hawkins, Executive Director of Business Services

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

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

1. A/P payments for: <b>December 2022</b>	Totaling	\$	<u>4,031,508.13</u>
a) Check #'s <b>111133 - 111304</b>			
and Wire Transfers - #'s <b>4000001375, 4000001377 - 4000001400, 9000004060 - 9000004143</b>			
2. Payroll payments for: <b>December 2022</b>	Totaling	\$	<u>2,889,309.13</u>
a) Check #'s <b>n/a</b>			
b) Direct Deposit #'s <b>9000101386 - 9000103110</b>			
3. Receipts for: <b>December 2022</b>	Totaling	\$	<u>6,983,970.77</u>
a) Receipt #'s <b>20230554 - 20230636</b>			
4. Invest. at end of mo. <b>December 2022</b>			
a) Fund 01 - General Fund	\$		29,054,145.74
b) Fund 07 - 2022A LTFM Bond (Closing Costs)	\$		16,684.77
c) Fund 11 - 2022A LTFM Bond (Construction Costs)	\$		4,682,548.37
	\$		<u>33,753,378.88</u>

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

INTERMEDIATE DISTRICT 287  
INVESTMENTS ON HAND  
DECEMBER 2022

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

INSTITUTION	RATE OF RETURN (%)	DATE	ACTIVITY	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	3.874			812.82
PMA - MNTrust Savings Deposit Account - Bell Bank	4.320			14,012,444.38
PMA - MNTrust Savings Dep. Acct. - Nexbank, SSB - ICS	4.320			10,040,888.54
PMA - MNTrust Term Series	3.450			5,000,000.00
Total PMA - MNTrust Investments on Books				29,054,145.74

**ACTIVITY DETAIL:**

Investments on our Book at End of Prior Month	24,980,629.62
Current Month Activity:	
Deposits	4,000,000.00
Withdrawals	-
Interest Earned - Recorded	73,513.48
Adjustments	-
Dividends Earned	2.64
Interest/Dividends Earned - To Be Recorded in Next Month	-
Total Investments at End of Month & Un-recorded Interest	29,054,145.74

**#07-104-00 - Investments (2022A LTFM Bond - Closing Costs)**

INSTITUTION	RATE OF RETURN (%)	DATE	ACTIVITY	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	3.874			16,684.77
Total PMA - MNTrust Investments on Books for Fund 06				16,684.77

**ACTIVITY DETAIL:**

Investments on our Book at End of Prior Month	61,043.50
Current Month Activity:	
Deposits	
Distributions	(44,358.73)
Interest/Dividends Earned - Recorded	
Adjustments	
Interest/Dividends Earned - To Be Recorded in Next Month	
Total Investments at End of Month & Un-recorded Interest	16,684.77

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

INSTITUTION	RATE OF RETURN (%)	DATE	ACTIVITY	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	3.874			1,383,212.70
PMA - MNTrust CD Account Balance	4.059-4.718			1,863,500.00
PMA - MNTrust SEC Account Balance	4.001-4.376			1,436,522.97
Total PMA - MNTrust Investments on Books for Fund 11				4,683,235.67

**ACTIVITY DETAIL:**

Investments on our Book at End of Prior Month	4,683,834.82
Current Month Activity:	
Deposits	
Distributions	(1,286.45)
Interest/Dividends Earned - Recorded	
Adjustments	
Interest/Dividends Earned - To Be Recorded in Next Month	687.30
Total Investments at End of Month & Un-recorded Interest	4,683,235.67

**INTERMEDIATE DISTRICT 287**  
**INVESTMENT ACTIVITY - 2022A LTFM BOND**  
**DECEMBER 2022**

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

<b>MONTH POSTED</b>	<b>DATE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
Nov-22	11/22/22	Proceeds from 2022A LTFM Bond	4,740,596.00
Nov-22	11/30/22	Interest/Dividends	4,282.32
Dec-22	12/30/22	Distributions/Construction Draws	-45,645.18
		Interest/Dividends (to be recorded in next month)	687.30

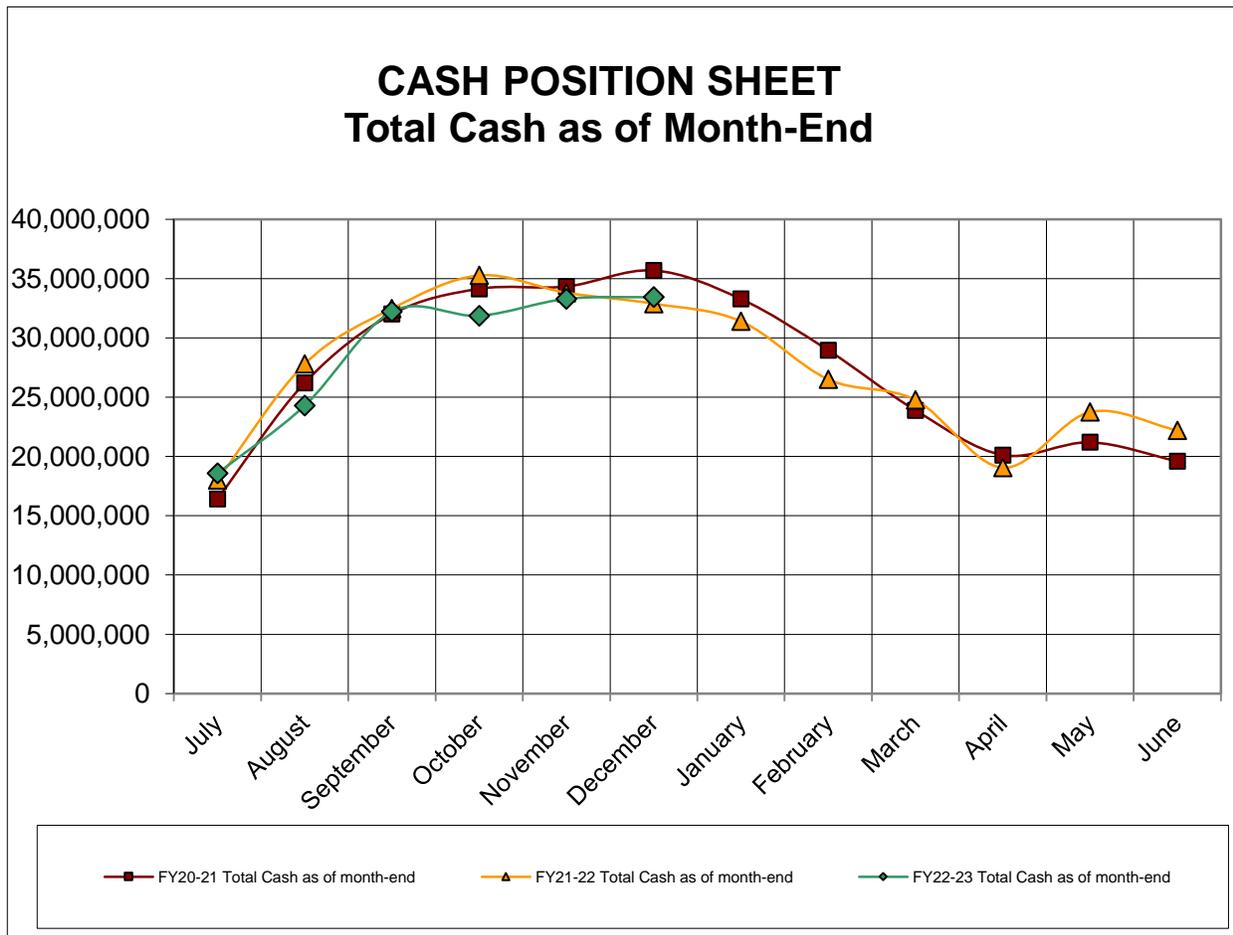
2022A LTFM Loan Bond - Balance as of End of Month 4,699,920.44

# Intermediate District 287

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

<u>Date</u>	<u>FY20-21 Total Cash as of month-end</u>	<u>FY21-22 Total Cash as of month-end</u>	<u>FY22-23 Total Cash as of month-end</u>
July	16,420,292	18,017,954	18,572,017
August	26,210,789	27,800,108	24,288,930
September	32,002,725	32,465,869	32,223,695
October	34,140,570	35,267,999	31,867,127
November	34,331,406	33,804,263	33,293,625
December	35,688,169	32,887,416	33,430,295
January	33,279,452	31,397,362	
February	28,953,988	26,497,584	
March	23,888,891	24,760,657	
April	20,119,050	19,051,281	
May	21,191,254	23,745,291	
June	19,600,706	22,201,893	

- Includes Self-Funded Insurance Cash Balances.



**INTERMEDIATE DISTRICT 287**  
**DECEMBER 2022 ACTIVITY**

**ELECTRONIC TRANSFERS IN:**

DATE	TO	AGENCY	RECEIPT #	AMOUNT	DESCRIPTION
12/1/2022	MSDLAF	MN DEPT OF EDUCATION-034	20230604	486,805.01	ESSER II, TITLE II
12/2/2022	MSDLAF	GIVE MN	20230605	25.00	GIVE MN DONATION
12/8/2022	MSDLAF	MN STATE MMB-FNS	20230607	5,875.75	CHILD NUTRITION NOVEMBER 2022 - ABEC
12/8/2022	MSDLAF	MN STATE MMB-FNS	20230607	947.74	CHILD NUTRITION NOVEMBER 2022 - HDWY N
12/8/2022	MSDLAF	MN STATE MMB-FNS	20230608	1,090.25	CHILD NUTRITION NOVEMBER 2022 - HDWY S
12/8/2022	MSDLAF	MN STATE MMB-FNS	20230609	13,662.19	CHILD NUTRITION NOVEMBER 2022 - NEC
12/8/2022	MSDLAF	MN STATE MMB-FNS	20230610	5,785.67	CHILD NUTRITION NOVEMBER 2022 - SEC
12/8/2022	MSDLAF	MN STATE MMB-FNS	20230611	2,768.81	CHILD NUTRITION NOVEMBER 2022 - WEC
12/8/2022	MSDLAF	MN DEPT OF EDUCATION-034	20230612	3,203.74	TITLE III
12/9/2022	MSDLAF	CONSERVATION CREW	20230613	500.00	CONSERVATION CREW GRANT
12/15/2022	MSDLAF	MN STATE MMB-FNS	20230614	52.71	FNS DIRECT DEBITS
12/15/2022	MSDLAF	MN STATE MMB	20230615	4,214,753.89	IDEAS GEN ED, SP ED
12/21/2022	MSDLAF	MN STATE MMB	20230616	285,802.15	MA 3RD PARTY BILLING
12/22/2022	MSDLAF	MN STATE MMB-FNS	20230617	342.04	CHILD NUTRITION NOVEMBER 2022 ADTL - ABEC
12/22/2022	MSDLAF	MN STATE MMB-FNS	20230618	52.83	CHILD NUTRITION NOVEMBER 2022 ADTL - HDWY N
12/22/2022	MSDLAF	MN STATE MMB-FNS	20230619	66.84	CHILD NUTRITION NOVEMBER 2022 ADTL - HDWY S
12/22/2022	MSDLAF	MN STATE MMB-FNS	20230620	796.35	CHILD NUTRITION NOVEMBER 2022 ADTL - NEC
12/22/2022	MSDLAF	MN STATE MMB-FNS	20230621	277.11	CHILD NUTRITION NOVEMBER 2022 ADTL - SEC
12/22/2022	MSDLAF	MN STATE MMB-FNS	20230622	163.57	CHILD NUTRITION NOVEMBER 2022 ADTL - WEC
12/22/2022	MSDLAF	2022A LTFM BOND	20230623	45,645.18	COP REIMBURSEMENT REQUEST
12/30/2022	MSDLAF	COBRA	20230624	36,175.87	COBRA DECEMBER PAYMENTS
12/30/2022	MSDLAF	MN STATE MMB	20230625	39,041.89	IDEAS GEN ED
12/30/2022	MSDLAF	MERCHANT SERVICES - ABEC	20230626	460.00	STUDENT DEFERRED REVENUE
12/30/2022	MSDLAF	MERCHANT SERVICES - HDW	20230627	475.00	STUDENT DEFERRED REVENUE
12/30/2022	MSDLAF	MERCHANT SERVICES - NEC	20230628	255.00	STUDENT DEFERRED REVENUE
12/30/2022	MSDLAF	MERCHANT SERVICES - SEC	20230629	1,895.00	STUDENT DEFERRED REVENUE
12/30/2022	MSDLAF	MERCHANT SERVICES - WEC	20230630	475.00	STUDENT DEFERRED REVENUE
12/30/2022	MSDLAF	MSDLAF	20230631	30,311.97	INTEREST EARNED NOVEMBER 2022
12/30/2022	MSDLAF	PAYPAL	20230632	9,022.05	DECEMBER TUITION
12/30/2022	MSDLAF	SQUARE - BREMER BEAN SH	20230633	1,419.23	DECEMBER STORE SALES
12/30/2022	MSDLAF	SQUARE - JITTERBUG NEC	20230634	1,958.72	DECEMBER STORE SALES
12/30/2022	MSDLAF	SQUARE - COMMON GROUND	20230635	1,247.68	DECEMBER STORE SALES
12/30/2022	MSDLAF	SQUARE - SNACK SHACK WE	20230636	1,351.89	DECEMBER STORE SALES
<b>MTD TOTALS</b>				<b>5,192,706.13</b>	

**INTERMEDIATE DISTRICT 287**  
**DECEMBER 2022 ACTIVITY**

**WIRE TRANSFERS OUT:**

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
12/6/2022	MSDLAF	Bank of Montreal	4000001379	52,392.03	P-Card Expense
12/8/2022	MSDLAF	HealthPartners	4000001377	161,963.02	HPAI Claims
12/8/2022	MSDLAF	Pitney Bowes	4000001378	1,000.00	Pitney Bowes Reserve Account
12/8/2022	MSDLAF	US Bank	9000004060-9000004080	2,548.01	Staff Reimbursements
12/15/2022	MSDLAF	BPAS	4000001380	64,686.17	Veba
12/15/2022	MSDLAF	Educators Benefit Consultants	4000001381	85,227.83	403b Retirement
12/15/2022	MSDLAF	MN Dept of Revenue	4000001382	2,080.94	State Taxes
12/15/2022	MSDLAF	MN Dept of Revenue	4000001383	82,222.85	State Taxes
12/15/2022	MSDLAF	Public Employees Retirement	4000001384	111,550.02	Pera
12/15/2022	MSDLAF	Teachers Retirement Assn	4000001385	207,790.45	Tra
12/15/2022	MSDLAF	US Bank	4000001386	480,359.32	Federal Taxes
12/15/2022	MSDLAF	HealthPartners	4000001387	781.99	Frequent Fitness Claims
12/15/2022	MSDLAF	HealthPartners	4000001388	119,390.65	HPAI Claims
12/15/2022	MSDLAF	Pitney Bowes	4000001389	468.87	Pitney Bowes Quarterly Lease
12/15/2022	MSDLAF	US Bank	4000001390	193.72	Cash Management Services
12/15/2022	MSDLAF	US Bank	9000101386-9000102246	1,403,127.04	Payroll
12/20/2022	MSDLAF	HealthPartners	4000001391	301,633.53	HPAI Claims
12/22/2022	MSDLAF	US Bank	9000004081-9000004143	12,391.11	Staff Reimbursements
12/27/2022	MSDLAF	HealthPartners	4000001392	179,264.72	HPAI Claims
12/29/2022	MSDLAF	BPAS	4000001393	65,172.76	Veba
12/29/2022	MSDLAF	Educators Benefit Consultants	4000001394	83,275.24	403b Retirement
12/29/2022	MSDLAF	MN Dept of Revenue	4000001395	1,877.12	State Taxes
12/29/2022	MSDLAF	MN Dept of Revenue	4000001396	89,047.22	State Taxes
12/29/2022	MSDLAF	Public Employees Retirement	4000001397	121,852.81	Pera
12/29/2022	MSDLAF	Teachers Retirement Assn	4000001398	215,533.07	Tra
12/29/2022	MSDLAF	US Bank	4000001399	513,634.57	Federal Taxes
12/29/2022	MSDLAF	US Bank	9000102247-9000103110	1,486,182.09	Payroll
12/30/2022	MSDLAF	Benefit Resource Inc	4000001400	37,446.03	Flex Spending Account Payments
12/30/2022	MSDLAF	Benefit Resource Inc	4000001400	9,361.00	Flex Spending Monthly Invoice
<b>MTD TOTALS</b>				<b>5,892,454.18</b>	





**DONATION REPORT**  
**INTERMEDIATE DISTRICT 287**  
**2022-2023**

**December 2022**

<b>DONATION DATE</b>	<b>DESCRIPTION</b>	<b>VIN#</b>	<b>EST VALUE</b>	<b>DONOR</b>	<b>CAMPUS</b>	<b>PROGRAM</b>
12/9/22	CHECK		\$20.00	CHARITIES AID FOUNDATION OF AMERICA	SEC	AFTERCARE & WELLNESS
		<b>TOTAL</b>	<b>\$20.00</b>			

# CONNECTIONS



News from the Association of Metropolitan School Districts

January 2023  
Volume 20  
Number 4

## White Bear Lake Area Schools: Building Our Future

### January 27, 2023 Executive/Legislative Committee Meeting

7:30 a.m. - 9 a.m.  
Anderson Center  
Bethel University  
Arden Hills

### February 3, 2023 Board of Directors Meeting

7 a.m. - 9 a.m.  
Quora Education Center  
NE Metro 916  
Little Canada

### February 24, 2023 Executive/Legislative Committee Meeting

7:30 a.m. - 9 a.m.  
Anderson Center  
Bethel University  
Arden Hills

### March 3, 2023 Board of Directors Meeting

7 a.m. - 9 a.m.  
Quora Education Center  
NE Metro 916  
Little Canada



The story of White Bear Lake Area Schools' successful Building Our Future fall 2019 bond referendum started long before it appeared on the ballot. It was an out-growth of important projects: a 2017-18 strategic plan process and 2018-19 facilities planning process.

Committees of students, families, staff and community members came together and engaged in important discussions, surveys and studies. A key discussion point, specific to the district, focused on a two-campus high school set-up with one campus housing grades 9-10 and the other housing grades 11-12. It is rumored that this current high school design was a "temporary fix" when implemented in the 1980s, honoring the community's wishes for one high school while overcoming the challenge that no district building could accommodate all students in grades 9-12.

The result was a complex facilities plan to address projected enrollment growth throughout the district; provide safe, secure and healthy learning environments for all students through investments in our aging facilities and infrastructure; create a single unified grades 9-12 high school; and create flexibly-designed learning spaces to support student-centered instruction.

All construction phases will be completed in the summer of 2025, and much

*Continued on page 2*

Thank you to the 200 plus AMSD members and legislators who attended the 2023 AMSD Session Preview! We were also thrilled to welcome Gov. Walz, Lt. Gov. Flanagan, and Commissioner Jett to the event. Gov. Walz's announcement that he and the Lt. Governor will propose linking the formula to inflation drew a long ovation from the standing room only crowd. The 2023 session presents a historic opportunity to stabilize the education funding system and help our students recover from the pandemic. I encourage AMSD members to stay engaged throughout the session. We need your voice and advocacy for our students and our schools!

**From the AMSD Chair, Crystal Brakke, Richfield Public Schools Board Member**



Continued from page 1

has already been done, including a brand new Transportation facility and a renovation of our Area Learning Center. Additions have been completed at seven of our nine elementary schools, and the eighth is currently under construction. The ninth elementary, a brand new building, opened for students this fall.

Perhaps the most dramatic changes to the district's landscape are those at our current White Bear Lake Area High School - North Campus building, which will be home to the unified grades 9-12 high school in the fall of 2024. The stadium, track and west practice fields were completed last fall, allowing our physical education teachers, coaches, and athletes early access to this new facility. Construction will soon wrap up on the field house, which will house multiple courts, an indoor running track and an elevated walking track. The facility will meet a strong community need for indoor activity space for years to come.

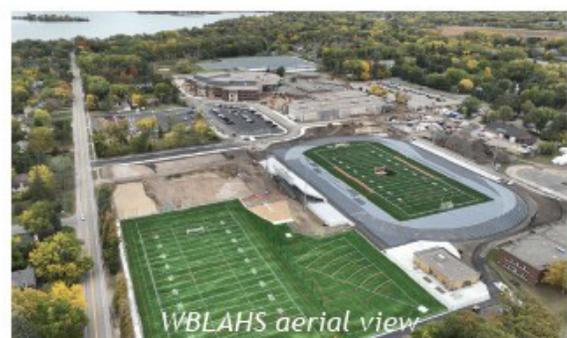
Another noticeable change is the new 3-story classroom addition housing nine learning studios that will transform the way our students are able to learn and collaborate, with a flexible environment and a lot of natural light. Also included in the addition are spaces for our Career Pathways programs.

The unified high school project is complex, with many phases and moving parts. Current North Campus students, our ninth and tenth graders, will soon transition into the new part of the building so renovation work can take place in the original building. The building's existing circle design will be opened up and a fine arts addition will be constructed. Additional parking will accommodate the expanding population of the unified high school.

Our two middle schools are seeing changes as well. Completed additions at White Bear Lake Area High School - South Campus are part of the plan to transition the building into a middle school when the high school is unified. Central Middle School projects are currently in the design phase. The school will gain the current District Center square footage when district offices move to the current Sunrise Park Middle School building along with the Early Childhood program, the Transition Education Center and the Senior Program.

We invite you to follow along and track our progress on the Building Our Future page of the district's website - [www.isd624.org/BuildingOurFuture](http://www.isd624.org/BuildingOurFuture). These exciting district-wide building projects are setting us up well for Our Future.

*This month's member feature was submitted by Dr. Wayne A. Kazmierczak, Superintendent, White Bear Lake Area Schools.*



# 2023 AMSD Session Preview Brings Legislators and Education Leaders Together

More than 200 education leaders — superintendents, school board members and district staff — joined Gov. Tim Walz, Lt. Gov. Peggy Flanagan, MDE Commissioner Willie Jett, and more than two dozen state legislators on Jan. 6 for the AMSD Legislative Session Preview — the annual event that highlights AMSD’s legislative platform and key education issues for the upcoming legislative session.

The 2023 event, held at Northeast Metro Intermediate School District 916’s Quora Education Center, featured remarks from Gov. Tim Walz and Lt. Gov. Peggy Flanagan about their education priorities for the session.



*Gov. Tim Walz and Lt. Gov. Peggy Flanagan spoke at the 2023 AMSD Session Preview — pledging to link the education funding formula to inflation.*

Two AMSD superintendents — Dr. Stacie Stanley of Edina Public Schools and Dr. Joe Gothard of Saint Paul Public Schools — joined AMSD Chair Crystal Brakke in presenting AMSD’s 2023 Legislative Platform, which the AMSD Board of Directors approved in December. The platform focuses on four themes:

- Strengthen and Stabilize Funding
- Enhance School Safety and Increase Mental Health Support
- Close Opportunity Gaps and Spur Innovation
- Diversify the Educator Workforce and Address Shortage Areas



*Edina Public Schools Supt. Stacie Stanley urged legislators to address the English learner and special education cross-subsidies.*



*Saint Paul Public Schools Supt. Joe Gothard talked about the importance of stability and flexibility in the education funding system.*

Gov. Walz told a standing ovation crowd that he and Lt. Gov. Flanagan will propose linking the education funding formula to inflation — a long time AMSD priority that had just moments before been emphasized by Supt. Gothard.

The annual preview provides an opportunity for legislators to hear the priorities of AMSD member school districts and discuss important education issues. AMSD member school districts collectively serve more than half of the public school students in Minnesota. Chair Brakke, Supt. Stanley, and Supt. Gothard each emphasized the importance of stabilizing the education funding system and providing

*Continued on page 4*

Continued from page 3

school districts with the flexibility to address their unique needs and challenges. Under the current funding system, school leaders don't know what level of funding the state will provide from one year to the next, making it extremely difficult to adopt long range plans.

The preview concluded with a legislative panel discussion (at right) moderated by AMSD Board Chair Crystal Brakke and featuring Sen. Michael Kreun (R-Blaine), Sen. Mary Kunesh (DFL-New Brighton), Rep. Ben Bakeberg (R-Jordan), and Rep. Cheryl Youakim (DFL- Hopkins) who each outlined some of their education priorities for the 2023 session.



Youakim is the chair of the House Education Finance Committee, and Bakeberg is a first-term member of the House Education Policy Committee and Finance Committee. Kunesh is the chair of the Senate Committee on Education Finance, and Kruen is a first-term member of that committee.

- [LINK: View the AMSD 2023 Legislative Preview Presentation](#)
- [LINK: View a PDF of the 2023 AMSD Legislative Platform](#)
- [LINK: View a video of the presentations at the 2023 Legislative Preview](#)

## Governor Releases Education Budget Proposals

On Jan. 17 Gov. Tim Walz and Lt. Governor Peggy Flanagan unveiled their One Minnesota Budget proposal relating to children, youth, and families. Flanked by Saint Paul Public Schools Supt. Joe Gothard and Education Commissioner Willie Jett — as well as several other state commissioners — the governor and lieutenant governor made the announcement at SPPS' Adams Spanish Immersion Elementary School.

The plan includes a 4 percent funding formula increase for next fiscal year, as well as renewing the pledge he made at the 2023 AMSD Legislative Preview — to tie the funding formula to inflation beginning in FY2026. The plan would also cover 50 percent of the special education cross-subsidy and 25 percent of the English learner cross-subsidy.

Highlights of the announcement include:

- Formula increased by 4 percent in FY24 and 2 percent in FY25 and formula tied to inflation effective in FY26.
  - Special ed cross-subsidy reduction aid increased to 50 percent.
  - EL cross-subsidy reduced by 25 percent.
  - Universal meals.
  - Funding for school support personnel and mental health supports.
  - Expanded funding for PreK, the Child Care Assistance Program (CCAP), and early learning scholarships.
  - Establishment of a new Department of Children, Youth, and Families. This department would oversee many programs that support children and families but are currently located in different agencies.
- [LINK: Summary of Governor's Budget Plan](#)
  - <https://kstp.com/kstp-news/top-news/walz-announces-12b-education-budget-proposal/>

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

## School Board Planning Calendar 2022-2023

### 2022 Meetings (August - December)

July (*not meeting*)      October 13  
 August 25                      October 27  
 September 8                  November 10  
 September 22                 December 8

### 2023 Meetings (January - June)

January 12                      March 23  
 (*possible conflicts with MASA*)      April 13  
 January 26                      May 11  
 February 9                      May 25  
 February 23                      June 8  
 March 9                          June 22

### Resources/Templates (make a copy of the template)

- [What the Board Needs to Know](#) - template
- [Consent Agenda Recommendation](#) - template

### Presentation Templates:

- [Template 1](#)
- [Template 2](#)
- [Data Slides Template](#)
- [Minimalist slides Template](#)
- [Ribbon Slides Template](#)
- [Shoes Slides Template](#)
- [Stripe Slides Template](#)

1 <sup>st</sup> Meeting of the Month	2 <sup>nd</sup> Meeting of the Month
<b>START TIME 6:30 PM</b>	
<b>AUGUST 25, 2022</b>	
<p><b>Kudos &amp; Recognition</b></p> <p><b>Special Presentation</b></p> <ul style="list-style-type: none"> <li>• <u>287 Anti-Racist Leadership Program Pilot Proposal</u> (<i>carryover</i>)</li> </ul> <p><b>Board Chair Business</b></p> <ul style="list-style-type: none"> <li>• Appointment of Board Vice-Chair</li> </ul>	<p><b>Annual Presentation - none</b></p> <ul style="list-style-type: none"> <li>• Coherence-Uber Goal (First Read)</li> <li>• Racial Equity-Kendi Follow Up Or My Grandmother's Hand's (<i>carryover</i>)</li> <li>• Financial Report June - (Action)</li> <li>• COVID 19 Policies (<i>carryover</i>)</li> <li>• Update on Back to School Planning</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>• Wilder Contracts - TTM &amp; KOFI (<i>carryover</i>)</li> </ul>
<p><b>SEPTEMBER 8, 2022</b></p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>• Kudos (back to school - first days of school video)</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <p><b>Special Presentation:</b></p> <ul style="list-style-type: none"> <li>• Mental Health ARP grant</li> </ul> <p><b>Annual Presentation</b></p> <p><b>Spotlight - TBD</b></p>	<p><b>SEPTEMBER 22, 2022</b></p> <p><b>Kudos &amp; Recognition</b></p> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>• Routine monthly finance report - July/August (consent agenda)</li> </ul> <p><b>Special Presentation</b></p> <p><b>Annual Presentation</b></p> <ul style="list-style-type: none"> <li>• <b>What the Board Needs to Know</b> (<i>Action</i>) Emergency and Crisis Plans for 2022-23 Jake Horejsh</li> <li>• Resolution Authorizing Parameters for Sale &amp; Award of 2022A LTFM Bonds (Action - 2022 only)</li> </ul>

**OCTOBER 13, 2022**

**Kudos & Recognition**

**Consent Agenda OR What the Board Needs to Know OR Verbal Update**

**Superintendent's Report**

- Introduce the New Communications Director

**Special Presentation**

- Diploma On

**Annual Presentation**

**OCTOBER 27, 2022**

**Kudos & Recognition**

- Above & Beyond: Ann Bremer Education Center (virtual)
- Spotlight: NSO Student

**Consent Agenda OR What the Board Needs to Know OR Verbal Update**

- Insurance Premium Rate Recommendation

**Superintendent's Report**

**Annual Presentation**

- Financial Report September - Quarterly Update (Action)
  - Facilities Report
- Policy Review: BOO bucket 1st read

**NOVEMBER 10, 2022**

*(Only one Board meeting this month!)*

**Kudos & Recognition**

- Above & Beyond: Care & Treatment

**Consent Agenda OR What the Board Needs to Know OR Verbal Update**

- Fund balance transfers (consent agenda item)

**Special Presentation: Board Work Session**

- West Suburban Summer School & Destination Imagination

**Superintendent's Report**

- Superintendent Doud will review the UBER goal for the 2022-2023 school year.

**Annual Presentation**

- Literacy Update in Jan or Feb
- Board Ratification of Award of 2022A LTFM Bonds (Action - 2022 only)

**DECEMBER 8, 2022**

*(Only one Board meeting this month!)*

**Kudos & Recognition**

- Above & Beyond: District Service Center
- Spotlight: Hennepin Technical Programs
- Spotlight: South Education Center Student

**Consent Agenda OR What the Board Needs to Know OR Verbal Update**

- Financial Report October (consent agenda)

**Special Presentation**

- Data sharing with Member Districts and Data Dashboard

**Annual Presentation**

- Officer Election Process - (Chair Report)
- World's Best Workforce Report & ESSA Update (Jon Ben)
- Unaudited Financial Report for FY22 (action item)

<p style="text-align: center;"><b>JANUARY 12, 2023</b> <i>*Organizational Meeting</i></p> <p>Election of Board Officers: Oath of Office Annual Resol</p> <ul style="list-style-type: none"> <li>Electronic signatures resolution - was this included in the annual resolutions? (<i>Please move to the annual organizational meeting</i>)</li> <li>FY22 Audit - Auditor Presentation - (Annual Report) (recurring) (action item) (<i>Please move to top of Agenda behind election of officers</i>)</li> <li>Financial Report November (consent agenda)</li> <li>Report on UBER goal including strategic implementation plans and budget Legislative Platform</li> <li>Legislative Platform - Valorie invited</li> </ul>	<p style="text-align: center;"><b>JANUARY 26, 2023</b> <b>Regular Meeting</b></p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>Above &amp; Beyond: Hennepin Technical College programs</li> <li>Spotlight: Ann Bremer Student</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>Superintendent Mid-Year Evaluation Procedure (recurring)</li> </ul> <p><b>Special Presentation - Member District Targeted Services Support</b></p> <p><b>Annual Presentation</b></p> <ul style="list-style-type: none"> <li>Financial Report December - Quarterly update (action item)</li> <li>2022-23 Budget Update and 23-24 Budget Planning</li> <li>Equity Policy First Read</li> </ul>
<p style="text-align: center;"><b>FEBRUARY 9, 2023</b></p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>Spotlight: North Education Center Student</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>Update on Culture and Climate Uber Goal -Staff WELLBEING</li> <li>What the Board Needs to Know about Community Support following the Feb 1, 2022tragedy at SEC (ELR and <a href="#">Deb Carlson-Doom</a>)</li> </ul> <p><b>Special Presentation</b></p> <p><b>Annual Presentation</b></p> <ul style="list-style-type: none"> <li>ESSA submissions for schools identified for Comprehensive Support and Improvement (will recur annually)</li> <li>Equity Policy Second Read</li> </ul>	<p style="text-align: center;"><b>FEBRUARY 23, 2023</b></p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>Above &amp; Beyond: Itinerant</li> <li>Spotlight: Work Experience Student</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>Financial Report January -consent agenda</li> <li>HR Report: Resolution Reducing Programs and Positions (recurring) Michelle Axell will present a Resolution asking the Board to direct administration to make recommendations for any necessary reductions in programs and positions.</li> </ul> <p><b>Special Presentation</b> Literacy Goal update (Jon)</p> <p><b>Under HR Report:</b> What the Board Needs to Know: HR Planning for the upcoming hiring season: Anne Becker, Executive Director of Human Resources will share the recruitment &amp; hiring outlook for 2023-2024.</p> <p><b>Annual Presentation</b></p> <p><u>Chair Report</u> FY23 Budget Revision - annual report (<i>action item</i>)</p>
<p style="text-align: center;"><b>MARCH 9, 2023</b></p> <p style="text-align: center;">Equity (60 min)   Equity Work Session</p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>Spotlight: Itinerant Student</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>Confidentiality Commitments</li> </ul> <p><b>Special Presentation</b></p> <p><b>Annual Presentation</b></p> <ul style="list-style-type: none"> <li>Approval of revised Administrative Organizational Plan (recurring)</li> </ul>	<p style="text-align: center;"><b>MARCH 23, 2023</b></p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>Above &amp; Beyond: North Education Center</li> <li>Spotlight: WEC/HTC Graduate Feature</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>Financial Report February - consent agenda</li> <li>Verbal update: Expansion of Furthering Your Education program (The Transforming Teaching &amp; Learning (TTL) Scholarship)</li> <li>Approval of On-site Solar Contracts for Ann Bremer Education Center, North Education Center, District Service Center and West Education Center. (Rich Ragatz from</li> </ul>

- FY24 Budget Assumption/Program Withdrawal Report - Annual Report (Action item)
- 2023-2024 School Calendar Approval (recurring)

- Ideal Energies will share a presentation prior to board approval.)
- Approval of Contracts:
- FY24 - Food Services Prime Vendor Contract (consent agenda)
- Approval of the RFQ Transportation Contracts
- Approval of Grants (list to come later)
- Special Presentation -**
- Annual Presentation - none**
- Chair Report
- HR Report:
- Facilities - Long Term Facilities Maintenance Plan Approval (Action item)

**APRIL 13, 2023**

**Kudos & Recognition/Spotlight**

- Spotlight: NEC Graduate Feature

**Consent Agenda OR What the Board Needs to Know OR Verbal Update**

- HR Report: Discontinuing Educational Programs and Positions/Staff Reduction ULA Resolution (only if necessary)
  - Organizational Chart Approval 2023-2024

**Special Presentation - 1. Data Dashboard, 2. Safety and MH update, include grants (carry over)**

**Annual Presentation -**

Chair Report

**MAY 11, 2023**

**Kudos & Recognition**

- Above & Beyond: North Education Center
- Above & Beyond: Northern Star Online
- Spotlight: SEC Graduate Feature

**Consent Agenda OR What the Board Needs to Know OR Verbal Update**

- Superintendent Evaluation Closed Session (carry over)

**Special Presentation - NSO Update**

**Annual Presentation - none**

- Financial Report March - Quarterly update (Action)
- SEIU Local 284 – Closed Session (Information)  
Michelle Axell, Director of Human Resources will present parameters for Board consideration. The School Board may hold a closed meeting to consider strategy for labor negotiations. Minn. Stat. §13D.03. (carry over)

Chair Report

**MAY 25, 2023  
RETIREMENT EVENT  
5:00 PM - 6:30 PM**

**Kudos & Recognition**

- Above & Beyond: South Education Center
- Spotlight: ABEC Graduate Feature

**Consent Agenda OR What the Board Needs to Know OR Verbal Update**

- Superintendent's Evaluation Update (10 min)
- Financial Report April- consent agenda

**Special Presentation - none**

**Annual Presentation -**

- Probationary Licensed, and Non-Licensed Non-Renewal Resolutions (recurring)
- Learning Conversations, Superintendent Luncheon Recap
- Safety Response Team Recap/Decision Making

**JUNE 8, 2023**

**Kudos & Recognition/Spotlight**

- 2023 Graduation video

**Consent Agenda OR What the Board Needs to Know OR Verbal Update**

- Approval of HTC Lease Agreement
- Approval of HTC PSEO Agreement
- Approval Liability Carrier Change and WC Renewal Rates
- Approval of Renewal of Janitorial Services Contracts
- Recommendation to Renew Teachers on Call (TOC) Agreement
- Approval of Grants

**JUNE 22, 2023**

**Kudos & Recognition/Spotlight**

Above & Beyond: West Education Center

**Consent Agenda OR What the Board Needs to Know OR Verbal Update**

- Financial Report May (consent agenda)
- Special Education Monitoring Report (Ask Melissa)
- PrairieCare Partnership Report (Kate and Chad Jayasekera) (carry over)

**Special Presentation - none**

**Annual Presentation**

**Special Presentation - none**

**Annual Presentation**

- Food Services Report - (Annual Report)
- Annual Food Service Program Resolution **Action Item**

Chair Report

Data Privacy & Records policy bucket - 1st read (*carry over*)

- 2023-24 Original Budget Approval - Annual Report **Action Item**

- Approval of 2023-24 Rates. **Action Item**

Chair Report

Data Privacy & Records policy bucket - 2nd read (*carry over*)

**INTERMEDIATE DISTRICT 287**  
**January 23, 2023**  
**SCHOOL BOARD CALENDAR**

***TENTATIVE***

**January 2023**

12	Thursday	<del>General Board Meeting</del>	<del>6:30 PM</del>	<del>DSC</del>
26	Thursday	General Board Meeting	6:30 PM	DSC

**February 2023**

09	Thursday	General Board Meeting	6:30 PM	DSC
23	Thursday	General Board Meeting	6:30 PM	DSC

**March 2023**

09	Thursday	General Board Meeting	6:30 PM	DSC
23	Thursday	General Board Meeting	6:30 PM	DSC

**April 2023**

13	Thursday	General Board Meeting	6:30 PM	DSC
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**May 2023**

11	Thursday	General Board Meeting	6:30 PM	DSC
25	Thursday	General Board Meeting	6:30 PM	DSC

**June 2023**

06	Tuesday	Ann Bremer Education Center Transition Graduation	9:30 AM	TBN
06	Tuesday	Ann Bremer Education Center High School Graduation	1:00 PM	TBN
06	Tuesday	Headway Academy South Graduation	1:50 PM 2:50 PM	TBN
06	Tuesday	North Education Center/NECA & Special Education Graduation	6:00 PM	TBN
07	Wednesday	South Education Center CIP & Focus Graduation	11:00AM	TBN
07	Wednesday	South Education Center, SUN, Intersect, Phase, Transitions, and SUN Graduation	1:00 PM	TBN
07	Wednesday	South Education Center & InVEST High Graduation	6:00 PM	TBN
07	Wednesday	Headway Academy North Graduation	1:50 PM 2:50 PM	TBN
07	Wednesday	West Education Center Transition Graduation	1:00 PM	TBN
07	Wednesday	West Education Center High School Graduation	4:00 PM	TBN
08	Thursday	General Board Meeting	6:30 PM	DSC
22	Thursday	General Board Meeting	6:30 PM	DSC

◆ General Board Meeting – Date Change

◆ New Event

◆ Event Date Change

# Intermediate District 287

*RESPONSIVE. INNOVATIVE. SOLUTIONS.*

## Get on the Bus & Local 2209 Breakfast Schedule 2022-2023

### Get on the Bus

Tuesday, February 7<sup>th</sup>

West Education Center & Hennepin Tech Pathways

Bus leaves 287 DSC @ 8:30 AM

Michèle Kunz

Crystal Brakke

Michael Birdman

Tuesday, April 11<sup>th</sup>

South Education Center

Bus leaves 287 DSC @ 8:30 AM

Michèle Kunz

Crystal Brakke

Sarah Johansen

Michael Birdman

### Local 2209/Board Breakfast

7:00 AM

Tuesday, February 21<sup>st</sup>

District Service Center

(3<sup>rd</sup> Floor – Room 316)

Michèle Kunz

Crystal Brakke

Sarah Johansen

Michael Birdman

Tuesday, April 25<sup>th</sup>  
District Service Center  
(3<sup>rd</sup> Floor – Room 316)

Michèle Kunz

Sarah Johansen

Crystal Brakke

Michael Birdman