

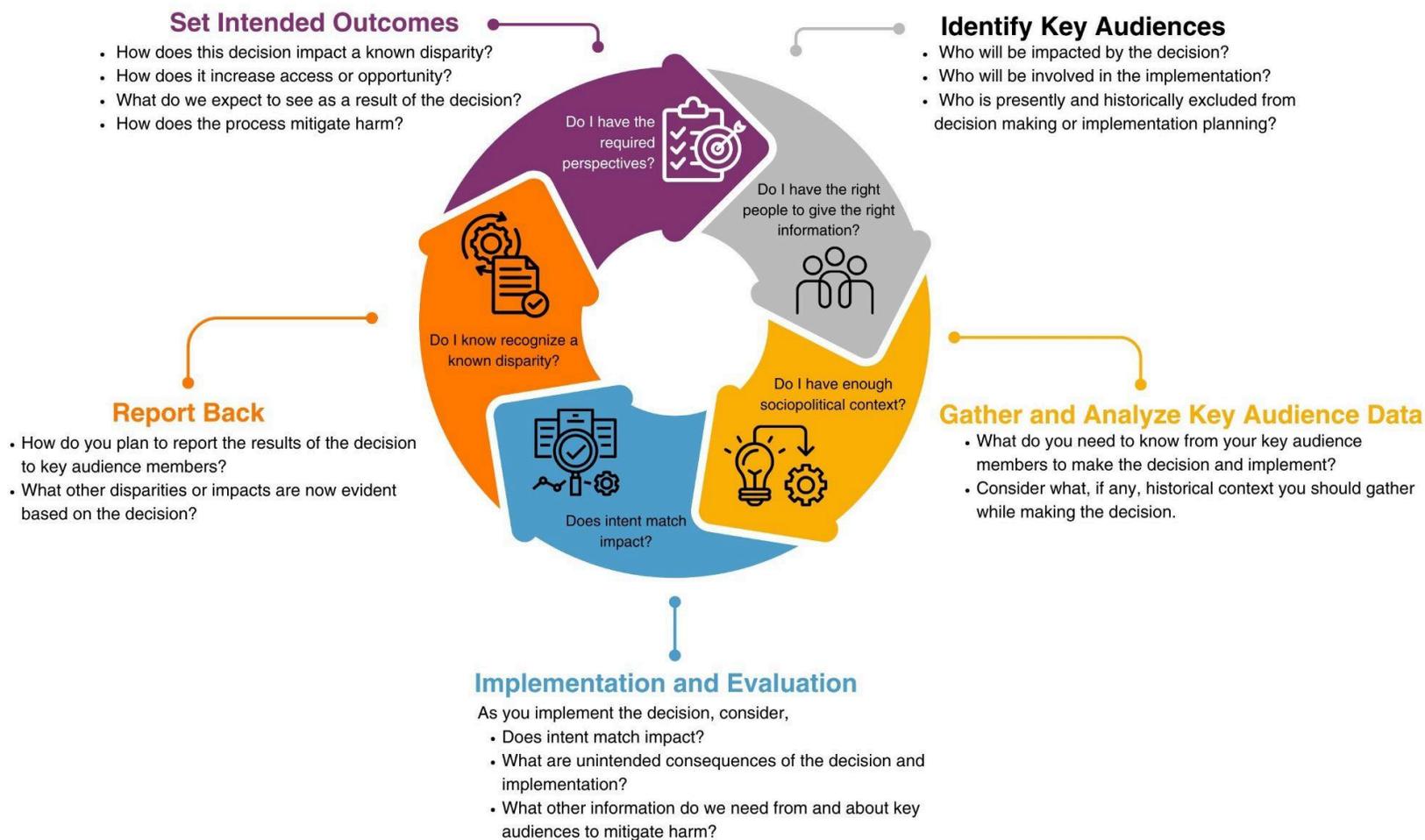
General Meeting of the Board
Thursday, January 22, 2026 6:45 PM

Boardroom / Teleconference
1820 Xenium Ln N
Minneapolis, MN 55441-3790

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 11, 2025
 - 4.2. Routine Human Resources Activities for January 22, 2026
 - 4.3. Monthly Financial Report for November 2025
 - 4.4. District-Wide Compensatory Funds Set Aside for FY26
5. **SHARE THE SUCCESS & RECOGNITION – (20 minutes)** (*Information*)
 - 5.1. Student Spotlight: South Education Center (SEC)
 - 5.2. Above & Beyond: South Education Center (SEC)
 - 5.3. Thank you to departing School Board Members
6. **SUPERINTENDENT'S REPORT - (40 minutes)**
 - 6.1. FY25 Audit Annual Report Presentation (*Action*)
 - 6.2. Strategic Plan Mid-Year Report (*Information*)
7. **INSTRUCTIONAL REPORT - None**
8. **BUSINESS SERVICES & LABOR RELATIONS REPORT - None**
 - 8.1. Facilities Report - None
 - 8.2. Financial Report - None
 - 8.3. Human Resource Report - None
9. **BOARD BUSINESS - (10 minutes)**
 - 9.1. Policy Review & Revision
 - 9.1.1. 721 Uniform Grant Policy (*Action*)
 - 9.1.2. 512 School-Sponsored Publications and Activities Policy (*Action*)
 - 9.1.3. 606.5 Library Materials Policy (*Action*)
 - 9.2. Board Reports
 - 9.2.1. Chair Report - None
 - 9.2.2. AMSD Report
 - 9.2.2.1. January 2026 AMSD Connections Newsletter
 - 9.3. District News (*Information*)
 - 9.3.1. School Board Calendar
 - 9.3.2. January 22, 2026, Board Event Calendar
 - 9.3.3. 2025-2026 Get on the Bus/Local 2209 & Board Meeting Schedule
 - 9.4. Once Around the Table
10. **ADJOURNMENT**

Equity Decision Making Tool



DISTRICT 287 GENERAL MEETING OF THE BOARD
Intermediate District 287
December 11, 2025
MINUTES

1. CALL TO ORDER

Board Chair Casey called the general meeting to order at 6:30 PM in the District Service Center Boardroom and by the use of District 287 Teleconferencing. Board Director Karen Orcutt signed Intermediate District 287 mission statement, and Board Chair Casey 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 10 member districts represented and the following Board members in attendance:

286	Brooklyn Center	Richard Zeck
272	Eden Prairie	Kim Ross
273	Edina	Michael Birdman
270	Hopkins	Shannon Andreson
278	Orono	Karen Orcutt
279	Osseo	Keith Tate
280	Richfield	Crystal Brakke
281	Robbinsdale	Caroline Long
283	St. Louis Park	Anne Casey
284	Wayzata	Dan Ginestra

Absent: 276/Remucal and 277/Roath

Guests:

287 Administration: Superintendent Doud, Dr. Tonya Allen, Camille Hepola, Scott LeSage (*virtual*), Dr. Elisabeth Lodges Rogers, Dr. Jon Voss, Dr. Kevin Witherspoon (*virtual*), Kiarra Zackery (*virtual*), and Wauneen Denson-Mgeni

287 Staff Members: David VanDenBoom, Ariel Chang, Rocio Guzman Calderon, Dr. Laura McLuen, and Olena Zaslavska

2. APPROVAL OF GENERAL MEETING AGENDA

The general meeting agenda was presented for approval. *Motion by Shannon Andreson, seconded by Kim Ross, to approve the meeting agenda. All in favor. No votes against. Motion carried.*

3. OPEN FORUM FOR COMMUNITY COMMENTS - None

4. APPROVAL OF CONSENT AGENDA

The Consent Agenda was presented for approval. The Consent Agenda included the general meeting minutes from November 13, 2025, Routine Human Resources Activities for December 11, 2025, Monthly Financial Report for October 2025, and Authorization of Issuance of Individual Procurement Cards(s) – (P-Cards). *Motion by Karen Orcutt, seconded by Crystal Brakke, to approve the Consent Agenda as presented. All in favor. Motion carried unanimously.*

5. SHARE THE SUCCESS & RECOGNITIONS

David VanDenBoom, Northern Star Online (NSO) Principal introduced Laila Schoenberger, an 11th grader at St. Louis Park Public School District, and Addison Brinkley, a 12th grader at Osseo Public School District, both are currently in the NSO program. Laila and Addison shared their journey in the NSO program and expressed their gratitude for the exceptional staff who have supported them along the way.

David proudly announced that Rocio Guzman Calderon has been named the Above & Beyond winner for December 2025. Rocio, an Admin Support at Northern Star Online, was nominated by her colleagues for her strong commitment to equity and inclusion, as well as her powerful determination to drive impactful change.

6. SUPERINTENDENT'S REPORT - None

7. INSTRUCTIONAL REPORT

Dr. Laura McLuen, the Director of Student Supports, provided a constructive update on the progress and enhancements in our Social-Emotional Learning (SEL) and Chemical Health programs within the district.

8. BUSINESS SERVICES & LABOR RELATIONS REPORTS - None

Facilities Report - None

Financial Report - None

Human Resources Report - None

9. BOARD BUSINESS

Policy Review

Superintendent Doud presented the 721 Uniform Grant Policy for a First Read.

Superintendent Doud presented the 512 School-Sponsored Publications and Activities Policy for a First Read.

Superintendent Doud presented the 606.5 Library Materials Policy for a First Read.

Chair Report

Chair Casey informed the Board of the School Board Officer Nomination Committee process.

AMSD Report

Once Around the Table

10. ADJOURNMENT

Motion was heard and seconded to adjourn the meeting. Meeting adjourned at 7:55 PM.

The next general meeting will be held on January 22, 2026, at 6:30 PM in the District Service Center Boardroom and by Teleconference.

Submitted by
Wauneen Denson-Mgeni
Secretary to the Board

Signed: Chair _____

Clerk _____

Date _____

Date _____



**ROUTINE HUMAN RESOURCES ACTIVITIES FOR THE
INTERMEDIATE DISTRICT 287 SCHOOL BOARD
January 22, 2026**

New Hires					
Name	Position	Department or Site	Reason for Opening	Effective Date	FTE
Myoshi Bradford	Educational Support Professional	South Education Center	Additional Enrollment	12/16/2025	.875
Mariana Cress	Educational Support Professional	South Education Center	Additional Enrollment	12/16/2025	.875
Nell Currey*	Nexus Team Member	District Service Center	Separation: A. Quesnell	12/15/2025	1.0
Katie Field*	Senior Manager of Education Pathways	Equity and Inclusion	Separation: R. Burns	01/05/2026	1.0
Kelly Perry*	Instructional Coach	North Education Center	Separation: S. Hayes	01/05/2026	1.0
Madison Drinhuyzen	Educational Support Professional	South Education Center	Additional Enrollment	01/06/2026	.875
Ihsane El-Abdellaoui	Educational Support Professional	Ann Bremer Education Center	Open Position	12/16/2025	.875
Anne Grui	Senior Manager of Special Education and Itinerant	Itinerant Services	Internal Movement: K. Field	01/20/2026	1.0
Keshaun Johnson	Educational Support Professional	Ann Bremer Education Center	Additional Enrollment	12/16/2025	.875
Britta Lindquist	Administrative Support IV	Itinerant Services	Separation: K. Wilson	12/16/2025	1.0
Nijahray Martin	Educational Support Professional	South Education Center	Additional Enrollment	10/07/2025	.875
Martha Momanyi	Educational Support Professional	Ann Bremer Education Center	Additional Enrollment	12/16/2025	.875
Brandy Murray	Educational Support Professional	North Education Center	Additional Enrollment	12/16/2025	.875
Fiona Nyangaresi	Educational Support Professional	Ann Bremer Education Center	Additional Enrollment	01/06/2026	.875

Savanna Stewart	Educational Support Professional	South Education Center	Additional Enrollment	12/16/2025	.875
Sylvia Stigler	Educational Support Professional	North Education Center	Separation: L. Holmes	12/16/2025	.875
Lakota Thompson	Educational Support Professional	South Education Center	Separation: E. Jasper	01/06/2026	.875
Charles Tichy	Part-time Custodian	Facilities	Separation: M. Ortiz	01/06/2026	.5
Racallis Totten	Educational Support Professional	South Education Center	Additional Enrollment	01/06/2026	.875
Zeytuna Tusa	Educational Support Professional	North Education Center	Additional Enrollment	12/16/2025	.875
Swaray Williams	Educational Support Professional	North Education Center	Additional Enrollment	12/16/2025	.875
Mao Yang	Educational Support Professional	North Education Center	Separation: A. Tawil	01/06/2026	.875

*Current Employee

Temporary Hiring Agreement: NSO/IS				
Name	Position	Department or Site	Effective Date	End Date
Daniel Clark	Social Studies Instructor	Northern Star Online	01/05/2026	06/30/2026
Jason Just	Chemistry Instructor	Northern Star Online	12/30/2025	06/30/2026
Georgia Larson	English Language Arts Instructor	Northern Star Online	01/05/2026	06/30/2026
Amanda Pederson	Communication Arts Instructor	Northern Star Online	12/22/2025	06/30/2026
Michael Periolet	Communication Arts Instructor	Northern Star Online	12/30/2025	06/30/2026

Temporary Hiring Agreement: Out of Field Permissions					
Name	Position	Department or Site	Reason for Opening	Effective Date	FTE
Fully Licensed Current Staff					
Phillip Pierre	ASD Teacher	Ann Bremer Education Center	Temporary License	08/25/2025	1.0
Ritcha Upadhyay	ASD Teacher	West Education Center	Temporary License	08/25/2025	1.0

Temporary Hiring Agreement: Tier 1 or Tier 2 Licenses

Name	Position	Department or Site	Reason for Opening	Effective Date	FTE
Tier 1 Hires					
Erika Coleman	ASD Teacher	Ann Bremer Education Center	Temporary License	08/25/2025	1.0
James Garlo, Jr.	EBD Teacher	West Education Center	Temporary License	08/25/2025	1.0
Andrew Nelson	ASD Teacher	South Education Center	Temporary License	08/25/2025	1.0
Tier 2 Hires					
Joshua Ask	ASD Teacher	South Education Center	Temporary License	10/07/2025	1.0

Extended Leaves of Absence:

Name	Position	Department or Site	Effective Date	End Date	FTE
Aishah Musawwir	Educational Support Professional to accept temporary licensed position	North Education Center	12/03/2025	06/05/2026	0.875

Separations: Dismissal

Name	Position	Department/Site	Effective Date
Curtis Kokuloku	Educational Support Professional	Ann Bremer Education Center	12/10/2025
Isaacina George	Administrative Support	Student Supports Department	01/06/2026

Separations: Resignation

Name	Position	Department or Site	Reason (if internal movement)	Effective Date
Andre McElroy	Educational Support Professional	North Education Center	To accept a License 2209 Position	08/25/2025
Nevaeh-Lee Lindsey	Educational Support Professional	South Education Center	Personal Reasons	01/05/2026
Marquise Pruitt	Educational Support Professional	Ann Bremer Education Center	Personal Reasons	12/19/2025

Separations: Retirements (Regular/Disability)			
Name	Position	Department or Site	Effective Date
Elisabeth Lodge Rogers	Assistant Superintendent	District Service Center	06/30/2026
Cindy Brose	Educational Support Professional	Ann Bremer Education Center	06/05/2026
Deborah Voight	Educational Support Professional	Ann Bremer Education Center	06/05/2026
David Ward	Educational Support Professional	Ann Bremer Education Center	06/05/2026

Other:				
RECOMMEND the Board's approval to credit Erin Dilley-Jones, Behavior Intervention Specialist at Ann Bremer Education Center, with (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				
RECOMMEND the Board's approval to credit Anna Holod, Occupational Therapist for Itinerant Services,, with (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				
RECOMMEND the Board's approval to credit Nathaniel Garpue, Educational Support Professional at North Education Center, with (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				
RECOMMEND the Board's approval to credit Paul Ruhland, Instructor Work Coordinator at South Education Center, with (6) days of additional sick leave. These days have been donated by the staff members listed below who have authorized the District to reduce their individual sick leave balances by one (1) day.				
Donor Name Withheld by Request	Donor Name Withheld by Request	Donor Name Withheld by Request	Precious Flemister-Johnson	Deborah Carlson-Doom
Steven Wold				

CONSENT AGENDA - RECOMMENDATION

Intermediate District 287
RESPONSIVE. INNOVATIVE. SOLUTIONS.

November Monthly Financial Reports

January 22, 2026

Author

Dana Trattles, Business Services Administrative Support
Scott LeSage, Director of Finance

Summary

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

- Revenues are at 40.0% of budget, this is below the prior two years percentages.
- Expenditures are at 31.2% of budget, this is above the prior two years percentages.
- Monthly disbursements totaled \$8,956,148.79 (\$5,367,170.15 through Accounts Payable and \$3,588,978.64 through Payroll).
- Regular Investments totaled \$19,837,213.68 including deposit of \$2,657,632.81, withdrawal of \$2,800,000.00, earned interest and dividends totaling \$280,413.44.
- 2022A LTFM Bond Investments had a total balance of \$2,169,660.91 and the activity for the month was for interest earnings of \$6,870.02.
- Cash is in between the two prior year's level.
- Enrollment Reports – November 2025 Actual ADM compared to Budget Planning and Prior Year (November 2024):
 - ALC – 232.12 ADM which is 21.88 below budget and 30.52 ADM below prior year.
 - Northern Star Online – 383.04 ADM which is 634.96 below budget and 17.49 ADM below prior year. Many NSO enrollments are recorded after the semester end
 - Career & Technical Pathways – 113.05 ADM which is 11.05 above budget and 19.32 ADM above prior year.
 - Special Education – 546.84 ADM which is 51.55 below budget and 17.36 ADM above prior year.
 - Care & Treatment – 89.58 ADM which is 21.18 below budget and .38 ADM above prior year.
- Donations – Cash \$100.00, Prizes for Staff Pickleball, and two (2) Yamaha Pianos.

The amounts shown for 2024-25 are as of the end of the fiscal year at June 30th, and are preliminary at this point. They reflect the normal month end which is basically on a cash basis without accrual entries. Numerous receivables and payables are calculated after year-end, and these amounts will continue to change up to and through the audit process.

Recommendation

The Board approve the November Monthly Financial Reports.

DISTRICT 287
REVENUE COMPARISON

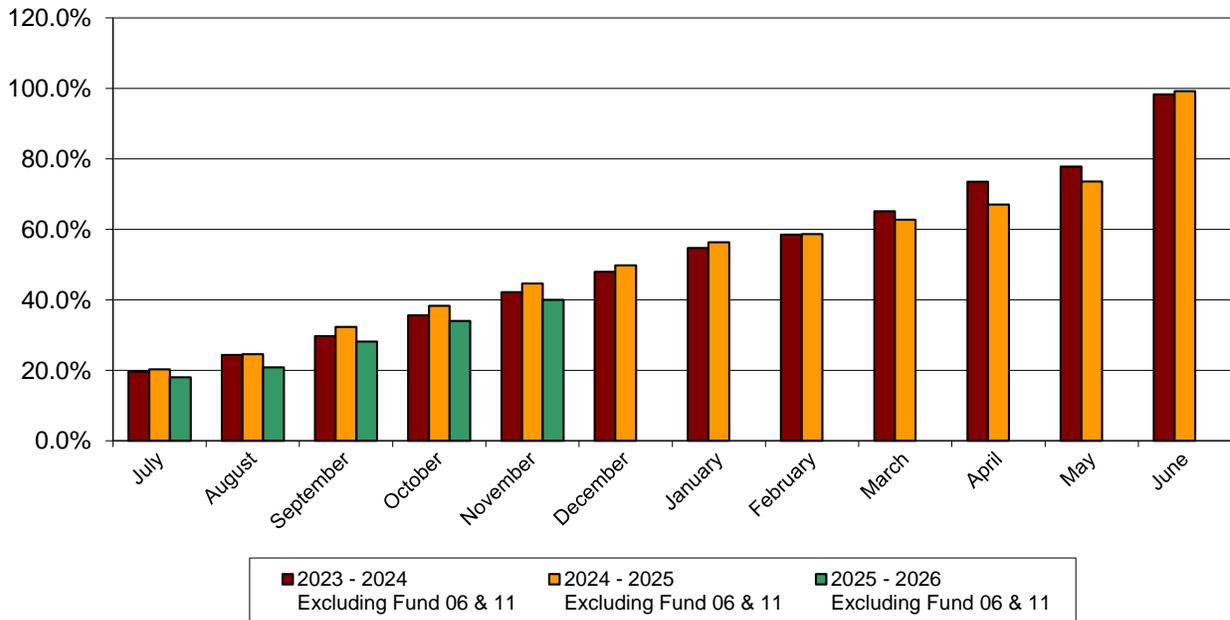
Month	2023 - 2024		2024 - 2025		2025 - 2026		2025 - 2026	
	Excluding Fund 06 & 11		Excluding Fund 06 & 11		Excluding Fund 06 & 11		Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
July	23,454,555	19.7% ¹	26,130,396	20.3% ²	24,677,754	18.0% ³	24,690,806	18.0%
August	5,555,759	24.3% ¹	5,533,085	24.6% ²	3,833,160	20.9% ³	3,842,391	20.9%
September	6,418,580	29.7% ¹	9,995,943	32.3% ²	9,956,187	28.1% ³	9,964,274	28.1%
October	7,033,514	35.6% ¹	7,739,129	38.3% ²	8,013,576	34.0% ³	8,021,092	34.0%
November	7,853,633	42.2% ¹	8,106,095	44.6% ²	8,217,540	40.0% ³	8,224,410	40.0%
December	6,852,360	47.9% ¹	6,680,616	49.8% ²				
January	8,090,580	54.7% ¹	8,380,272	56.3% ²				
February	4,501,636	58.5% ¹	3,006,126	58.6% ²				
March	7,937,907	65.2% ¹	5,324,721	62.8% ²				
April	10,002,641	73.5% ¹	5,535,964	67.1% ²				
May	5,089,254	77.8% ¹	8,400,980	73.6% ²				
June	24,442,780	98.3% ¹	33,031,125	99.2% ²				
TOTAL	117,233,200	98.3%	127,864,452	99.2%	54,698,217	40.0%	54,742,973	40.0%
BUDGET	119,257,057 ²		128,874,184 ³		136,724,139		136,799,139	

¹ excludes Funds 06 & 11 budgeted revenue of \$55,000

² excludes Funds 06 & 11 budgeted revenue of \$80,000

³ excludes Funds 06 & 11 budgeted revenue of \$75,000

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



Board- Revenue/Expense Summary by Fund Report

November 2025-2026

Intermediate District No. 287

Revenue Fund	Prior YE Act	Budget	MTD Activity	YTD Activity	% Used	YTD Unrealized
01 - GENERAL FUND	18,208,043.02	20,634,817.00	324,890.79	4,596,580.18	22.28%	16,038,236.82
02 - FOOD SERVICE FUND	890,572.69	980,870.00	62,272.33	142,080.55	14.49%	838,789.45
04 - COMMUNITY SERVICE FUND	0.00	0.00	0.00	0.00		0.00
06 - BUILDING CONSTRUCTION FUND	0.00	0.00	0.00	0.00		0.00
07 - DEBT SERVICE FUND	8,737,575.72	9,054,572.00	0.00	5,972,742.10	65.96%	3,081,829.90
08 - TRUST FUND	0.00	0.00	0.00	0.00		0.00
10 - SCHOLARSHIP FUND	4,257.11	5,250.00	0.00	0.00	0.00%	5,250.00
11 - LTFM BOND FUND	207,764.75	75,000.00	6,870.02	44,756.14	59.67%	30,243.86
12 - ALC - ACADEMIC FUND	14,393,534.72	15,299,047.00	5,272.93	2,609,064.31	17.05%	12,689,982.69
13 - CAREER & TECH FUND	2,670,728.46	2,502,866.00	0.00	1,045,169.87	41.76%	1,457,696.13
14 - SPECIAL EDUCATION FUND	67,788,839.18	72,942,217.00	6,347,110.10	34,336,694.55	47.07%	38,605,522.45
20 - INTERNAL SERVICE FUND	715,750.80	761,000.00	72,360.31	298,505.42	39.23%	462,494.58
21 - SELF HEALTH INSURANCE FUND	14,448,347.69	14,538,000.00	1,405,501.98	5,695,290.06	39.18%	8,842,709.94
51 - STUDENT CLUB FUND	6,802.82	5,500.00	131.59	2,089.58	37.99%	3,410.42
Total Revenue	128,072,216.96	136,799,139.00	8,224,410.05	54,742,972.76	40.02%	82,056,166.24

DISTRICT 287
EXPENDITURE COMPARISON

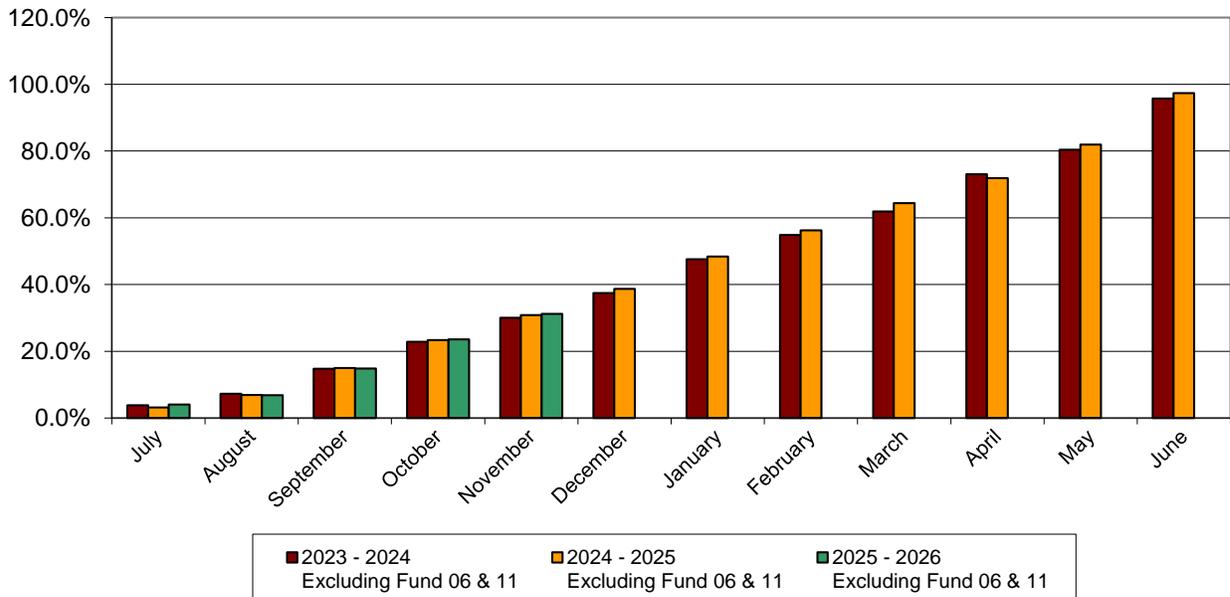
Month	2023 - 2024		2024 - 2025		2025 - 2026		2025 - 2026	
	Excluding Fund 06 & 11		Excluding Fund 06 & 11		Excluding Fund 06 & 11		Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
	Amount	of Budget	Amount	of Budget	Amount	of Budget	Amount	of Budget
July	4,424,027	3.8% ¹	4,013,490	3.2% ²	5,412,095	4.0% ³	5,102,527	3.7%
August	3,954,604	7.3% ¹	4,735,735	6.9% ²	3,840,424	6.9% ³	4,025,200	6.7%
September	8,668,867	14.8% ¹	10,198,405	15.0% ²	10,725,461	14.8% ³	10,845,145	14.7%
October	9,257,161	22.8% ¹	10,581,202	23.4% ²	11,813,124	23.6% ³	12,110,163	23.6%
November	8,286,923	30.0% ¹	9,450,008	30.9% ²	10,298,015	31.2% ³	10,420,450	31.2%
December	8,555,529	37.4% ¹	9,876,304	38.7% ²				
January	11,690,319	47.6% ¹	12,191,878	48.4% ²				
February	8,340,543	54.8% ¹	9,973,096	56.3% ²				
March	8,148,996	61.9% ¹	10,233,010	64.4% ²				
April	12,848,626	73.0% ¹	9,483,133	71.9% ²				
May	8,498,201	80.4% ¹	12,673,417	81.9% ²				
June	17,696,852	95.8% ¹	19,513,909	97.4% ²				
TOTAL	110,370,648	95.8%	122,923,587	97.4%	42,089,119	31.2%	42,503,486	31.2%
BUDGET	115,244,351 ²		126,244,416 ³		134,850,169		136,155,652	

¹ excludes Funds 06 & 11 budgeted expenditures of \$947,361

² excludes Funds 06 & 11 budgeted expenditures of \$579,777

³ excludes Funds 06 & 11 budgeted expenditures of \$1,305,483

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



_Board- Revenue/Expense Summary by Fund Report

November 2025-2026

Intermediate District No. 287

Expenditure Fund	Prior YE Act	Budget	MTD Activity	YTD Activity	% Used	YTD Unrealized
01 - GENERAL FUND	18,333,424.63	20,980,687.00	1,561,615.60	8,743,689.54	41.67%	12,236,997.46
02 - FOOD SERVICE FUND	904,035.69	980,870.00	77,430.11	311,904.16	31.80%	668,965.84
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	6,890,043.50	6,922,887.00	0.00	1,541,331.25	22.26%	5,381,555.75
08 - TRUST FUND	0.00	0.00	0.00	0.00		0.00
09 - AGENCY FUND	0.00	0.00	0.00	0.00		0.00
10 - SCHOLARSHIP FUND	1,500.00	12,526.00	0.00	1,500.00	11.98%	11,026.00
11 - LTFM BOND FUND	898,138.78	1,305,483.00	122,435.14	414,366.84	31.74%	891,116.16
12 - ALC - ACADEMIC FUND	14,728,555.91	15,181,778.00	1,032,305.40	4,675,747.95	30.80%	10,506,030.05
13 - CAREER & TECH FUND	2,261,663.64	2,509,132.00	185,022.17	685,872.75	27.34%	1,823,259.25
14 - SPECIAL EDUCATION FUND	66,805,156.62	73,060,543.00	6,070,952.71	21,020,514.75	28.77%	52,040,028.25
20 - INTERNAL SERVICE FUND	709,428.09	760,300.00	59,667.81	227,337.96	29.90%	532,962.04
21 - SELF HEALTH INSURANCE FUND	12,283,147.63	14,432,500.00	1,310,569.82	4,880,769.44	33.82%	9,551,730.56
51 - STUDENT CLUB FUND	6,631.18	8,946.00	451.56	451.56	5.05%	8,494.44
Total Expenses	123,821,725.67	136,155,652.00	10,420,450.32	42,503,486.20	31.22%	93,652,165.80

Intermediate District 287

Responsive. Innovative. Solutions.

INTER-OFFICE MEMORANDUM

DATE: **January 22, 2025**

TO: Members of the School Board

FROM: Scott LeSage, Director of Finance

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: November 2025	Totaling	\$	<u>5,367,170.15</u>
a) Check #'s 1163134 - 116214 and Wire Transfers - #'s 4000002503 - 4000002534, 9000009376 - 9000009602, 9000009628			
2. Payroll payments for: November 2025	Totaling	\$	<u>3,588,978.64</u>
a) Check #'s b) Direct Deposit #'s 9000168808 - 9000170869			
3. Receipts for: November 2025	Totaling	\$	<u>9,828,808.16</u>
a) Receipt #'s 20260407 - 20260434, 20260436, 20260438 - 20260530, 20260548			
4. Invest. at end of mo. November 2025			
a) Fund 01 - General Fund	\$		19,837,213.68
b) Fund 11 - 2022A LTFM Bond (Construction Costs)	\$		<u>2,169,660.91</u>
	\$		<u>22,006,874.59</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 2025

#01-104-00 - Investments (General)

INSTITUTION	RATE OF RETURN (%)	DATE	ACTIVITY	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	3.865			31,146.98
PMA - MNTrust SDA - Nexbank, SSB - ICS, TX	3.850			2,072,875.74
PMA - MNTrust SDA - Bell Bank, MN	3.850			71,325.03
PMA - MNTrust SDA - Bank of China, NY	3.900			6,619,381.76
PMA - MNTrust CD - First Internet Bank of Indiana, IN	4.007			237,200.00
PMA - MNTrust CD - The Western State Bank, KS	4.136			235,300.00
PMA - MNTrust DTC - OAKSTAR BANK NA, 67389LAZ6	3.996			248,194.15
PMA - MNTrust CD - TruStone Financial Credit Union, MN	4.090			1,500,000.00
PMA - MNTrust CD - 42 North Private Bank, MA	3.841			243,172.09
PMA - MNTrust CD - Arlo Bank, MO	3.841			243,172.09
PMA - MNTrust CD - ChoiceOne Bank, MI	3.841			243,172.09
PMA - MNTrust CD - First International Bank & Trust, ND	3.841			243,172.09
PMA - MNTrust CD - Home Federal Savings & Loan Assn, NE	3.841			243,172.09
PMA - MNTrust CD - Independent Bank, TN	3.841			243,172.09
PMA - MNTrust CD - Meadows Bank, NV	3.841			243,172.09
PMA - MNTrust CD - Pinnacle Bank, NE	3.841			243,172.09
PMA - MNTrust CD - United Fidelity Bank, fsb, IN	3.841			243,172.09
PMA - MNTrust CD - West Gate Bank, NE	3.841			243,172.09
PMA - MNTrust CD - West Michigan Community Bank, MI	3.841			170,471.21
PMA - MNTrust CD - Local Bank, OK	3.841			101,319.28
PMA - MNTrust CD - American Bank and Trust Co., OK	3.841			75,212.92
PMA - MNTrust CD - American Pride Bank, GA	3.841			21,275.69
PMA - MNTrust CD - State Bank of Texas, TX	3.943			240,300.00
PMA - MNTrust CD - Financial Federal Bank, TN	3.800			240,800.00
PMA - MNTrust CD - Cornerstone Bank, NE	3.972			240,300.00
PMA - MNTrust CD - Solera Nation Bank, CO	3.872			240,500.00
PMA - MNTrust CD - NorthEast Community Bank, NY	3.969			240,300.00
PMA - MNTrust DTC - VALLEY NATL BK WAYNE, 919853NZ0	3.898			244,241.86
PMA - MNTrust DTC - AMERICAN EXPR NATL BK, 02589AFD9	3.805			244,209.54
PMA - MNTrust DTC - MORGAN STANLEY PVT BANK, 61776ND0	3.905			244,209.29
PMA - MNTrust DTC - ALLY BANK, 02007G3P6	3.905			244,209.84
PMA - MNTrust DTC - FIRST PREMIER BANK, 33610RVS9	3.797			244,246.82
PMA - MNTrust CD - Western Alliance Bank, CA	3.763			240,900.00
PMA - MNTrust CD - NexBank, TX	3.793			240,800.00
PMA - MNTrust CD - Farmers and Merchants Union Bank, WI	3.793			240,700.00
PMA - MNTrust CD - ServisFirst Bank, FL	3.769			240,800.00
PMA - MNTrust DTC - FIRST BANK/HAMILTON NJ, 319137CN3	3.505			244,675.82
PMA - MNTrust CD - American Plus Bank, N.A., CA	3.600			233,000.00
PMA - MNTrust CD - Farmers Bank & Trust, KS	3.500			233,500.00
PMA - MNTrust CD - KS StateBank, KS	3.650			232,600.00
PMA - MNTrust DTC - PREMIER COMMUNITY BK WI, 74048CBK	3.504			248,699.31
PMA - MNTrust DTC - BUSINESS FIRST BANK, 098079BZ8	3.504			248,698.59
PMA - MNTrust DTC - ALL IN FEDERAL CREDIT UN, 01664MAM0	3.554			248,698.95
PMA - MNTrust CD - First Guaranty Bank, LA	3.713			241,000.00
PMA - MNTrust CD - Freedom Northwest Credit Union	4.071			230,700.00
PMA - MNTrust CD - Bank of China, NY	3.826			236,400.00
PMA - MNTrust CD - Bank Hapoalim B.M., NY	3.550			237,300.00
Total PMA - MNTrust Investments on Books				19,837,213.68

ACTIVITY DETAIL:

Investments on our Book at End of Prior Month	19,699,167.43
Current Month Activity	
Deposits / Purchases	2,657,632.81
Withdrawals / Redemptions	(2,800,000.00)
Interest Earned - Recorded	277,914.32
Dividends Earned	2,499.12
Interest/Dividends Earned - To Be Recorded in Next Month	-
Total Investments at End of Month & Un-recorded Interest	<u><u>19,837,213.68</u></u>

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

INSTITUTION	RATE OF RETURN (%)	DATE	ACTIVITY	AMOUNT INVESTED
PMA - MNTrust IS Account Balance	3.865			2,169,660.91
PMA - MNTrust CD Account Balance	-			-
PMA - MNTrust SEC Account Balance	-			-
Total PMA - MNTrust Investments on Books for Fund 11				<u><u>2,169,660.91</u></u>

ACTIVITY DETAIL:

Investments on our Book at End of Prior Month	2,162,790.89
Current Month Activity:	
Deposits	
Distributions/Repemptions	
Interest/Dividends/Purchases Earned - Recorded	6,870.02
Adjustments - move funds not used for closing costs to construction (from Fund 07)	
Interest/Dividends Earned - To Be Recorded in Next Month	
Total Investments at End of Month & Un-recorded Interest	<u><u>2,169,660.91</u></u>
Total 2022A LTFM Investments (Fund 11) at End of Month	<u><u>2,169,660.91</u></u>

INTERMEDIATE DISTRICT 287
INVESTMENT ACTIVITY - 2022A LTFM BOND
November 2025

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

MONTH POSTED	DATE	DESCRIPTION	AMOUNT
Nov-22	11/22/22	Proceeds from 2022A LTFM Bond	4,740,596.00
Nov-22	11/30/22	Interest/Dividends	4,282.32
Dec-22	12/30/22	Distributions/Construction Draws	-45,645.18
Jan-23	01/01/23	Interest/Dividends	687.30
Feb-23	02/07/23	Distributions/Construction Draws	-15,000.00
Feb-23	02/28/23	Interest/Dividends (for Jan & Feb '23)	19,146.93
Mar-23	03/31/23	Interest/Dividends	5,534.59
Apr-23	04/28/23	Distributions/Construction Draws	-165,570.33
Apr-23	04/30/23	Interest/Dividends	5,018.40
May-23	05/31/23	Distributions/Construction Draws	-39,431.25
May-23	05/31/23	Interest/Dividends	5,132.72
Jun-23	06/30/23	Interest/Dividends	8,599.22
Jul-23	07/31/23	Distributions/Construction Draws	-172,551.00
Jul-23	07/31/23	Interest/Dividends	9,456.04
Aug-23	08/31/23	Interest/Dividends	17,655.68
Sep-23	09/30/23	Interest/Dividends	5,613.71
Sep-23	09/29/23	Distributions/Construction Draws	-64,403.28
Oct-23	10/31/23	Interest/Dividends	14,867.49
Oct-23	10/31/23	Distributions/Construction Draws	-459,154.50
Nov-23	11/30/23	Interest/Dividends	4,587.09
Dec-23	12/28/23	Distributions/Construction Draws	-118,947.96
Dec-23	12/31/23	Interest/Dividends	8,053.03
Jan-24	02/08/24	Interest/Dividends - recorded in Feb.	8,951.48
Feb-24	02/29/24	Interest/Dividends	8,674.49
Mar-24	04/01/24	Interest/Dividends	4,290.91
Apr-24	04/30/24	Distributions/Construction Draws	-90,040.61
Apr-24	04/30/24	Interest/Dividends	4,057.92
May-24	05/31/24	Distributions/Construction Draws	-15,421.57
May-24	05/31/24	Interest/Dividends	3,871.68
Jun-24	06/30/24	Distributions/Construction Draws	-114,204.33
Jun-24	06/30/24	Interest/Dividends	39,989.94
Jul-24	07/31/24	Distributions/Construction Draws	-205,158.46
Jul-24	07/31/24	Interest/Dividends	41,419.43
Aug-24	08/30/24	Distributions/Construction Draws	-243,211.97
Aug-24	08/31/24	Interest/Dividends	43,713.97
Sep-24	09/30/24	Distributions/Construction Draws	-242,331.43
Sep-24	09/30/24	Interest/Dividends	33,992.84
Oct-24	10/31/24	Distributions/Construction Draws	-178,698.47
Oct-24	10/31/24	Interest/Dividends	8,081.63
Nov-24	11/30/24	Interest/Dividends	7,424.07
Dec-25	12/30/24	Distributions/Construction Draws	-42,006.59
Dec-25	12/31/24	Interest/Dividends	10,988.86
Jan-25	01/31/25	Interest/Dividends	10,845.93
Feb-25	02/28/25	Interest/Dividends	6,387.66
Mar-25	03/31/25	Distributions/Construction Draws	-51,981.58
Mar-25	03/31/25	Interest/Dividends	6,929.06
Apr-25	04/30/25	Distributions/Construction Draws	-113,917.93

MONTH POSTED	DATE	DESCRIPTION	AMOUNT
Apr-25	04/30/25	Interest/Dividends	6,350.81
May-25	05/31/25	Interest/Dividends	56,285.56
Jun-25	06/30/25	Distributions/Construction Draws	-89,675.20
Jun-25	06/30/25	Interest/Dividends	18,340.95
Jul-25	07/31/25	Distributions/Construction Draws	-63,930.00
Jul-25	07/31/25	Interest/Dividends	19,022.15
Aug-25	08/29/25	Distributions/Construction Draws	-215,050.90
Aug-25	08/31/25	Interest/Dividends	9,231.31
Sep-25	09/30/25	Distributions/Construction Draws	-184,876.25
Sep-25	09/30/25	Interest/Dividends	8,086.97
Oct-25	10/31/25	Distributions/Construction Draws	-119,684.29
Oct-25	10/31/25	Interest/Dividends	7,515.83
Nov-25	11/30/25	Interest/Dividends	6,870.02

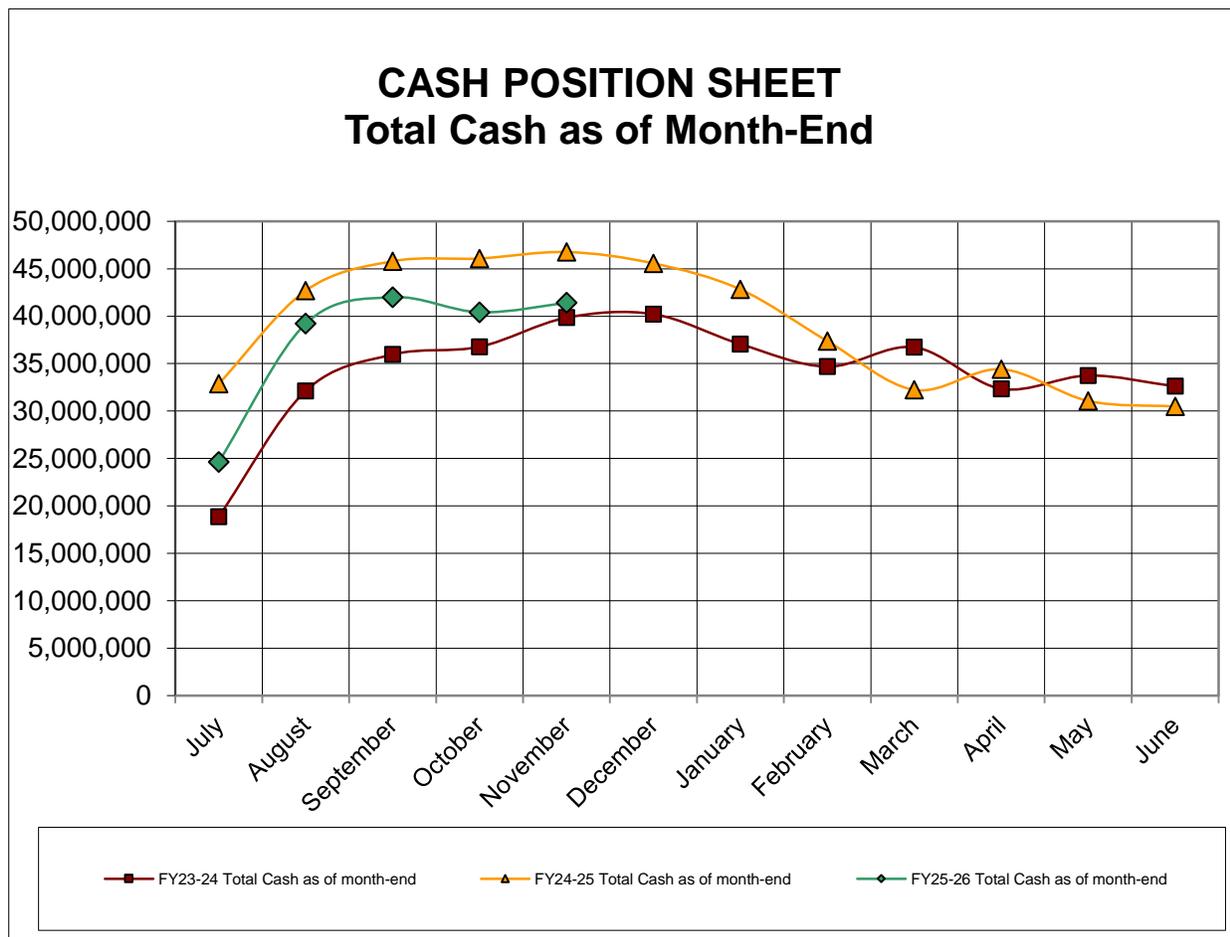
2022A LTFM Bond Investments - Balance as of End of Month 2,169,660.91

Intermediate District 287

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

<u>Date</u>	<u>FY23-24 Total Cash as of month-end</u>	<u>FY24-25 Total Cash as of month-end</u>	<u>FY25-26 Total Cash as of month-end</u>
July	18,858,236	32,864,612	24,635,556
August	32,119,813	42,689,540	39,205,467
September	35,958,742	45,793,738	41,999,550
October	36,774,908	46,084,518	40,408,785
November	39,840,981	46,762,578	41,419,421
December	40,212,901	45,567,325	
January	37,055,362	42,825,007	
February	34,683,875	37,375,272	
March	36,722,274	32,232,314	
April	32,345,881	34,409,724	
May	33,746,144	31,065,481	
June	32,610,936	30,475,321	

- Includes Self-Funded Insurance Cash Balances.



INTERMEDIATE DISTRICT 287

NOVEMBER 2025 ACTIVITY

ELECTRONIC TRANSFERS IN:

DATE	TO	AGENCY	RECEIPT #	AMOUNT	DESCRIPTION
11/26/2025	MSDLAF ST. CLAIR ISD 075		20260493	1,023.40	NSO ENROLLMENTS
11/26/2025	MSDLAF BARNESVILLE ISD 146		20260494	3,323.04	FINAL ALC BILLING
11/26/2025	MSDLAF EDEN PRAIRIE ISD 272		20260495	16,758.63	ITINERANT BILLING
11/26/2025	MSDLAF EDINA ISD 273		20260496	127,360.03	MONTHLY REBILL
11/26/2025	MSDLAF RICHFIELD ISD 280		20260497	142,820.47	MONTHLY PREBILL
11/26/2025	MSDLAF ROSEVILLE ISD 623		20260498	1,965.64	FINAL ALC BILLING
11/26/2025	MSDLAF MADELIA ISD 837		20260499	511.70	FINAL ALC BILLING
11/26/2025	MSDLAF MORRIS AREA SCHOOLS ISD 2769		20260500	1,023.40	FINAL ALC BILLING
11/26/2025	MSDLAF SOUTH CENTRAL SERVICE COOP		20260501	12,308.78	CTE CONSORTIUM GRANT
11/26/2025	MSDLAF MESSERLI & KRAMER PA		20260502	15.00	N/A
11/26/2025	MSDLAF PANDA EXPRESS - CLUB FUNDRAISER		20260503	131.59	CLUB FUNDRAISER
11/30/2026	MSDLAF MA 3RD PARTY BILLINGS		20260504	28,578.61	MA 3RD PARTY BILLINGS REV
11/30/2026	MSDLAF P-CARD REBATE PMT		20260505	4,225.18	P-CARD REBATE PMT
11/30/2026	MSDLAF USAC - E-RATE PRGM		20260506	68,638.80	USAC - E-RATE PRGM
11/30/2026	MSDLAF FINS OCT 2025 - ALL SITES		20260507 - 20260511	60,681.27	FINS OCT 2025 - ALL SITES (ABEC, SEC, ETC.)
11/30/2026	MSDLAF IDEAS 11/13/25 GEN ED, SPED		20260512	3,948,470.61	IDEAS 11/13/25 GEN ED, SPED
11/30/2026	MSDLAF MN DEPT OF ED - MEGS		20260513	1,065.15	GYO STATE ADULT PATH
11/30/2026	MSDLAF MA 3RD PARTY BILLINGS		20260514	11,633.20	MA 3RD PARTY BILLINGS 11/18/25
11/30/2026	MSDLAF MN DEPT OF ED - CEOG		20260515	31,160.07	CLOSING ED OPPOR GAPS
11/30/2026	MSDLAF IDEAS 11/25/25 GEN ED, SPED		20260516	2,296,420.65	IDEAS 11/25/25 GEN ED, SPED
11/30/2026	MSDLAF MN DEPT OF ED - TECHR PIPE GRANT		20260517	32,334.39	MN DEPT OF ED - TECHR PIPE GRANT
11/30/2026	MSDLAF COBRA 11/03/25		20260518	18,725.57	COBRA 11/03/25
11/30/2026	MSDLAF SCHOOLCAFE NOV 2025		20260519 - 20260522	576.00	SCHOOLCAFE NOV 2025
11/30/2026	MSDLAF BRAINTREE ACT NOV 2025		20260523	5,278.95	BRAINTREE ACT NOV 2025
11/30/2026	MSDLAF PAYPAL 11/17/25		20260524	23.64	PAYPAL 11/17/25
11/30/2026	MSDLAF SQUARE NOV 2025 ACTIVITY		20260525 - 20260530	10,955.31	SQUARE NOV 2025 ACTIVITY
11/30/2026	MSDLAF MSDLAF INTEREST NOV 2025		20260548	70,121.33	MSDLAF INTEREST NOV 2025
MTD TOTALS				6,896,130.41	

INTERMEDIATE DISTRICT 287

NOVEMBER 2025 ACTIVITY

WIRE TRANSFERS OUT:

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
11/3/2025	MSDLAF	HEALTHPARTNERS	4000002503	318,418.93	HPAI CLAIMS
11/5/2025	MSDLAF	SUBURBAN WASTE	4000002504	5,179.73	UTILITY BILL
11/5/2025	MSDLAF	BANK OF MONTREAL	4000002505	62,513.94	P-CARD EXPENSE
11/10/2025	MSDLAF	HEALTHPARTNERS	4000002506	308,376.43	HPAI CLAIMS
11/6/2025	MSDLAF	CPE	4000002507	2,822.14	UTILITY BILL
11/17/2025	MSDLAF	BPAS	4000002508	69,533.66	VEBA
11/17/2025	MSDLAF	EDUCATORS BENEFIT CONSULTANTS	4000002509	88,334.35	403B RETIREMENT
11/17/2025	MSDLAF	MN DEPT OF REVENUE	4000002510	1,088.40	STATE TAXES
11/17/2025	MSDLAF	MN DEPT OF REVENUE	4000002511	100,591.38	STATE TAXES
11/14/2025	MSDLAF	PUBLIC EMPLOYEES RETIREMENT	4000002512	148,869.33	PERA
11/14/2025	MSDLAF	TEACHERS RETIREMENT ASSN	4000002513	277,924.28	TRA
11/14/2025	MSDLAF	US BANK	4000002514	590,903.74	FEDERAL TAXES
11/13/2025	MSDLAF	PITNEY BOWES	4000002515	25.00	ACCESS & SHIPPING W/O HW OR METER
11/14/2025	MSDLAF	CITY OF BROOKLYN PARK	4000002516	2,237.16	UTILITY BILL
11/17/2025	MSDLAF	HEALTHPARTNERS	4000002517	575.00	FREQUENT FITNESS
11/17/2025	MSDLAF	HEALTHPARTNERS	4000002518	305,474.47	HPAI CLAIMS
11/17/2025	MSDLAF	CITY OF RICHFIELD	4000002519	2,482.50	UTILITY BILL
11/28/2025	MSDLAF	BPAS	4000002520	69,884.40	VEBA
11/28/2025	MSDLAF	EDUCATORS BENEFIT CONSULTANTS	4000002521	88,534.34	403B RETIREMENT
11/28/2025	MSDLAF	MN DEPT OF REVENUE	4000002522	455.54	STATE TAXES
11/28/2025	MSDLAF	MN DEPT OF REVENUE	4000002523	101,127.12	STATE TAXES
11/26/2025	MSDLAF	PUBLIC EMPLOYEES RETIREMENT	4000002524	150,069.56	PERA
11/26/2025	MSDLAF	MN DEPT OF REVENUE	4000002525	278,805.29	STATE TAXES
11/26/2025	MSDLAF	US BANK	4000002526	591,683.92	FEDERAL TAXES
11/1/2025	MSDLAF	XCEL ENERGY	4000002527	2,132.88	UTILITY BILL
11/20/2025	MSDLAF	CITY OF PLYMOUTH	4000002528	740.61	UTILITY BILL
11/24/2025	MSDLAF	HEALTHPARTNERS	4000002529	257,128.51	HPAI CLAIMS
11/24/2025	MSDLAF	CITY OF MINNETONKA	4000002530	968.98	UTILITY BILL
11/24/2025	MSDLAF	CITY OF NEW HOPE	4000002531	2,328.43	UTILITY BILL
11/26/2025	MSDLAF	BRI TRANSFER	4000002532	33,083.05	BRI TRANSFERS
11/28/2025	MSDLAF	PITNEY BOWES	4000002533	10,000.00	POSTAGE REFILL
11/18/2025	MSDLAF	US BANK	4000002534	197.52	CASH MANAGEMENT SERVICES
11/18/2025	MSDLAF	EDUCATORS BENEFIT CONSULTANTS	9000009628	8.33	403B RETIREMENT
11/10/2025	MSDLAF	US BANK	9000009376-9000009402	230,957.75	AP ACH PAYMENTS
11/14/2025	MSDLAF	US BANK	9000009403-9000009433	4,138.72	AP ACH PAYMENTS
11/18/2025	MSDLAF	US BANK	9000009434-9000009457	116,802.00	AP ACH PAYMENTS
11/21/2025	MSDLAF	US BANK	9000009458-9000009482	212,406.47	AP ACH PAYMENTS
11/30/2025	MSDLAF	US BANK	9000009483-9000009507	74,202.16	AP ACH PAYMENTS
11/28/2025	MSDLAF	US BANK	9000009508-9000009602	17,507.32	AP ACH PAYMENTS
11/14/2025	MSDLAF	US BANK	9000168808-9000169835	1,799,546.72	PAYROLL

1/22/2026

T:\Business Services\BOARD REPORTS\FY25-26\1125\10. Wire TransfersWires-Nov

INTERMEDIATE DISTRICT 287

NOVEMBER 2025 ACTIVITY

11/26/2025 MSDLAF US BANK	9000169836-9000170869	1,789,431.92	PAYROLL
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MTD TOTALS

8,117,491.98

CONSENT AGENDA - RECOMMENDATION

Intermediate District 287
RESPONSIVE. INNOVATIVE. SOLUTIONS.

Plan for District-Wide Compensatory Education Revenue Utilization FY2025-2026

January 22, 2026

Author

Elisabeth Lodge Rogers, Ph.D., Assistant Superintendent

Summary

Under the 126C.15 BASIC SKILLS REVENUE; COMPENSATORY EDUCATION REVENUE, Subdivision 1, and under Subd.2(b) districts may through board adoption of a plan allocate up to 20% of Compensatory Education Revenue to a School Board approved - District plan. I request a portion of District 287 Compensatory Education Revenue be utilized for district-wide curriculum support, instructional coaching, literacy, and math activities.

Specifically, I request that the District 287 School Board approve the use of compensatory education revenue funds for Managers of Curriculum & Instruction (to support Student Outcomes), and Specialized Instructional Coaches to support Literacy and Instructional practices at sites that do not generate sufficient Compensatory Revenue.

These expenses are allowable per statute 126C.15 BASIC SKILLS REVENUE: COMPENSATORY EDUCATION REVENUE (linked below) specifically in Subdivision 1: (4), (5), and (7).

(4) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with community-based organization;

(5) professional development for teachers on meeting the needs of English learners, using assessment tools and data to monitor student progress, and reducing the use of exclusionary discipline, and training for tutors and staff in extended day programs to enhance staff's knowledge in content areas.

(7) programs to reduce truancy; provide counseling services, guidance services, and social work services; and provide coordination for pupils receiving services from other governmental agencies.

[126C.15 BASIC SKILLS REVENUE: COMPENSATORY EDUCATION REVENUE](#)

Recommendation

It is recommended that the Board approves this plan.

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



Regular Meeting – January 22, 2026

AGENDA SECTION: BUSINESS SERVICES REPORT

**ITEM: Recommendation for Board Acceptance of the
Audited Financial Report for the year ended June 30, 2025**

PRESENTED BY: Scott LeSage, Director of Finance

1. Background Information

Jim Eichten, Principal at LB Carlson, Certified Public Accountants & Co., P.A. will present the district’s Audited Financial Report for the year ended June 30, 2025.

2. Fiscal Impact/Funding Source:

3. RECOMMENDED ACTION:

The Board accepts the audited financial report for the year ended June 30, 2025.

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____



Intermediate District No. 287, Plymouth Minnesota

Audit Report for Year Ended June 30, 2025

Presented by: James H. Eichten, CPA

Principal

952-224-1628 ♦ jeichten@lbcarlson.com

Opinion on Financial Statements

- District Audit

Internal Controls and Compliance

- Financial Statement Audit
- State Laws and Regulations

Single Audit of Federal Awards

- Delay in the Issuance of Compliance Supplement
- Will be Completed by March 31st

District Financial Audit

- Unmodified Opinions on Basic Financial Statements

Internal Controls and Compliance – Financial Audit

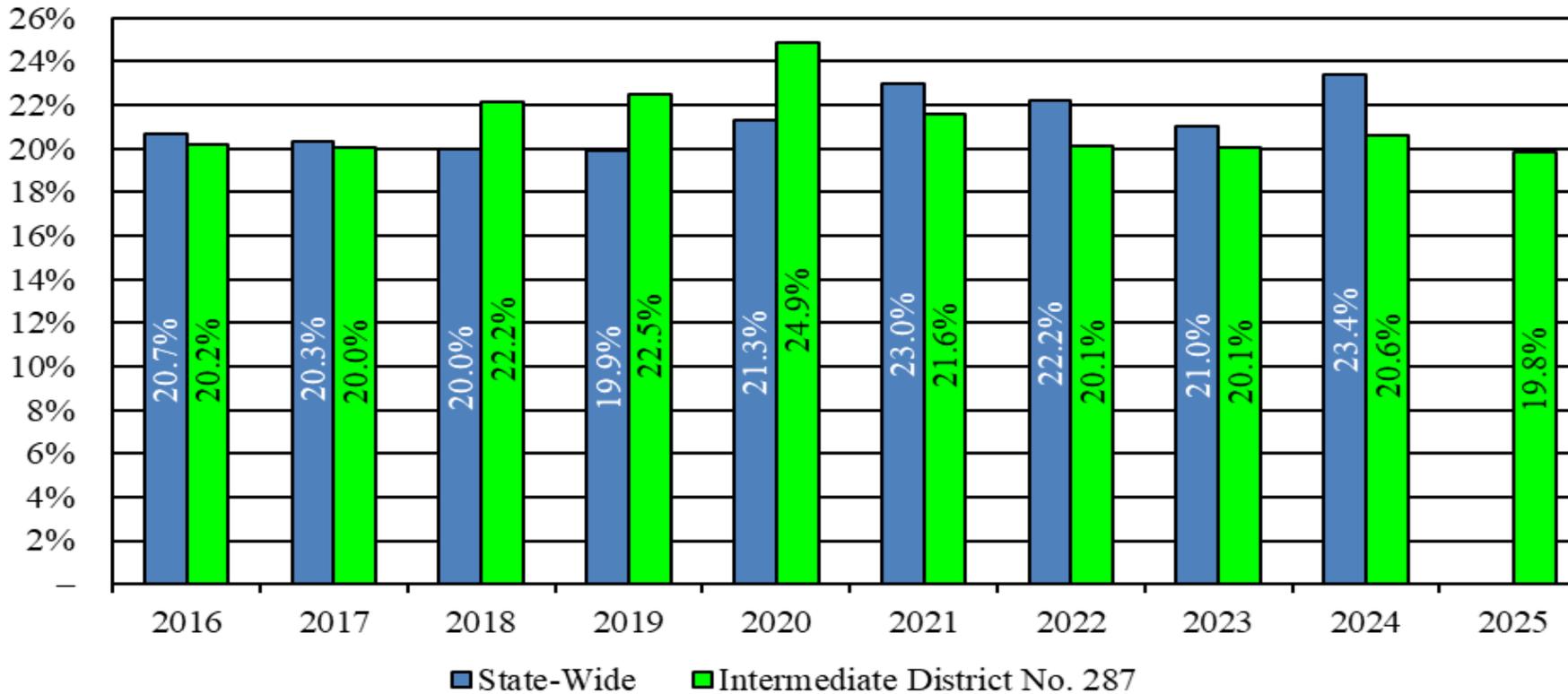
- No Material Weaknesses or Instances of Noncompliance Reported

Minnesota Legal Compliance

- No Findings Based on our Testing of the District's Compliance with Minnesota Laws and Regulations

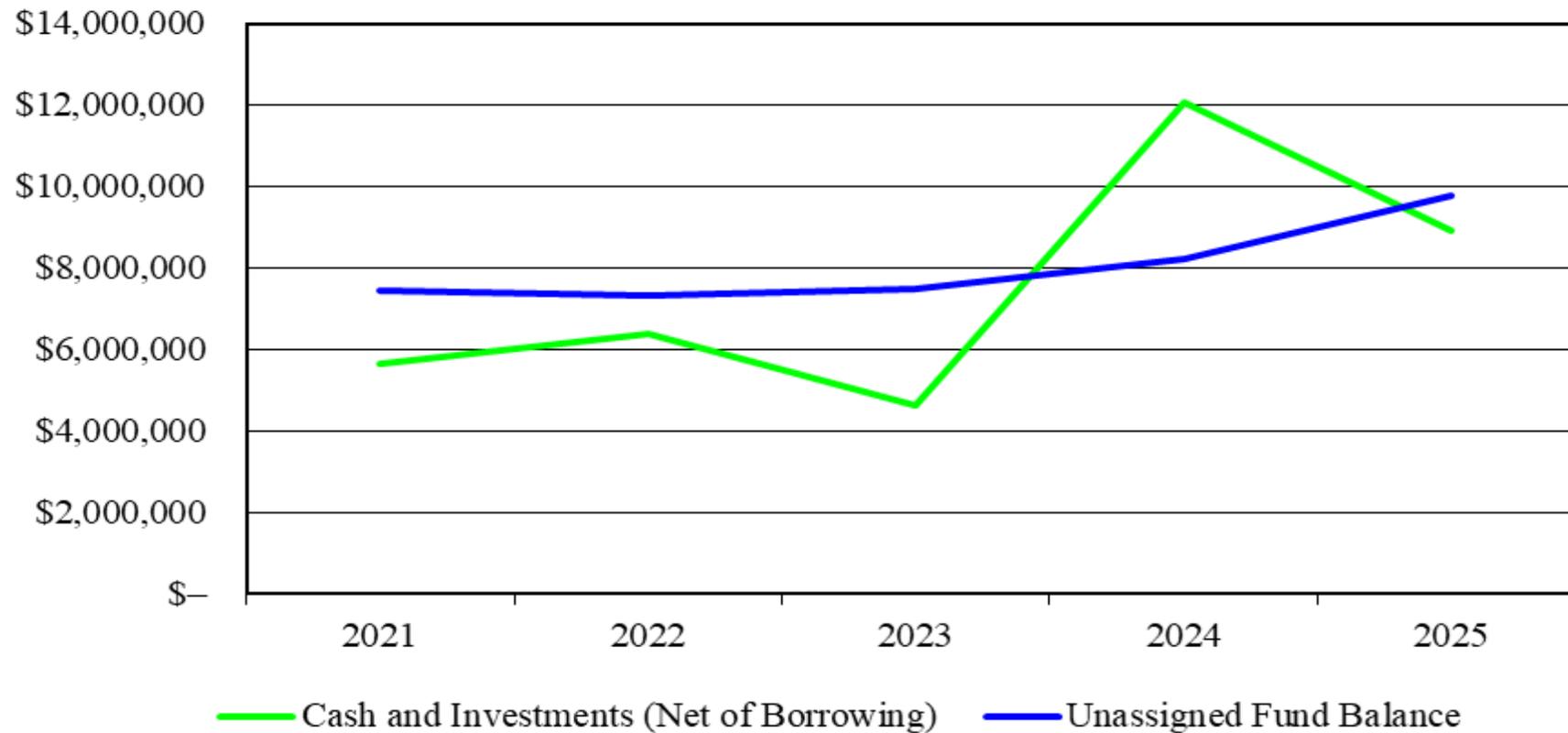
STATE-WIDE FUND BALANCES

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



GENERAL FUND FINANCIAL POSITION – TREND ANALYSIS

General Fund Financial Position

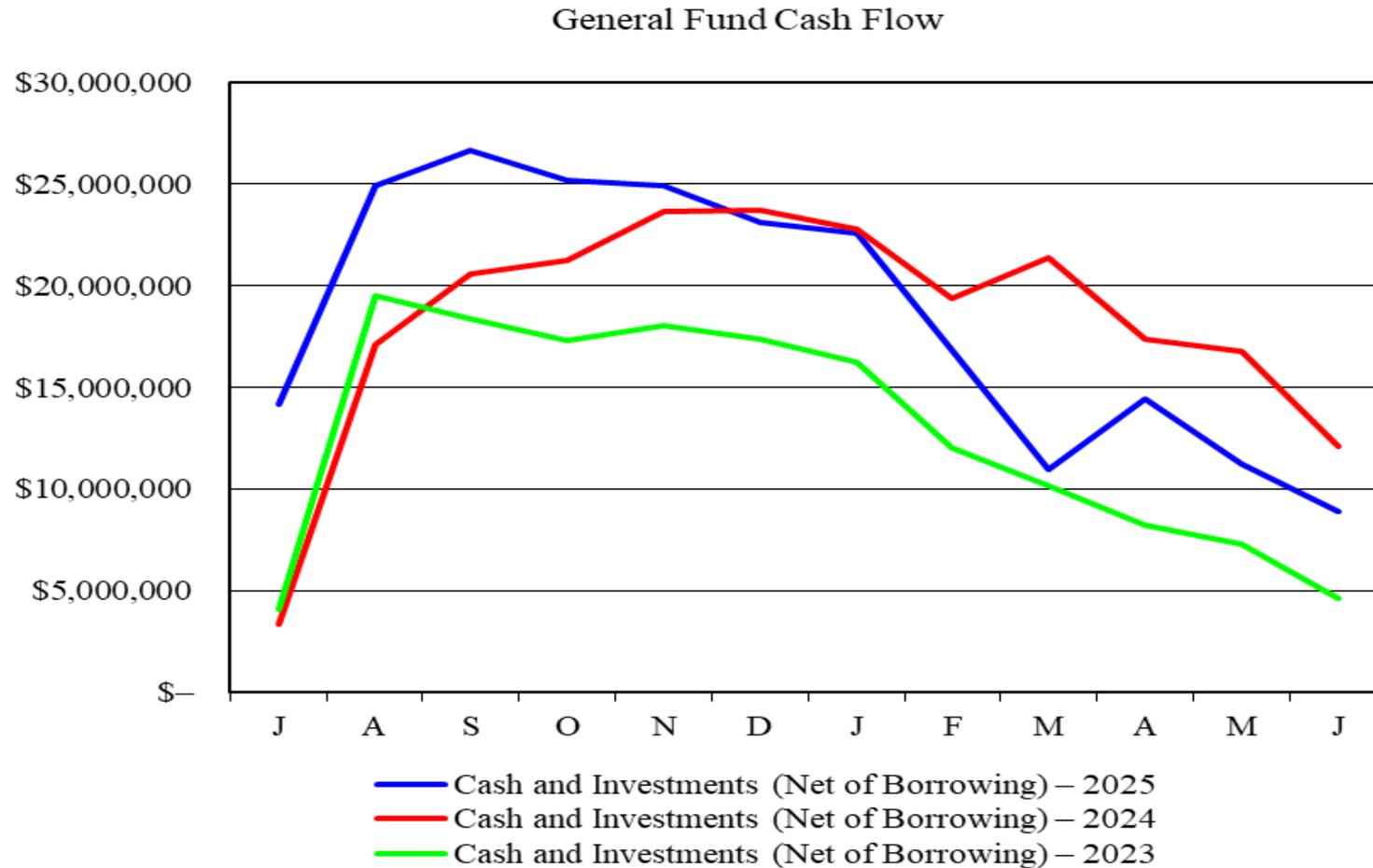


GENERAL FUND FINANCIAL POSITION



	Year Ended June 30,			
	2022	2023	2024	2025
Revenue	\$ 85,679,682	\$ 87,528,049	\$ 92,937,531	\$ 103,067,249
Expenditures	86,658,844	87,009,291	90,240,597	102,153,577
Excess (deficiency) of revenue over expenditures	(979,162)	518,758	2,696,934	913,672
Other financing sources (uses)	(251,557)	34,399	(1,464)	18,845
Net change in fund balances	(1,230,719)	553,157	2,695,470	932,517
Fund balances				
Beginning of year	20,433,556	19,202,837	19,755,994	22,451,464
End of year	<u>\$ 19,202,837</u>	<u>\$ 19,755,994</u>	<u>\$ 22,451,464</u>	<u>\$ 23,383,981</u>
Fund balances				
Nonspendable for prepaid items	\$ 125,543	\$ 133,782	\$ 288,572	\$ 106,723
Restricted for American Indian education aid	—	—	26,133	—
Restricted for basic skills programs	115,586	17,663	365,714	113,142
Restricted for basic skills extended time	115,262	115,262	—	—
Restricted for safe schools levy	645,942	514,244	980,389	1,092,192
Restricted for literacy aid	—	—	—	9,759
Restricted for long-term facilities maintenance	658,985	529,625	507,105	485,880
Restricted for Medical Assistance	1,510,671	2,495,391	3,294,531	3,294,531
Assigned for operational adjustment reserve	310,388	181,420	95,721	95,721
Assigned for donations	6,146	—	—	—
Assigned for severance	5,167,529	5,024,941	4,811,072	4,491,493
Assigned for tuition adjustments	1,788,609	2,128,941	2,128,941	2,128,941
Assigned for property	165,200	28,014	250,000	227,743
Assigned for student clubs	16,348	9,648	8,641	8,812
Assigned for vehicle depreciation	101,664	101,664	99,382	50,712
Assigned for collaborative curriculum project	113,669	29,158	1,568	1,568
Assigned for strategic priorities	498,681	717,243	1,246,715	1,246,715
Assigned for subsequent year's budget	529,541	244,962	—	—
Assigned for vaping settlement	—	—	141,748	239,928
Unassigned	7,333,073	7,484,036	8,205,232	9,790,121
Total fund balances	<u>\$ 19,202,837</u>	<u>\$ 19,755,994</u>	<u>\$ 22,451,464</u>	<u>\$ 23,383,981</u>
Unassigned General Fund balances as a percentage of expenditures	<u>8.5%</u>	<u>8.6%</u>	<u>9.1%</u>	<u>9.6%</u>
Total fund balances as a percentage of expenditures	<u>22.2%</u>	<u>22.7%</u>	<u>24.9%</u>	<u>22.9%</u>

GENERAL FUND CASH FLOW MONTH-END BALANCES



SPECIAL EDUCATION ACCOUNT



	Year Ended June 30,			
	2022	2023	2024	2025
Revenue and other financing sources	\$ 57,559,818	\$ 58,541,471	\$ 60,438,644	\$ 67,788,839
Expenditures and other financing uses	57,792,336	56,771,372	58,636,894	67,021,599
Excess (deficiency)	(232,518)	1,770,099	1,801,750	767,240
Fund balances				
Beginning of year	11,030,628	10,798,110	12,568,209	14,369,959
End of year	<u>\$ 10,798,110</u>	<u>\$ 12,568,209</u>	<u>\$ 14,369,959</u>	<u>\$ 15,137,199</u>

CAREER AND TECHNICAL EDUCATION ACCOUNT



	Year Ended June 30,			
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenue and other financing sources	\$ 1,191,366	\$ 1,711,624	\$ 1,757,143	\$ 2,670,728
Expenditures and other financing uses	<u>1,089,010</u>	<u>1,796,506</u>	<u>1,848,758</u>	<u>2,261,663</u>
Excess (deficiency)	102,356	(84,882)	(91,615)	409,065
Fund balances				
Beginning of year	<u>413,983</u>	<u>516,339</u>	<u>431,457</u>	<u>339,842</u>
End of year	<u>\$ 516,339</u>	<u>\$ 431,457</u>	<u>\$ 339,842</u>	<u>\$ 748,907</u>

ACADEMIC EDUCATION ACCOUNT



	Year Ended June 30,			
	2022	2023	2024	2025
Revenue and other financing sources	\$ 10,424,659	\$ 11,042,504	\$ 12,675,002	\$ 14,609,974
Expenditures and other financing uses	10,364,777	11,460,022	12,615,350	14,579,947
Excess (deficiency)	59,882	(417,518)	59,652	30,027
Fund balances				
Beginning of year	590,479	650,361	232,843	292,495
End of year	<u>\$ 650,361</u>	<u>\$ 232,843</u>	<u>\$ 292,495</u>	<u>\$ 322,522</u>

DISTRICT-WIDE ACCOUNT



	Year Ended June 30,			
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenue and other financing sources	\$ 16,720,519	\$ 17,023,491	\$ 18,357,823	\$ 18,524,326
Expenditures and other financing uses	<u>17,458,837</u>	<u>17,451,559</u>	<u>17,439,250</u>	<u>18,456,477</u>
Excess (deficiency)	(738,318)	(428,068)	918,573	67,849
Fund balances				
Beginning of year	<u>2,627,268</u>	<u>1,888,950</u>	<u>1,460,882</u>	<u>2,379,455</u>
End of year	<u>\$ 1,888,950</u>	<u>\$ 1,460,882</u>	<u>\$ 2,379,455</u>	<u>\$ 2,447,304</u>

Other Funds

- Food Service
- Building Construction
- Debt Service
- Internal Service

Accounting and Auditing Updates

- Financial Reporting Model Improvements

- Clean Opinion on Financial Statements
- No Findings to Report
- Follow-up on Single Audit of Federal Awards
- Changes in General Fund Balances
- General Fund Balance Policy
- Other Operating Fund Balances
- Implemented New Accounting Standards
- Commitment to Audit Process and Results

INTERMEDIATE DISTRICT NO. 287
PLYMOUTH, MINNESOTA

Financial Statements and
Supplementary Information

Year Ended
June 30, 2025



Certified Public Accountants Business Consultants

INTERMEDIATE DISTRICT NO. 287

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INTRODUCTORY SECTION

INTERMEDIATE DISTRICT NO. 287

Board of Directors and Administration
as of June 30, 2025

BOARD OF DIRECTORS

<u>Board of Directors</u>	<u>Member District</u>	<u>Position on Board</u>
Anne Casey	St. Louis Park	Chairperson
Shannon Andreson	Hopkins	Vice Chairperson
Kim Ross	Eden Prairie	Treasurer
Daniel Ginestra	Wayzata	Clerk
Michael Birdman	Edina	Director
Crystal Brakke	Richfield	Director
Caroline Long	Robbinsdale	Director
Karen Orcutt	Orono	Director
Michael Remucal	Minnetonka	Director
Brian Roath	Westonka	Director
Keith Tate	Osseo	Director
Richard Zeck	Brooklyn Center	Director

ADMINISTRATION

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

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Intermediate School District No. 287 (the District) as of and for the year ended June 30, 2025, 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, 2025, 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.

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.

REQUIRED SUPPLEMENTARY INFORMATION

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

(continued)

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

OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the introductory and 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.

PRIOR YEAR COMPARATIVE INFORMATION

Malloy, Montague, Karnowski, Radosevich & Co., P.A. previously audited the District's 2024 financial statements, and expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in their report dated December 20, 2024. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025 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.

Respectfully submitted,

Handwritten signature in cursive script that reads "LB Carlson, LLP".

LB CARLSON, LLP
Minneapolis, Minnesota

December 22, 2025

INTERMEDIATE DISTRICT NO. 287

Management's Discussion and Analysis Year Ended June 30, 2025

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, 2025. 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 2025 include the following:

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2025 by \$29,645,650. The District's total net position increased by \$10,566,589 during the fiscal year ended June 30, 2025. This increase is mostly related to positive operating results in the District's General, Internal Service, and Debt Service Funds, and by changes in pension-related deferred inflows, deferred outflows, and net pension liabilities in the state-wide pension plans in which the District participates.
- In the District's General Fund, the fund balance increased \$932,517 and ended the year at \$23,383,981.
- The District's governmental funds Balance Sheet reflects \$9,790,121 of unassigned fund balance which increased \$1,584,889 from the prior 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 supplementary information.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

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

The District maintains the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1		
Summary Statement of Net Position		
as of June 30, 2025 and 2024		
	2025	2024
Assets		
Current and other assets	\$ 60,713,697	\$ 58,442,779
Restricted assets	21,449,041	19,543,316
Capital assets, net of accumulated depreciation/amortization	83,027,009	83,694,378
Total assets	\$ 165,189,747	\$ 161,680,473
Deferred outflows of resources		
Bond refunding deferments	\$ 253,156	\$ 284,801
Pension plan deferments	11,345,532	13,169,587
OPEB plan deferments	730,513	876,918
Total deferred outflows of resources	\$ 12,329,201	\$ 14,331,306
Liabilities		
Current and other liabilities	\$ 12,656,368	\$ 12,578,091
Long-term liabilities, including due within one year	114,998,359	132,044,682
Total liabilities	\$ 127,654,727	\$ 144,622,773
Deferred inflows of resources		
Lease revenue for subsequent years	\$ 1,533,506	\$ 1,718,644
Pension plan deferments	17,214,041	8,800,055
OPEB plan deferments	1,471,024	1,791,246
Total deferred inflows of resources	\$ 20,218,571	\$ 12,309,945
Net position		
Net investment in capital assets	\$ 21,231,436	\$ 18,717,421
Restricted	27,065,828	25,374,358
Unrestricted	(18,651,614)	(25,012,718)
Total net position	\$ 29,645,650	\$ 19,079,061

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 compensated absences, pension, and other post-employment benefits, which impacts the unrestricted portion of net position.

Overall net position increased by \$10,566,589. The net investment in capital assets increased by \$2,514,015 from capital asset additions, retirement of debt, and annual depreciation/amortization. The increase in restricted assets is attributable to an increase in 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 General Fund balance and Internal Service Funds net position, and the changes in the District's proportionate share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) state-wide pension obligations. This change in pensions was also the significant factor in the changes in deferred outflows and inflows of resources, and long-term liabilities.

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

Table 2		
Summary Statement of Activities		
for the Years Ended June 30, 2025 and 2024		
	2025	2024
Revenue		
Program revenues		
Charges for services	\$ 23,832,888	\$ 21,339,268
Operating grants and contributions	78,143,278	70,592,979
General revenues		
General grants and aids	9,166,836	8,480,985
Other general revenues	863,148	606,362
Investment earnings	2,629,403	2,716,513
Insurance recovery	–	37,141
Total revenue	114,635,553	103,773,248
Expenses		
Career and technical education	2,170,314	1,757,311
Academic education	14,372,074	11,200,610
Special education	64,601,635	53,196,197
Student clubs	6,633	15,680
Administrative support services and operations and maintenance	19,080,180	17,326,591
Food service	886,382	803,770
Interest and fiscal charges on debt	2,951,746	3,063,083
Total expenses	104,068,964	87,363,242
Change in net position	10,566,589	16,410,006
Net position – beginning	19,079,061	2,669,055
Net position – ending	\$ 29,645,650	\$ 19,079,061

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.

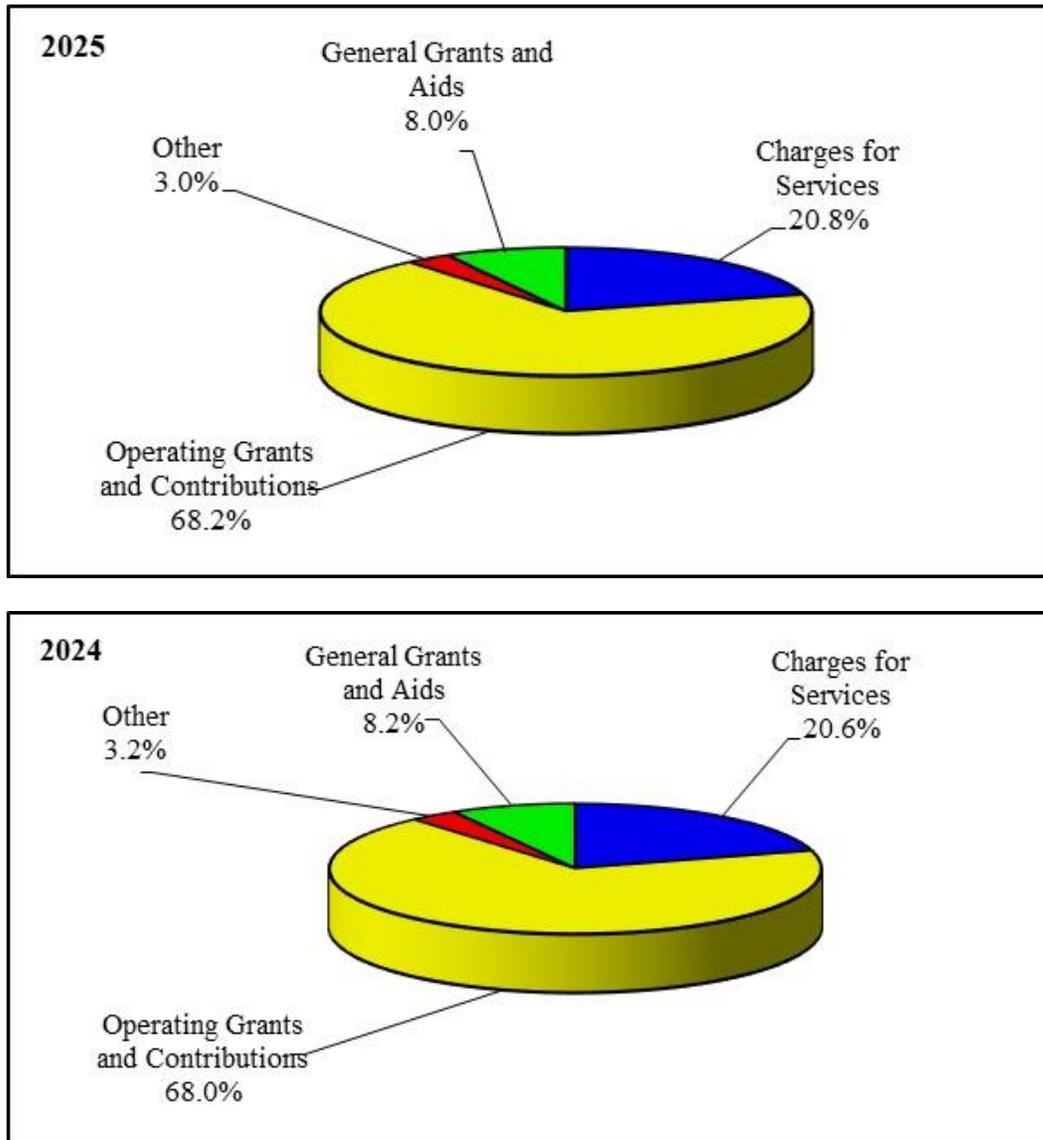
The District’s total revenues were \$114,635,553 for the year ended June 30, 2025. Charges for services accounted for 20.8 percent of total revenues for the year, while operating grants and contributions accounted for 68.2 percent. General grants and aids accounted for 8.0 percent of the total revenue, and are mainly from pass-through levies for debt service and the federal reimbursement received for interest payments made on Qualified School Construction Bonds.

Revenue increased \$10,862,305 in fiscal 2025, mainly due to an increase in state revenue sources. The District experienced an increase in state revenues from the special education program, Northern Star Online program, and Grow Your Own program. Medical assistance revenue also experienced an increase.

Expenses increased \$16,705,722 in fiscal 2025, mainly due to increased expenses in the academic and special education programs. Expenses increased in administrative support as well. Increases relate to increased salary and benefit costs from filling open positions, contractual increases, and program growth. Purchased services also increased for contracted staffing. The District’s share of the PERA and the TRA pension plans and amounts reported for compensated absences payable also contributed to the increase.

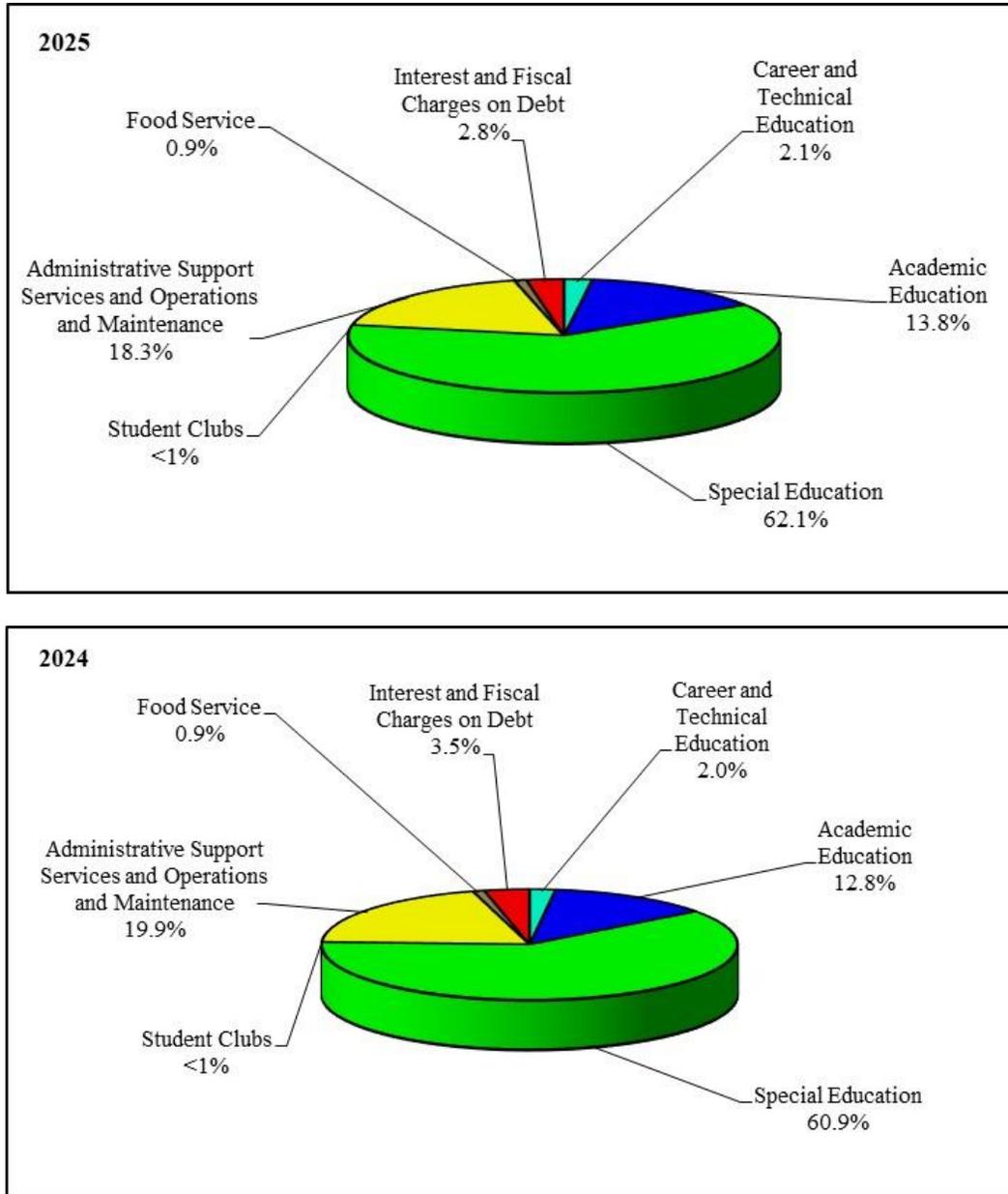
Figures A and B show further analysis of these revenue sources and expense functions:

Figure A – Sources of Revenues for Fiscal Years 2025 and 2024



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. Based on the special education services and costs reported to the MDE, the District generates both state special education aid and MDE-generated tuition billing revenue. Because these dollars flow through the state, they are classified as an operating grant rather than a charge for services. Charges for services include revenues generated through direct billing to other entities.

Figure B – Expenses for Fiscal Years 2025 and 2024



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 78.0 percent of the total. Total expenses for the year in administrative support services and operations and maintenance were 18.3 percent, which includes administrative, business services, instructional support services, and building operations and maintenance. Debt service expenses related to financing of facilities were 2.8 percent of total expenses.

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

	2025		2024	
	Total Cost of Services	Net (Expense) Revenue From Services	Total Cost of Services	Net (Expense) Revenue From Services
Governmental activities				
Career and technical education	\$ 2,170,314	\$ 485,212	\$ 1,757,311	\$ (169)
Academic education	14,372,074	170,067	11,200,610	1,474,392
Special education	64,601,635	3,185,644	53,196,197	7,238,459
Student clubs	6,633	170	15,680	(1,007)
Administrative support services and operations and maintenance	19,080,180	(2,665,750)	17,326,591	(811,091)
Food service	886,382	(316,395)	803,770	(268,496)
Interest and fiscal charges on debt	2,951,746	(2,951,746)	3,063,083	(3,063,083)
Total	<u>\$ 104,068,964</u>	<u>\$ (2,092,798)</u>	<u>\$ 87,363,242</u>	<u>\$ 4,569,005</u>

The change in net (expense) revenue from services by category and in total is mainly related to the increase in state aid, the changes in the District's proportionate share of the PERA and the TRA state-wide pension obligations, the changes in compensated absences, and the changes in salaries, benefits, and purchased services previously mentioned.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	2025	2024	Change
Major funds			
General	\$ 23,383,981	\$ 22,451,464	\$ 932,517
Debt Service	22,488,444	20,640,911	1,847,533
Nonmajor funds			
Food Service Special Revenue	-	13,463	(13,463)
Capital Projects – Building Construction	<u>2,119,797</u>	<u>2,810,171</u>	<u>(690,374)</u>
Total governmental funds	<u>\$ 47,992,222</u>	<u>\$ 45,916,009</u>	<u>\$ 2,076,213</u>

ANALYSIS OF THE GENERAL FUND

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 maintain a minimum unassigned fund balance of 8.0 percent of the District's General Fund expenditures. At June 30, 2025, the unassigned fund balance of the General Fund was 9.6 percent of total current year expenditures.

The District has several assigned fund balances, including assigned for severance of \$4,491,493. The District assigned an amount of fund balance to designate funding for the key strategic priorities of: achieving academic success, cultivating equity and inclusion, and promoting social-emotional learning. The District also has an assigned fund balance for the MDE special education state aid tuition adjustments totaling \$2,128,941. This is in recognition of the potential for additional calculation changes in this area by state agencies.

General Fund Revenues

Table 5 presents a summary of General Fund revenues:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Local sources			
Pass-through levies	\$ 2,413,674	\$ 2,153,769	\$ 259,905
Tuition	21,340,671	23,034,425	(1,693,754)
Investment earnings	798,627	934,197	(135,570)
Other	6,517,316	889,902	5,627,414
State sources	70,324,982	62,906,984	7,417,998
Federal sources	<u>1,671,979</u>	<u>3,018,254</u>	<u>(1,346,275)</u>
Total General Fund revenues	<u>\$ 103,067,249</u>	<u>\$ 92,937,531</u>	<u>\$ 10,129,718</u>

The District received \$2,413,674 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 program growth in the Northern Star Online and Pathways programs. This is offset by the reclassification of Medical Assistance revenue to other. Other revenue increased mainly due to Medical Assistance being reported as other in the current year when previously was reported in tuition. State sources increased, due to increases in special education aid, growth in Northern Star Online Program, and new state aid sources being introduced in fiscal 2025. The federal revenue decrease is related to the District spending down their remaining one-time COVID-19 pandemic and stimulus funding.

General Fund Expenditures

Table 6 presents a summary of General Fund expenditures:

	2025	2024	Change
Salaries	\$ 62,723,298	\$ 55,141,023	\$ 7,582,275
Employee benefits	26,272,202	23,857,715	2,414,487
Purchased services	8,698,856	7,480,505	1,218,351
Supplies and materials	2,698,733	2,154,193	544,540
Capital expenditures	1,111,517	1,042,918	68,599
Other expenditures	341,012	357,876	(16,864)
Debt service	307,959	206,367	101,592
Total General Fund expenditures	<u>\$ 102,153,577</u>	<u>\$ 90,240,597</u>	<u>\$ 11,912,980</u>

The increase in expenditures of \$11,912,980 is mainly the result of increases in salaries and employee benefits, due to contractual wage increases, filling open positions, and program growth. Purchased services costs were mainly contract staffing related. Supplies and materials increased due to technology purchases.

General Fund Financial Position

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

	2021	2022	2023	2024	2025
Unassigned fund balance	\$ 7,451,542	\$ 7,333,073	\$ 7,484,036	\$ 8,205,232	\$ 9,790,121
Unassigned fund balance as a percentage of expenditures	8.6%	8.5%	8.6%	9.1%	9.6%

Unassigned fund balance as a percentage of expenditures is one key measurement of a district's financial health. The unassigned fund balance of \$9,790,121 at June 30, 2025 represents 9.6 percent of annual expenditures. The District continues to monitor its fund balances closely.

General Fund Budgetary Highlights

Table 8 summarizes the General Fund budget to actual comparison:

Table 8 General Fund Budget					
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget Amount</u>	<u>Final Budget Percent</u>
Revenue and other financing sources	<u>\$ 108,954,277</u>	<u>\$ 104,203,293</u>	<u>\$ 103,406,680</u>	<u>\$ (796,613)</u>	<u>(0.8%)</u>
Expenditures and other financing uses	<u>\$ 109,092,023</u>	<u>\$ 104,403,423</u>	<u>\$ 102,474,163</u>	<u>\$ (1,929,260)</u>	<u>(1.8%)</u>
Change in fund balance	<u>\$ (137,746)</u>	<u>\$ (200,130)</u>	<u>\$ 932,517</u>	<u>\$ 1,132,647</u>	<u>566.0%</u>

Revenue and other financing sources were less than budget by \$796,613. State sources were under budget by \$3,678,665, mainly in special education aid, as funded expenditures were lower than projected. Other revenue was higher than projected by \$2,109,753, due to higher than anticipated medical assistance. Tuition was higher than budget by \$1,157,972 mainly in the Northern Start Online and special education programs.

Expenditures and other financing uses were under budget by \$1,929,260. Special education expenditures were under budget by \$1,682,147, mainly in salaries and benefits from open positions. Administrative support services and operations and maintenance were under budget by \$1,098,156, mainly in purchased services, due to grant spending being under budgeted amounts. Expenditures and other financing uses were more than budget in the Academic Education program by \$976,931, mainly in salaries and benefits as growth in the program exceeded projections.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, debt principal, interest, and related costs. The change in the Debt Service Fund Balance in fiscal 2025 is attributable to payments made to the cash held in escrow to repay the Qualified School Construction Bond due in 2029.

Food Service Special Revenue Fund

Expenditures exceeded revenues by \$334,049 in the current year. After a transfer in from the General Fund, the fund ended the year with a \$0 fund balance.

Capital Projects – Building Construction Fund

Expenditures exceeded revenues by \$690,374 in the current year. The change in the fund balance is due to the District spending down the long-term facilities maintenance bond issue.

Internal Service Funds

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

Operating revenues for the internal service funds for fiscal 2025 totaled \$14,293,781. Operating expenses totaled \$12,992,576 for self-insured health and dental benefit claims and administrative fees.

The net position for the internal service funds as of June 30, 2025 totaled \$20,398,762, which represents an increase of \$2,171,523 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, 2025 and 2024:

	2025	2024	Change
Land	\$ 10,865,963	\$ 10,865,963	\$ —
Buildings	100,549,786	98,965,475	1,584,311
Equipment	7,748,334	7,172,889	575,445
Technology subscriptions	893,932	658,636	235,296
Construction in progress	835,918	820,078	15,840
Less accumulated depreciation/amortization	<u>(37,866,924)</u>	<u>(34,788,663)</u>	<u>(3,078,261)</u>
Total	<u>\$ 83,027,009</u>	<u>\$ 83,694,378</u>	<u>\$ (667,369)</u>
Depreciation/amortization expense	<u>\$ 3,181,696</u>	<u>\$ 2,946,592</u>	<u>\$ 235,104</u>

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

Long-Term Liabilities

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

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Certificates of participation payable	\$ 54,020,000	\$ 57,250,000	\$ (3,230,000)
General obligation bonds payable	7,735,000	8,160,000	(425,000)
Unamortized premium/discount on debt issued	1,961,052	2,262,523	(301,471)
Subscription liabilities	452,474	399,406	53,068
Compensated absences payable	6,655,314	5,970,582	684,732
Total OPEB liability	2,613,416	3,188,091	(574,675)
Total pension liability	665,330	-	665,330
Net pension liability	40,895,773	54,814,080	(13,918,307)
Total	<u>\$ 114,998,359</u>	<u>\$ 132,044,682</u>	<u>\$ (17,046,323)</u>

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

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

INTERMEDIATE DISTRICT NO. 287

Statement of Net Position
as of June 30, 2025
(With Partial Comparative Information as of June 30, 2024)

	Governmental Activities	
	2025	2024
Assets		
Cash and temporary investments	\$ 33,083,758	\$ 36,489,010
Receivables		
Accounts and interest	1,470,147	841,810
Due from other governmental units	24,508,399	19,082,311
Lease	1,533,506	1,718,644
Inventory	11,164	22,432
Prepaid items	106,723	288,572
Restricted assets – temporarily restricted		
Cash and investments for debt service	21,449,041	19,543,316
Capital assets, net of depreciation/amortization		
Not depreciated/amortized	11,701,881	11,686,041
Depreciated/amortized, net	71,325,128	72,008,337
Total capital assets, net of accumulated depreciation/amortization	<u>83,027,009</u>	<u>83,694,378</u>
Total assets	165,189,747	161,680,473
Deferred outflows of resources		
Bond refunding deferments	253,156	284,801
Pension plan deferments	11,345,532	13,169,587
OPEB plan deferments	730,513	876,918
Total deferred outflows of resources	<u>12,329,201</u>	<u>14,331,306</u>
Total assets and deferred outflows of resources	<u>\$ 177,518,948</u>	<u>\$ 176,011,779</u>
Liabilities		
Salaries and compensated absences payable	\$ 7,807,472	\$ 6,788,722
Accounts and contracts payable	2,018,926	2,745,872
Accrued interest payable	418,120	453,888
Due to other governmental units	977,108	1,248,059
Unearned revenue	1,434,742	1,341,550
Long-term liabilities		
Due within one year	6,210,509	5,999,983
Due in more than one year	108,787,850	126,044,699
Total long-term liabilities	<u>114,998,359</u>	<u>132,044,682</u>
Total liabilities	127,654,727	144,622,773
Deferred inflows of resources		
Lease revenue for subsequent years	1,533,506	1,718,644
Pension plan deferments	17,214,041	8,800,055
OPEB plan deferments	1,471,024	1,791,246
Total deferred inflows of resources	<u>20,218,571</u>	<u>12,309,945</u>
Net position		
Net investment in capital assets	21,231,436	18,717,421
Restricted for		
State funding restrictions	4,995,504	5,173,872
Food service	–	13,463
Debt service	22,070,324	20,187,023
Unrestricted	<u>(18,651,614)</u>	<u>(25,012,718)</u>
Total net position	<u>29,645,650</u>	<u>19,079,061</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 177,518,948</u>	<u>\$ 176,011,779</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Activities
 Year Ended June 30, 2025
 (With Partial Comparative Information for the Year Ended June 30, 2024)

Functions/Programs	2025				2024	
	Expenses	Indirect Expense Allocation	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	\$ 2,170,314	\$ -	\$ 1,453,603	\$ 1,201,923	\$ 485,212	\$ (169)
Academic education	14,372,074	(148,607)	7,028,627	7,364,907	170,067	1,474,392
Special education	64,601,635	-	10,476,171	57,311,108	3,185,644	7,238,459
Student clubs	6,633	-	-	6,803	170	(1,007)
Administrative support services and operations and maintenance	19,080,180	148,607	4,857,607	11,705,430	(2,665,750)	(811,091)
Food service	886,382		16,880	553,107	(316,395)	(268,496)
Interest and fiscal charges on debt	2,951,746	-	-	-	(2,951,746)	(3,063,083)
Total governmental activities	\$ 104,068,964	\$ -	\$ 23,832,888	\$ 78,143,278	(2,092,798)	4,569,005
General revenues						
General grants and aids					9,166,836	8,480,985
Other general revenues					863,148	606,362
Investment earnings					2,629,403	2,716,513
Insurance recovery					-	37,141
Total general revenues					12,659,387	11,841,001
Change in net position					10,566,589	16,410,006
Net position – beginning					19,079,061	2,669,055
Net position – ending					\$ 29,645,650	\$ 19,079,061

INTERMEDIATE DISTRICT NO. 287

Balance Sheet
 Governmental Funds
 as of June 30, 2025
 (With Partial Comparative Information as of June 30, 2024)

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Funds</u>
Assets			
Cash and temporary investments	\$ 8,052,315	\$ -	\$ 2,670,318
Cash and investments held by trustee	-	21,449,041	-
Receivables			
Accounts and interest	1,146,296	319,743	738
Due from other funds	862,127	-	-
Due from other governmental units	22,926,059	1,581,787	553
Lease	-	1,533,506	-
Inventory	-	-	11,164
Prepaid items	106,723	-	-
	<u>33,093,520</u>	<u>24,884,077</u>	<u>2,682,773</u>
Total assets	\$ 33,093,520	\$ 24,884,077	\$ 2,682,773
Liabilities			
Salaries and compensated absences payable	\$ 7,778,893	\$ -	\$ 28,579
Due to other funds	-	862,127	-
Accounts and contracts payable	643,794	-	526,000
Due to other governmental units	977,108	-	-
Unearned revenue	309,744	-	8,397
	<u>9,709,539</u>	<u>862,127</u>	<u>562,976</u>
Total liabilities	9,709,539	862,127	562,976
Deferred inflows of resources			
Lease revenue for subsequent years	-	1,533,506	-
Fund balances			
Nonspendable	106,723	-	-
Restricted	4,995,504	22,488,444	2,119,797
Assigned	8,491,633	-	-
Unassigned	9,790,121	-	-
	<u>23,383,981</u>	<u>22,488,444</u>	<u>2,119,797</u>
Total fund balances	23,383,981	22,488,444	2,119,797
Total liabilities and fund balances	\$ 33,093,520	\$ 24,884,077	\$ 2,682,773

Total Governmental Funds	
2025	2024
\$ 10,722,633	\$ 15,895,469
21,449,041	19,543,316
1,466,777	840,370
862,127	—
24,508,399	19,076,278
1,533,506	1,718,644
11,164	22,432
106,723	288,572
<u>\$ 60,660,370</u>	<u>\$ 57,385,081</u>
\$ 7,807,472	\$ 6,788,722
862,127	—
1,169,794	1,425,956
977,108	1,242,037
318,141	293,713
<u>11,134,642</u>	<u>9,750,428</u>
1,533,506	1,718,644
106,723	288,572
29,603,745	28,638,417
8,491,633	8,783,788
9,790,121	8,205,232
<u>47,992,222</u>	<u>45,916,009</u>
<u>\$ 60,660,370</u>	<u>\$ 57,385,081</u>

INTERMEDIATE DISTRICT NO. 287

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2025

(With Partial Comparative Information as of June 30, 2024)

	<u>2025</u>	<u>2024</u>
Total fund balances – governmental funds	\$ 47,992,222	\$ 45,916,009
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	120,893,933	118,483,041
Accumulated depreciation/amortization	(37,866,924)	(34,788,663)
Governmental funds do not report a liability for accrued interest on long-term debt until due and payable.		
	(418,120)	(453,888)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
Certificates of participation payable	(54,020,000)	(57,250,000)
General obligation bonds payable	(7,735,000)	(8,160,000)
Unamortized premium/discount on debt issued	(1,961,052)	(2,262,523)
Subscriptions liabilities	(452,474)	(399,406)
Compensated absences payable	(6,655,314)	(5,970,582)
Total OPEB liability	(2,613,416)	(3,188,091)
Net/total pension liability	(41,561,103)	(54,814,080)
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	253,156	284,801
Deferred outflows of resources – pension plan deferments	11,345,532	13,169,587
Deferred inflows of resources – pension plan deferments	(17,214,041)	(8,800,055)
Deferred outflows of resources – OPEB plan deferments	730,513	876,918
Deferred inflows of resources – OPEB plan deferments	(1,471,024)	(1,791,246)
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>20,398,762</u>	<u>18,227,239</u>
Total net position – governmental activities	<u>\$ 29,645,650</u>	<u>\$ 19,079,061</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2025
 (With Partial Comparative Information for the Year Ended June 30, 2024)

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Funds</u>
Revenue			
Local sources			
Pass-through levies	\$ 2,413,674	\$ 5,426,051	\$ -
Tuition	21,340,671	936,099	-
Investment earnings	798,627	752,698	207,765
Other	6,517,316	106,061	16,880
State sources	70,324,982	-	15,684
Federal sources	1,671,979	1,516,668	537,423
Total revenue	<u>103,067,249</u>	<u>8,737,577</u>	<u>777,752</u>
Expenditures			
Current			
Career and technical education	2,261,663	-	-
Academic education	14,593,183	-	-
Special education	66,805,157	-	-
Student clubs	6,633	-	-
Administrative support services and operations and maintenance	18,178,982	-	-
Food service	-	-	904,036
Capital outlay	-	-	898,139
Debt service			
Principal	285,663	3,655,000	-
Interest and fiscal charges	22,296	3,235,044	-
Total expenditures	<u>102,153,577</u>	<u>6,890,044</u>	<u>1,802,175</u>
Excess (deficiency) of revenue over expenditures	913,672	1,847,533	(1,024,423)
Other financing sources (uses)			
Issuance of subscription liabilities	338,731	-	-
Transfers in	-	-	320,586
Transfers (out)	(320,586)	-	-
Sale of assets	700	-	-
Insurance recovery	-	-	-
Total other financing sources (uses)	<u>18,845</u>	<u>-</u>	<u>320,586</u>
Net change in fund balances	932,517	1,847,533	(703,837)
Fund balances			
Beginning of year	<u>22,451,464</u>	<u>20,640,911</u>	<u>2,823,634</u>
End of year	<u>\$ 23,383,981</u>	<u>\$ 22,488,444</u>	<u>\$ 2,119,797</u>

Total Governmental Funds

2025	2024
\$ 7,839,725	\$ 7,747,252
22,276,770	23,992,586
1,759,090	1,799,180
6,640,257	1,134,822
70,340,666	62,924,528
3,726,070	5,039,210
112,582,578	102,637,578
2,261,663	1,848,758
14,593,183	12,363,817
66,805,157	58,611,588
6,633	15,680
18,178,982	17,194,387
904,036	829,029
898,139	1,196,107
3,940,663	3,624,309
3,257,340	3,466,295
110,845,796	99,149,970
1,736,782	3,487,608
338,731	268,613
320,586	307,218
(320,586)	(307,218)
700	-
-	37,141
339,431	305,754
2,076,213	3,793,362
45,916,009	42,122,647
\$ 47,992,222	\$ 45,916,009

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, 2025

(With Partial Comparative Information for the Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Total net change in fund balances – governmental funds	\$ 2,076,213	\$ 3,793,362
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	2,514,327	2,648,987
Depreciation/amortization expense	(3,181,696)	(2,946,592)
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.		
Subscription liabilities	(338,731)	(268,613)
Repayment of long-term debt principal does not affect the change in net position. However, it reduces fund balances.		
Certificates of participation payable	3,230,000	3,120,000
General obligation bonds payable	425,000	320,000
Subscription liabilities	285,663	184,309
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.		
	35,768	113,500
The internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	2,171,523	2,050,415
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.		
	301,471	321,357
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Compensated absences payable	(684,732)	1,684,295
Total OPEB liability	574,675	286,181
Net/total pension liability	13,252,977	6,640,130
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	(1,824,055)	(4,532,198)
Deferred inflows of resources – pension plan deferments	(8,413,986)	3,084,761
Deferred outflows of resources – OPEB plan deferments	(146,405)	21,163
Deferred inflows of resources – OPEB plan deferments	320,222	(79,406)
Change in net position – governmental activities	<u>\$ 10,566,589</u>	<u>\$ 16,410,006</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 General Fund
 Year Ended June 30, 2025

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Pass-through levies	\$ 2,421,472	\$ 2,421,265	\$ 2,413,674	\$ (7,591)
Tuition	21,035,274	20,182,699	21,340,671	1,157,972
Investment earnings	771,500	771,500	798,627	27,127
Other	4,710,038	4,407,563	6,517,316	2,109,753
State sources	77,344,532	74,003,647	70,324,982	(3,678,665)
Federal sources	2,656,461	2,401,619	1,671,979	(729,640)
Total revenue	<u>108,939,277</u>	<u>104,188,293</u>	<u>103,067,249</u>	<u>(1,121,044)</u>
Expenditures				
Current				
Career and technical education	2,633,283	2,473,519	2,261,663	(211,856)
Academic education	13,237,994	13,693,016	14,593,183	900,167
Special education	74,503,269	68,487,304	66,805,157	(1,682,147)
Student clubs	7,738	8,946	6,633	(2,313)
Administrative support services and operations and maintenance	18,220,091	19,277,138	18,178,982	(1,098,156)
Debt service				
Principal	10,980	10,980	285,663	274,683
Interest and fiscal charges	—	—	22,296	22,296
Total expenditures	<u>108,613,355</u>	<u>103,950,903</u>	<u>102,153,577</u>	<u>(1,797,326)</u>
Excess of revenue over expenditures	325,922	237,390	913,672	676,282
Other financing sources (uses)				
Issuance of subscription liabilities	—	—	338,731	338,731
Transfers (out)	(478,668)	(452,520)	(320,586)	131,934
Sale of assets	—	—	700	700
Insurance recovery	15,000	15,000	—	(15,000)
Total other financing sources (uses)	<u>(463,668)</u>	<u>(437,520)</u>	<u>18,845</u>	<u>456,365</u>
Net change in fund balances	<u>\$ (137,746)</u>	<u>\$ (200,130)</u>	<u>932,517</u>	<u>\$ 1,132,647</u>
Fund balances				
Beginning of year			<u>22,451,464</u>	
End of year			<u>\$ 23,383,981</u>	

INTERMEDIATE DISTRICT NO. 287

Statement of Net Position
 Proprietary Funds
 Internal Service Funds
 as of June 30, 2025

(With Partial Comparative Information as of June 30, 2024)

	<u>2025</u>	<u>2024</u>
Current assets		
Cash and temporary investments	\$ 22,361,125	\$ 20,593,541
Receivables		
Accounts and interest	3,370	1,440
Due from other governmental units	—	6,033
Total current assets	<u>22,364,495</u>	<u>20,601,014</u>
Current liabilities		
Accounts payable	214,567	248,155
Claims payable	634,565	1,071,761
Due to other governmental units	—	6,022
Unearned revenue	<u>1,116,601</u>	<u>1,047,837</u>
Total current liabilities	<u>1,965,733</u>	<u>2,373,775</u>
Net position		
Unrestricted	<u>\$ 20,398,762</u>	<u>\$ 18,227,239</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Internal Service Funds
 Year Ended June 30, 2025
 (With Partial Comparative Information for the Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Operating revenue		
Contributions from governmental funds	\$ 14,293,781	\$ 13,507,922
Operating expenses		
Dental benefit claims and expenses	657,372	649,032
Health benefit claims and expenses	11,089,787	10,324,117
Administrative fees	1,245,417	1,401,691
Total operating expenses	<u>12,992,576</u>	<u>12,374,840</u>
Operating income	1,301,205	1,133,082
Nonoperating revenue		
Investment earnings	<u>870,318</u>	<u>917,333</u>
Change in net position	2,171,523	2,050,415
Net position		
Beginning of year	<u>18,227,239</u>	<u>16,176,824</u>
End of year	<u>\$ 20,398,762</u>	<u>\$ 18,227,239</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Cash Flows
 Proprietary Funds
 Internal Service Funds
 Year Ended June 30, 2025

(With Partial Comparative Information for the Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$ 14,366,648	\$ 13,575,728
Payments for claims	(12,223,965)	(10,936,988)
Payments for fees	(1,245,417)	(1,401,691)
Net cash provided by operating activities	<u>897,266</u>	<u>1,237,049</u>
Cash flows from investing activities		
Investment income received	<u>870,318</u>	<u>917,333</u>
Net change in cash and cash equivalents	1,767,584	2,154,382
Cash and temporary investments		
Beginning of year	<u>20,593,541</u>	<u>18,439,159</u>
End of year	<u>\$ 22,361,125</u>	<u>\$ 20,593,541</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,301,205	\$ 1,133,082
Adjustments to reconcile operating income to net cash provided by operating activities		
Changes in assets and liabilities		
Accounts and interest receivable	(1,930)	832
Due from other governmental units	6,033	(963)
Accounts payable	(33,588)	(287,211)
Claims payable	(437,196)	322,921
Due to other governmental units	(6,022)	451
Unearned revenue	<u>68,764</u>	<u>67,937</u>
Net cash provided by operating activities	<u>\$ 897,266</u>	<u>\$ 1,237,049</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Fiduciary Net Position
as of June 30, 2025

	<u>Custodial Fund</u>
Assets	
Cash and temporary investments	\$ 100,011
Net position	
Restricted for scholarships	\$ 100,011

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

	<u>Custodial Fund</u>
Additions	
Donations	\$ 95
Investment earnings	4,162
Total additions	<u>4,257</u>
Deductions	
Scholarships awarded	<u>1,500</u>
Change in net position	2,757
Net position	
Beginning of year	<u>97,254</u>
End of year	<u>\$ 100,011</u>

INTERMEDIATE DISTRICT NO. 287

Notes to Basic Financial Statements June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

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

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

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Fund Financial Statement Presentation

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description of Funds

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

Major Governmental Funds

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

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

Nonmajor Governmental Funds

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

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

Proprietary Funds

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

Fiduciary Funds

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting

Each June, the Board of Directors adopts an annual budget for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. Total expenditures exceeded budgeted amount in the Capital Projects – Building Construction Fund by \$318,362 and Debt Service Fund by \$7,634 in the current fiscal year.

F. Cash and Investments

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

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

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

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

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

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

G. Receivables

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

H. Inventories

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

I. Prepaid Items

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for purchased or constructed assets. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. Technology subscription capital assets are recorded based on the measurement of any subscription liability plus the payments due to a subscription-based information technology (SBITA) vendor at the commencement of the subscription term, including any applicable implementation costs. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if cost of the assets is considered significant in the aggregate. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated/amortized using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation/amortization purposes. Useful lives vary, ranging from 20 to 50 years for buildings, and 4 to 15 years for equipment. Technology subscriptions are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying information technology (IT) assets.

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

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

K. Unearned Revenue

Unearned revenue consists of tuition for fiscal 2026, summer school classes collected with spring registration, gifts and grants for the fiscal 2026 school year, balances remaining in student lunch accounts, and collections in advance of premiums in the internal service funds.

L. Long-Term Obligations

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

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

M. Subscription-Based Information Technology Arrangements (SBITAs)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences Payable

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Compensated absences are reported as incurred in the government-wide financial statements. Compensated absences are recorded in the governmental fund financial statements only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave also enters into the calculation of severance benefits for some employees upon termination.

O. Severance Benefits

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

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

Severance or retirement benefits are required to be paid out over a 21-month period following the effective date of retirement. Retirement benefits for eligible teachers are paid into a post-employment healthcare savings plan, administered by the Minnesota State Retirement System. For other employees, severance benefits are paid into a tax-deferred and/or healthcare savings plan.

P. State-Wide Pension Plans

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Tuition Billings

The District’s policy is to recognize tuition revenue in the fiscal year that corresponds with the fiscal year in which the educational services are rendered to resident districts. Therefore, tuition revenue for the year ended June 30, 2025 represents services performed during the 2024–2025 fiscal year.

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

R. Risk Management

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District’s insurance coverage in fiscal 2025.
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, 2025, 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
2024	\$ 12,917	\$ 642,575	\$ 642,070	\$ 13,422
2025	\$ 13,422	\$ 657,372	\$ 659,022	\$ 11,772

Medical

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2024	\$ 735,923	\$ 10,617,334	\$ 10,294,918	\$ 1,058,339
2025	\$ 1,058,339	\$ 11,089,787	\$ 11,525,333	\$ 622,793

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Deferred Outflows/Inflows of Resources

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

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

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

The District reports deferred inflows of resources related to lease receivables, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables in the government-wide and fund financial statements. These amounts are deferred and amortized in a systematic and rational manner over the term of the lease.

T. Statement of Cash Flows

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

U. Restricted Assets

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

V. Use of Estimates

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Net Position

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

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

X. Fund Balance Classifications

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Y. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Z. Change in Classification of Benefits

During the year ended June 30, 2025, the District changed the classification of benefits in their pension and other post-employment benefit plans. The pension benefits for the Administrators and School Service employees were reclassified from the other post-employment benefits (OPEB) plan and reported as a pension benefit. This reclassification of benefits does not require a restatement of beginning net position.

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 \$16,561,008, while the balance on the bank records was \$16,938,592. At June 30, 2025, all deposits were insured or collateralized by securities held by the District's agent in the District's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

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

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

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

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

Concentration Risk – This is the risk associated with investing a significant portion of the District’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk other than restricting investments in collateralized repurchase agreements to 50 percent of the overall portfolio. At June 30, 2025, the District’s investments portfolio includes the following percentages of specific issuers:

Repurchase agreement	
Citigroup Global Markets	56.3%

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Summary Information

The following table presents the District’s deposit and investment balances at June 30, 2025, and information relating to potential investment risks:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Rate Risk – Maturity Duration in Years			Carrying Value
	Credit Rating	Rating Agency		No Maturity	Less Than 1	1 to 5	
U.S. treasuries	AAA	Moody's	Level 2	\$ –	\$ 249,867	\$ –	\$ 249,867
Repurchase agreement							
Citigroup Global Markets (U.S. agency underlying security)	AAA	S&P	N/A	\$ –	\$ –	\$ 21,443,594	21,443,594
Negotiable certificates of deposit	N/R	N/A	Level 2	\$ –	\$ 247,913	\$ 2,201,750	2,449,663
Investment pools/mutual funds							
MNTrust Investment Shares Portfolio	AAA	S&P	Amortized Cost	\$ 2,468,229	\$ –	\$ –	2,468,229
Minnesota School District Liquid Asset Fund Liquid Portfolio	AAA	S&P	Amortized Cost	\$ 11,455,002	\$ –	\$ –	11,455,002
First American Government Obligations Fund	AAA	S&P	Level 1	\$ 6,388	\$ –	\$ –	5,120
Wells Fargo Treasury Money Market	AAA	S&P	Level 1	\$ 1,887	\$ –	\$ –	327
Total investments							38,071,802
Deposits							16,561,008
Total cash and investments							\$ 54,632,810

N/A – Not Applicable

N/R – Not Rated

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

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

Cash and temporary investments – Statement of Net Position	\$ 33,083,758
Restricted assets – temporarily restricted – Statement of Net Position	
Cash and investments for debt service	21,449,041
Cash and temporary investments – Statement of Fiduciary Net Position	
Custodial Fund	100,011
Total cash and investments	\$ 54,632,810

NOTE 3 – LEASE RECEIVABLE

The District is the lessor in an agreement that conveys the right to use building space owned by the District. The lease is reported using an incremental borrowing rate of 2.31 percent with a final maturity in fiscal 2033. During the current year, the District received principal and interest payments on this lease of \$106,061.

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	820,078	873,601	–	(857,761)	835,918
Total capital assets, not depreciated/amortized	11,686,041	873,601	–	(857,761)	11,701,881
Capital assets, depreciated/amortized					
Buildings	98,965,475	726,550	–	857,761	100,549,786
Equipment	7,172,889	575,445	–	–	7,748,334
Technology subscriptions	658,636	338,731	(103,435)	–	893,932
Total capital assets, depreciated/amortized	106,797,000	1,640,726	(103,435)	857,761	109,192,052
Less accumulated depreciation/amortization for					
Buildings	(29,736,142)	(2,188,666)	–	–	(31,924,808)
Equipment	(4,788,289)	(707,683)	–	–	(5,495,972)
Technology subscriptions	(264,232)	(285,347)	103,435	–	(446,144)
Total accumulated depreciation/amortization	(34,788,663)	(3,181,696)	103,435	–	(37,866,924)
Net capital assets, depreciated/amortized	72,008,337	(1,540,970)	–	857,761	71,325,128
Total capital assets, net	<u>\$ 83,694,378</u>	<u>\$ (667,369)</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 83,027,009</u>

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

Career and technical education	\$ 6,090
Academic education	137,890
Special education	102,964
Administrative support services and operations and maintenance	2,927,723
Food service	7,029
Total depreciation/amortization expense	<u>\$ 3,181,696</u>

NOTE 5 – LONG-TERM LIABILITIES

A. Components and Changes in Long-Term Liabilities

	June 30, 2024	Change in Classification of Benefits *	Additions	Retirements	June 30, 2025	Due Within One Year
Certificates of participation payable	\$ 57,250,000	\$ –	\$ –	\$ 3,230,000	\$ 54,020,000	\$ 3,390,000
General obligation bonds payable	8,160,000	–	–	425,000	7,735,000	450,000
Unamortized premium/discount on debt issued	2,262,523	–	–	301,471	1,961,052	–
Subscription liabilities	399,406	–	338,731	285,663	452,474	246,225
Compensated absences payable	5,970,582	–	2,481,762	1,797,030	6,655,314	1,331,062
Total OPEB liability	3,188,091	(665,330)	524,492	433,837	2,613,416	730,513
Total pension liability	–	665,330	–	–	665,330	62,709
Net pension liability	54,814,080	–	5,734,893	19,653,200	40,895,773	–
	<u>\$ 132,044,682</u>	<u>\$ –</u>	<u>\$ 9,079,878</u>	<u>\$ 26,126,201</u>	<u>\$ 114,998,359</u>	<u>\$ 6,210,509</u>

* The change in classification of benefits is resulting from a change in the classification of benefits between pension and other-post employment benefits. See Note 1, 7, and 8 of the notes to the basic financial statements for additional information.

B. Descriptions of Long-Term Liabilities

Subscription Liabilities

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

Description	Interest Rate	Issue Date	Original Issue	Final Maturity	Principal Outstanding
Software	7.00 %	07/01/2022	\$ 286,588	06/30/2027	\$ 125,676
Software	3.89 %	07/01/2023	\$ 66,727	07/01/2027	39,998
Software	3.97 %	07/16/2023	\$ 121,053	07/16/2025	40,298
Software	3.97 %	11/08/2023	\$ 80,833	11/07/2026	26,930
Software	5.50 %	07/01/2024	\$ 338,731	06/30/2027	219,572
					<u>\$ 452,474</u>

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

Certificates of Participation Payable – The following certificates of participation are outstanding as of June 30, 2025:

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
Certificates of participation payable					
2010E Certificates of Participation Qualified School Construction Bonds – Direct Pay					
	11/18/2010	6.00%	\$29,790,000	02/01/2029	\$29,790,000
2011A Certificates of Participation					
	05/19/2011	3.00–4.20%	\$ 4,075,000	02/01/2026	340,000
2016A Refunding Certificates of Participation					
	09/15/2016	3.00–4.00%	\$25,805,000	05/01/2032	12,010,000
2017A Certificates of Participation					
	08/24/2017	3.13–5.00%	\$11,880,000	02/01/2037	<u>11,880,000</u>
Total certificates of participation payable					<u>\$ 54,020,000</u>

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

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

General Obligation Bonds Payable – The following general obligation bonds are outstanding as of June 30, 2025:

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
General obligation bonds payable					
Facilities Maintenance Bonds – 2017B					
	08/24/2017	4.00–5.00%	\$ 5,065,000	05/01/2033	\$3,105,000
Facilities Maintenance Bonds – 2022A					
	11/22/2022	3.35–5.00%	\$ 4,750,000	05/01/2043	<u>4,630,000</u>
					<u>\$7,735,000</u>

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

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

Compensated Absences Payable – Compensated absences payable represent accrued vacation and sick leave 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, and one single-employer plan administered by the District. 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, 2025:

Pension Plans	Total and Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	\$ 8,584,051	\$ 2,564,406	\$ 7,127,361	\$ 215,272
State-wide, multiple-employer – TRA	32,311,722	8,718,417	10,086,680	2,591,586
Single-employer – District	665,330	62,709	–	–
Total	\$ 41,561,103	\$ 11,345,532	\$ 17,214,041	\$ 2,806,858

C. Minimum Debt Payments

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

Year Ending June 30,	Certificates of Participation		General Obligation Bonds Payable		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 3,390,000	\$ 2,737,643	\$ 450,000	\$ 329,770	\$ 246,225	\$ 25,412
2027	2,695,000	2,601,363	470,000	310,620	192,404	12,059
2028	2,805,000	2,493,563	490,000	290,620	13,845	539
2029	32,105,000	2,401,313	510,000	269,770	–	–
2030	2,415,000	512,913	530,000	248,070	–	–
2031–2035	8,305,000	1,207,900	2,325,000	900,700	–	–
2036–2040	2,305,000	139,200	1,730,000	506,984	–	–
2041–2043	–	–	1,230,000	112,500	–	–
	\$ 54,020,000	\$ 12,093,895	\$ 7,735,000	\$ 2,969,034	\$ 452,474	\$ 38,010

NOTE 6 – FUND BALANCES

A. Classifications

At June 30, 2025, a summary of the District’s governmental fund balance classifications are as follows:

	General Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable				
Prepaid items	\$ 106,723	\$ –	\$ –	\$ 106,723
Restricted				
Basic skills programs	113,142	–	–	113,142
Safe schools levy	1,092,192	–	–	1,092,192
Literacy aid	9,759	–	–	9,759
Long-term facilities maintenance	485,880	–	2,119,797	2,605,677
Medical Assistance	3,294,531	–	–	3,294,531
Debt service	–	22,488,444	–	22,488,444
Total restricted	<u>4,995,504</u>	<u>22,488,444</u>	<u>2,119,797</u>	<u>29,603,745</u>
Assigned				
Operational adjustment reserve	95,721	–	–	95,721
Severance	4,491,493	–	–	4,491,493
Tuition adjustments	2,128,941	–	–	2,128,941
Property	227,743	–	–	227,743
Student clubs	8,812	–	–	8,812
Vehicle depreciation	50,712	–	–	50,712
Collaborative curriculum project	1,568	–	–	1,568
Strategic priorities	1,246,715	–	–	1,246,715
Vaping settlement	239,928	–	–	239,928
Total assigned	<u>8,491,633</u>	<u>–</u>	<u>–</u>	<u>8,491,633</u>
Unassigned	<u>9,790,121</u>	<u>–</u>	<u>–</u>	<u>9,790,121</u>
Total	<u>\$ 23,383,981</u>	<u>\$ 22,488,444</u>	<u>\$ 2,119,797</u>	<u>\$ 47,992,222</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 maintain a minimum unassigned fund balance of 8.0 percent of the District’s General Fund expenditures. At June 30, 2025, the unassigned fund balance of the General Fund was 9.6 percent of total current year expenditures.

The finance office will monitor the fund balance. If the fund balance falls below the minimum fund balance policy, the school board will approve, and the district administration will implement procedures to stabilize the district’s financial position.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

The District provides pension benefits to certain eligible employees through its Pension Benefit Plan, a single-employer defined benefit plan administered by the District. All pension benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements and hire dates. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

These benefits are summarized as follows:

Administrators and Unaffiliated Employees – For eligible employees (with at least 10 years of and at least 55 years of age), the District pays the amount equal to 120 days of pay based on the employees pay at the time of retirement.

School Service Employees SEIU Local 284 – For eligible employees (with at least 15 years of service, at least 55 years of age, and hired prior before July 1, 1995), the District pays the amount of \$40,000, less any District 403(b) match.

B. Contributions and Funding Policy

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. There are no invested plan assets accumulated for payment of future benefits. The District's required contributions to finance these benefits on a pay-as-you-go basis for the current year were \$62,709.

C. Membership

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

Active plan members	<u>83</u>
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D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial study with a valuation date as of June 30, 2023 and a measurement date as of June 30, 2024, using the entry-age method. Update procedures were used to roll forward the total pension liability to the measurement date since the actuarial valuation date is not the same as the measurement date. The following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.97%
20-year municipal bond yield	3.97%
Inflation rate	2.50%

Mortality rates were based on the RP-2014 mortality tables (Teachers) with MP 2015 Generational Improvement Scale or on the Pub-2010 mortality tables (Non-teachers) with MP-2021 Generational Improvement Scale. 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.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

E. Discount Rate

The discount rate used to measure the total pension liability was 3.97 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax exempt, general obligation municipal bonds as of the measurement date.

F. Total Pension Liability

The District recognizes its total pension liability, rather than a net pension liability. In order for the District to recognize a net pension liability, assets must be accumulated in a trust that meets specific criteria. No assets are accumulated in a trust. Accordingly, the District's total pension liability is not reduced by any assets accumulated in a trust that meets the criteria, and the District reports its total pension liability.

G. Changes in the Total Pension Liability

Changes in the District's total pension liability were as follows:

	<u>Total Pension Liability</u>
Beginning balance – July 1, 2024	\$ –
Changes for the year:	
Reclassification resulting from a change in the classification of benefits	<u>665,330</u>
Ending balance – June 30, 2025	<u>\$ 665,330</u>

Benefit classification change since the prior measurement date include the following:

- The pension benefits for administration and school service employees were reclassified from the other post-employment benefits (OPEB) plan and reported as a pension benefit.

H. Total Pension Liability Sensitivity to Discount Rate Changes

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Pension discount rate	2.97%	3.97%	4.97%
Total pension liability	\$ 703,833	\$ 665,330	\$ 628,427

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

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

The District recognized no pension expense in the current year, and at year-end reported the following deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
District's contributions to the OPEB Plan subsequent to the measurement date	\$ 62,709	\$ –

The \$62,709 reported as deferred outflows of resources related to pensions resulting from district contributions to the pension plan subsequent to the measurement date, will be recognized as a reduction of the total pension liability in the year ending June 30, 2026.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

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

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

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

B. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the District. The District's contributions in the current year totaled \$269,399 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.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Membership

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

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

D. Total OPEB Liability of the District

The District's total OPEB liability of \$2,613,416 at year-end was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

E. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, and a measurement date of June 30, 2024. Update procedures were used to roll forward the total OPEB liability to the measurement date. The entry-age method and the following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.97%
20-year municipal bond yield	3.97%
Inflation rate	2.50%
Healthcare cost trend rate	6.30%, grading to 3.90% over 52 years

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

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

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

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

F. Discount Rate

The discount rate used to measure the total OPEB liability was 3.97 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.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

G. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Beginning balance – July 1, 2024	\$ 3,188,091
Changes for the year	
Service cost	279,872
Interest	125,929
Difference between expected and actual experience	118,691
Changes of assumptions	(22,730)
Reclassification resulting from a change in the classification of benefits	(665,330)
Benefit payments	<u>(411,107)</u>
Total net changes	<u>(574,675)</u>
Ending balance – June 30, 2025	<u>\$ 2,613,416</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.86 percent to 3.97 percent based on updated 20-year municipal bond rates.

Changes in classification of benefits since the prior measurement date include the following:

- The pension benefits for Administrators and School Service Employees were reclassified from the Other Post-Employment Benefits (OPEB) plan and reported as a pension benefit.

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	2.97%	3.97%	4.97%
Total OPEB liability	\$ 2,784,966	\$ 2,613,416	\$ 2,448,628

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

	<u>1% Decrease in Healthcare Cost Trend Rates</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase in Healthcare Cost Trend Rates</u>
Healthcare cost trend rate	5.30%, grading to 2.90% over 52 years	6.30%, grading to 3.90% over 52 years	7.30%, grading to 4.90% over 52 years
Total OPEB liability	\$ 2,359,383	\$ 2,613,416	\$ 2,917,831

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

For the current year, the District recognized OPEB expense of \$851,567. 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	\$ 201,606	\$ 705,042
Changes in actuarial assumptions	259,508	765,982
District’s contributions to the OPEB Plan subsequent to the measurement date	<u>269,399</u>	<u>—</u>
Total	<u>\$ 730,513</u>	<u>\$ 1,471,024</u>

A total of \$269,399 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, 2026. 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>
2026	\$ (202,368)
2027	\$ (195,500)
2028	\$ (186,512)
2029	\$ (170,697)
2030	\$ (170,282)
Thereafter	\$ (84,551)

NOTE 9 – 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. Minnesota Statutes, Chapter 356 defines each plan's financial reporting requirements.

Certain full-time and part-time employees of the District other than teachers are covered by the GERF. Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

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 within one year of eligible employment or elect coverage through the Defined Contribution Retirement (DCR) Plan administered by MnSCU. A teacher employed by MnSCU and electing the DCR Plan is not a member of the TRA except for purposes of Social Security coverage.

B. Benefits Provided

1. GERF Benefits

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statutes and can only be modified by the State Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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. The 2024 annual increase was 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.

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. TRA members belong to either the Basic or Coordinated Plan.

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Tier I Benefits

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

Or

For years of service prior to July 1, 2006, a Level formula of 1.7 percent per year for Coordinated members and 2.7 percent per year for Basic members is applied. For years of service July 1, 2006 and after, a Level formula of 1.9 percent per year for Coordinated members and 2.7 percent per year for Basic members applies. An early retirement reduction is applied to members retiring prior to age 65. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) reduction rate applied.

Tier II Benefits

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. After July 1, 2024, the age will change to not to exceed 65. An early retirement reduction is applied to members retiring before age 66, but will be age 65 after July 1, 2024. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) early retirement reduction rate applied.

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

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employee and employer contributions. Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50 percent for General Plan members. The District's contributions to the GERF for the year ended June 30, 2025, were \$1,700,307. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the rates for employee and employer contributions. Rates for each fiscal year 2025 Coordinated Plan were 7.75 percent for the employee and 8.75 percent for the employer. Basic Plan rates were 11.25 percent for the employee and 12.75 percent for the employer. The District's contributions to the TRA for the plan's fiscal year ended June 30, 2025, were \$3,306,649. The District's contributions were equal to the required contributions for each year as set by state statutes.

D. Pension Costs

1. GERF Pension Costs

At June 30, 2025, the District reported a liability of \$8,584,051 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 \$221,966.

District's proportionate share of the net pension liability	\$ 8,584,051
State's proportionate share of the net pension liability associated with the District	<u>\$ 221,966</u>
Total	<u>\$ 8,806,017</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.2322 percent at the end of the measurement period and 0.2364 percent for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of \$209,321 for its proportionate share of the GERF's pension expense. The District also recognized an additional \$5,951 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 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

During the plan year ended June 30, 2024, the state of Minnesota contributed \$170.1 million to the General Employees Fund. The state of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$394,946 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota’s on -behalf contributions to the General Employees Fund.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 817,169	\$ –
Changes in actuarial assumptions	46,930	3,291,897
Net difference between projected and actual investment earnings on pension plan investments	–	2,552,623
Changes in proportion	–	1,282,841
District’s contributions to the GERF subsequent to the measurement date	<u>1,700,307</u>	<u>–</u>
Total	<u>\$ 2,564,406</u>	<u>\$ 7,127,361</u>

The \$1,700,307 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, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2026	\$ (3,671,239)
2027	\$ (818,474)
2028	\$ (1,115,633)
2029	\$ (657,916)

2. TRA Pension Costs

At June 30, 2025, the District reported a liability of \$32,311,722 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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 0.5085 percent at the end of the measurement period and 0.5038 percent for the beginning of the period.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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	\$ 32,311,722
State’s proportionate share of the net pension liability associated with the District	<u>2,113,483</u>
Total	<u>\$ 34,425,205</u>

For the year ended June 30, 2025, the District recognized pension expense of \$2,475,407. It also recognized \$116,179 as an increase to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2024, the state of Minnesota contributed \$176 million to the Fund. The state of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the \$176 million in direct state aid because of this contribution was not considered to meet the definition of a special funding situation. The District recognized \$895,807 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota’s on-behalf contributions to the Fund.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic	\$ 1,550,316	\$ 421,095
Changes in actuarial assumptions	3,410,605	3,853,260
Net difference between projected and actual investment earnings on pension plan investments	–	4,771,875
Changes in proportion	450,847	1,040,450
District’s contributions to the TRA subsequent to the measurement date	<u>3,306,649</u>	<u>–</u>
Total	<u>\$ 8,718,417</u>	<u>\$ 10,086,680</u>

The \$3,306,649 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, 2026. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2026	\$ (2,354,773)
2027	\$ 2,692,114
2028	\$ (2,579,943)
2029	\$ (1,987,053)
2030	\$ (445,257)

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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 future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Real Rate of Return</u>
Domestic equity	33.50 %	5.10 %
International equity	16.50	5.30 %
Private markets	25.00	5.90 %
Fixed income	25.00	0.75 %
Total	<u>100.00 %</u>	

F. Actuarial Methods and Assumptions

1. GERF

The total pension liability was determined by an actuarial valuation as of June 30, 2024, using the entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.00 percent. The 7.00 percent assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00 percent is within that range.

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

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

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

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

2. TRA

The total pension liability in the July 1, 2024 actuarial valuation was determined using the entry-age normal method and actuarial assumptions, applied to all periods included in the measurement. Key assumptions used in the valuation of the total pension liability are as follows:

Actuarial Assumptions Used in Valuation of Total Pension Liability	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% after June 30, 2028
Projected salary increase	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Cost of living adjustment	1.00 percent for January 2019 through January 2023, then increasing by 0.10 percent each year up to 1.50 percent annually

Mortality Assumptions Used in Valuation of Total Pension Liability	
Pre-retirement	PubT-2010(A) Employee Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Healthy Retirees	PubT-2010(A) Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Beneficiaries	Pub-2010(A) Contingent Survivor Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Disabled Retirees	PubNS-2010 Disabled Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.

The following changes in plan provisions and actuarial assumptions occurred in 2024:

1. GERF

CHANGES IN PLAN PROVISIONS

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

CHANGES IN ACTUARIAL ASSUMPTIONS

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family.
- Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15.00 percent to reflect the continued lower than expected observations.

G. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2024 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

The discount rate used to measure the total pension liability was 7.00 percent. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2024 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. 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.

NOTE 9 – 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 rates disclosed in the preceding paragraphs, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.00%	7.00%	8.00%
District’s proportionate share of the GERF net pension liability	\$ 18,748,949	\$ 8,584,051	\$ 222,495
TRA discount rate	6.00%	7.00%	8.00%
District’s proportionate share of the TRA net pension liability	\$ 56,902,833	\$ 32,311,722	\$ 12,072,654

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.

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

NOTE 10 – 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 11 – INTERFUND TRANSFERS AND BALANCES

A. Interfund Transfers

During the year ended June 30, 2025, the District's Food Service Special Revenue Fund received a transfer in the amount of \$320,586 from the General Fund. This transfer was made to finance current year operations in this fund.

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

B. Due To/Due From

As of June 30, 2025, the General Fund has a receivable of \$862,127 from the District's Debt Service Fund to assist with cash flow.

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

NOTE 12 – 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, 2025, the District reported a balance due from other governmental units of approximately \$10.4 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 2025 have not been finalized. The amount of the receivable and revenue recorded for fiscal 2025 for state special education aid is calculated using preliminary information available to the District.

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

D. Purchase Power Commitment

The District has entered into various power purchase agreements to purchase the energy generated by solar panels installed on various buildings of the District. In return, the District will receive bill credits associated with the energy production. Future power purchase commitments related to these agreements are as follows:

Year Ending June 30,	Amount
2026	\$ 136,135
2027	140,213
2028	144,413
2029	148,739
2030	153,194
2031–2035	837,623
2036–2040	970,826
2041–2044	713,947
	<u>\$ 3,245,090</u>

E. Construction Commitments

At June 30, 2025, the District has commitments totaling \$970,475 under a construction contract for which the work was not yet completed.

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, 2025

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability of the District's 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
06/30/2016	06/30/2015	0.2916%	\$ 15,112,225	\$ -	\$ 15,112,225	\$ 17,124,370	88.25%	78.20%
06/30/2017	06/30/2016	0.2843%	\$ 23,083,748	\$ 301,469	\$ 23,385,217	\$ 17,638,480	130.87%	68.90%
06/30/2018	06/30/2017	0.2916%	\$ 18,615,551	\$ 234,065	\$ 18,849,616	\$ 18,842,440	98.80%	75.90%
06/30/2019	06/30/2018	0.2795%	\$ 15,505,514	\$ 508,665	\$ 16,014,179	\$ 18,797,551	82.49%	79.50%
06/30/2020	06/30/2019	0.2758%	\$ 15,248,363	\$ 473,813	\$ 15,722,176	\$ 19,517,432	78.13%	80.20%
06/30/2021	06/30/2020	0.2777%	\$ 16,649,385	\$ 513,474	\$ 17,162,859	\$ 19,807,489	84.06%	79.10%
06/30/2022	06/30/2021	0.2761%	\$ 11,790,707	\$ 360,150	\$ 12,150,857	\$ 19,879,803	59.31%	87.00%
06/30/2023	06/30/2022	0.2600%	\$ 20,592,085	\$ 603,648	\$ 21,195,733	\$ 19,472,844	105.75%	76.70%
06/30/2024	06/30/2023	0.2364%	\$ 13,219,223	\$ 364,533	\$ 13,583,756	\$ 18,802,167	70.31%	83.10%
06/30/2025	06/30/2024	0.2322%	\$ 8,584,051	\$ 221,966	\$ 8,806,017	\$ 19,651,781	43.68%	89.08%

Public Employees Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2025

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
06/30/2016	\$ 1,322,815	\$ 1,322,815	\$ -	\$ 17,638,480	7.50%
06/30/2017	\$ 1,408,849	\$ 1,408,849	\$ -	\$ 18,842,440	7.48%
06/30/2018	\$ 1,409,334	\$ 1,409,334	\$ -	\$ 18,797,551	7.50%
06/30/2019	\$ 1,463,748	\$ 1,463,748	\$ -	\$ 19,517,432	7.50%
06/30/2020	\$ 1,485,562	\$ 1,485,562	\$ -	\$ 19,807,489	7.50%
06/30/2021	\$ 1,490,983	\$ 1,490,983	\$ -	\$ 19,879,803	7.50%
06/30/2022	\$ 1,460,444	\$ 1,460,444	\$ -	\$ 19,472,844	7.50%
06/30/2023	\$ 1,410,160	\$ 1,410,160	\$ -	\$ 18,802,167	7.50%
06/30/2024	\$ 1,473,883	\$ 1,473,883	\$ -	\$ 19,651,781	7.50%
06/30/2025	\$ 1,700,307	\$ 1,700,307	\$ -	\$ 22,670,723	7.50%

INTERMEDIATE DISTRICT NO. 287

Teachers Retirement Association Pension Benefits Plan
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended June 30, 2025

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
06/30/2016	06/30/2015	0.5289%	\$ 32,717,696	\$ 4,013,309	\$ 36,731,005	\$ 26,851,536	121.85%	76.80%
06/30/2017	06/30/2016	0.5354%	\$127,705,675	\$ 12,817,443	\$140,523,118	\$ 27,856,299	458.44%	44.88%
06/30/2018	06/30/2017	0.5392%	\$107,634,101	\$ 10,404,243	\$118,038,344	\$ 28,980,858	371.40%	51.57%
06/30/2019	06/30/2018	0.5321%	\$ 33,420,860	\$ 3,140,033	\$ 36,560,893	\$ 29,446,977	113.50%	78.07%
06/30/2020	06/30/2019	0.5289%	\$ 33,712,197	\$ 2,983,396	\$ 36,695,593	\$ 30,019,982	112.30%	78.21%
06/30/2021	06/30/2020	0.5409%	\$ 39,962,417	\$ 3,348,800	\$ 43,311,217	\$ 31,426,100	127.16%	75.48%
06/30/2022	06/30/2021	0.5322%	\$ 23,290,663	\$ 1,964,357	\$ 25,255,020	\$ 31,845,182	73.14%	86.63%
06/30/2023	06/30/2022	0.5103%	\$ 40,862,125	\$ 3,030,049	\$ 43,892,174	\$ 31,542,515	129.55%	76.17%
06/30/2024	06/30/2023	0.5038%	\$ 41,594,857	\$ 2,913,713	\$ 44,508,570	\$ 32,032,537	129.85%	76.42%
06/30/2025	06/30/2024	0.5085%	\$ 32,311,722	\$ 2,113,483	\$ 34,425,205	\$ 33,691,979	95.90%	82.07%

Teachers Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2025

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
06/30/2016	\$ 2,089,182	\$ 2,089,182	\$ -	\$ 27,856,299	7.50%
06/30/2017	\$ 2,172,700	\$ 2,172,700	\$ -	\$ 28,980,858	7.50%
06/30/2018	\$ 2,204,031	\$ 2,204,031	\$ -	\$ 29,446,977	7.48%
06/30/2019	\$ 2,314,757	\$ 2,314,757	\$ -	\$ 30,019,982	7.71%
06/30/2020	\$ 2,489,640	\$ 2,489,640	\$ -	\$ 31,426,100	7.92%
06/30/2021	\$ 2,589,013	\$ 2,589,013	\$ -	\$ 31,845,182	8.13%
06/30/2022	\$ 2,630,479	\$ 2,630,479	\$ -	\$ 31,542,515	8.34%
06/30/2023	\$ 2,744,079	\$ 2,744,079	\$ -	\$ 32,032,537	8.57%
06/30/2024	\$ 2,947,917	\$ 2,947,917	\$ -	\$ 33,691,979	8.75%
06/30/2025	\$ 3,306,649	\$ 3,306,649	\$ -	\$ 37,788,320	8.75%

INTERMEDIATE DISTRICT NO. 287

Pension Benefits Plan
 Schedule of Changes in the District's Total
 Pension Liability and Related Ratios
 Year Ended June 30, 2025

	Year Ended June 30, <u>2025</u>
Total pension liability	
Reclassification resulting from a change in classification of benefits	\$ 665,330
Total pension liability – beginning of year	<u>–</u>
Total pension liability – end of year	<u>\$ 665,330</u>
Covered-employee payroll	<u>\$ 8,737,944</u>
Total pension liability as a percentage of covered-employee payroll	<u>7.6%</u>

Note 1: The District has not established a trust fund to finance GASB Statement No. 73

Note 2: The District's GASB Statement No. 73 liability was first reported for the year ended June 30, 2025. The schedules within the RSI section require a 10-year presentation. Additional years will be presented 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, 2025

	Year Ended June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability								
Service cost	\$ 393,472	\$ 390,896	\$ 410,216	\$ 411,955	\$ 451,141	\$ 347,558	\$ 275,505	\$ 279,872
Interest	160,573	187,447	189,038	156,698	124,803	77,541	130,979	125,929
Differences between expected and actual economic experience	-	-	(1,054,661)	-	(611,957)	(61,480)	121,874	118,691
Changes of assumptions	(156,729)	(43,177)	847,064	(5,479)	(254,201)	(399,183)	(420,067)	(22,730)
Changes of benefit terms	-	-	-	-	(242,064)	-	5,923	-
Changes from classification of benefits	-	-	-	-	-	-	-	(665,330)
Benefit payments	(818,067)	(619,511)	(665,555)	(552,727)	(476,610)	(362,443)	(400,395)	(411,107)
Net change in total OPEB liability	(420,751)	(84,345)	(273,898)	10,447	(1,008,888)	(398,007)	(286,181)	(574,675)
Total OPEB liability – beginning of year	5,649,714	5,228,963	5,144,618	4,870,720	4,881,167	3,872,279	3,474,272	3,188,091
Total OPEB liability – end of year	<u>\$ 5,228,963</u>	<u>\$ 5,144,618</u>	<u>\$ 4,870,720</u>	<u>\$ 4,881,167</u>	<u>\$ 3,872,279</u>	<u>\$ 3,474,272</u>	<u>\$ 3,188,091</u>	<u>\$ 2,613,416</u>
Covered-employee payroll	<u>\$ 42,079,058</u>	<u>\$ 42,883,692</u>	<u>\$ 51,018,070</u>	<u>\$ 53,374,746</u>	<u>\$ 54,188,504</u>	<u>\$ 52,748,898</u>	<u>\$ 52,442,067</u>	<u>\$ 56,128,822</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>12.43%</u>	<u>12.00%</u>	<u>9.55%</u>	<u>9.15%</u>	<u>7.15%</u>	<u>6.59%</u>	<u>6.08%</u>	<u>4.66%</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, 2025

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2024 CHANGES IN PLAN PROVISIONS

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

2023 CHANGES IN PLAN PROVISIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

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.

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.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2018 CHANGES IN PLAN PROVISIONS (CONTINUED)

- 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.

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family of tables.
- Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15.00 percent to reflect the continued lower than expected observations.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PENSION BENEFITS PLAN

2025 CHANGES IN CLASSIFICATION OF BENEFITS

- The pension benefits for Administrators and School Service Employees were removed from the other Post Employment Benefits (OPEB) plan and classified as a pension benefit.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2025 CHANGES IN CLASSIFICATION OF BENEFITS

- The pension benefits for Administrators and School Service Employees were removed from the other Post Employment Benefits (OPEB) plan and classified as a pension benefit.

2025 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.86 percent to 3.97 percent based on updated 20-year municipal bond rates.

2024 CHANGES IN PLAN PROVISIONS

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

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2022 CHANGES IN PLAN PROVISIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

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.

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.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

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.

SUPPLEMENTARY INFORMATION

INTERMEDIATE DISTRICT NO. 287

Nonmajor Governmental Funds
 Combining Balance Sheet
 as of June 30, 2025

	Food Service Special Revenue Fund	Capital Projects – Building Construction Fund	Total
Assets			
Cash and temporary investments	\$ 25,802	\$ 2,644,516	\$ 2,670,318
Receivables			
Accounts and interest	738	–	738
Due from other governmental units	553	–	553
Inventory	11,164	–	11,164
	<u>38,257</u>	<u>2,644,516</u>	<u>2,682,773</u>
Total assets	<u>\$ 38,257</u>	<u>\$ 2,644,516</u>	<u>\$ 2,682,773</u>
Liabilities			
Salaries and compensated absences payable	\$ 28,579	\$ –	\$ 28,579
Accounts and contracts payable	1,281	524,719	526,000
Unearned revenue	8,397	–	8,397
Total liabilities	<u>38,257</u>	<u>524,719</u>	<u>562,976</u>
Fund balances			
Restricted	–	2,119,797	2,119,797
	<u>–</u>	<u>2,119,797</u>	<u>2,119,797</u>
Total liabilities and fund balances	<u>\$ 38,257</u>	<u>\$ 2,644,516</u>	<u>\$ 2,682,773</u>

INTERMEDIATE DISTRICT NO. 287

Nonmajor Governmental Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2025

	Food Service Special Revenue Fund	Capital Projects – Building Construction Fund	Total
Revenue			
Local sources			
Investment earnings	\$ –	\$ 207,765	\$ 207,765
Other	16,880	–	16,880
State sources	15,684	–	15,684
Federal sources	537,423	–	537,423
Total revenue	<u>569,987</u>	<u>207,765</u>	<u>777,752</u>
Expenditures			
Current			
Food service	904,036	–	904,036
Capital outlay	–	898,139	898,139
Total expenditures	<u>904,036</u>	<u>898,139</u>	<u>1,802,175</u>
Excess (deficiency) of revenue over expenditures	(334,049)	(690,374)	(1,024,423)
Other financing sources			
Transfers in	<u>320,586</u>	–	<u>320,586</u>
Net change in fund balance	(13,463)	(690,374)	(703,837)
Fund balances			
Beginning of year	<u>13,463</u>	<u>2,810,171</u>	<u>2,823,634</u>
End of year	<u>\$ –</u>	<u>\$ 2,119,797</u>	<u>\$ 2,119,797</u>

INTERMEDIATE DISTRICT NO. 287

General Fund
Comparative Balance Sheet
as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	\$ 8,052,315	\$ 12,082,014
Receivables		
Accounts and interest	1,146,296	548,916
Due from other funds	862,127	-
Due from other governmental units	22,926,059	18,445,298
Prepaid items	<u>106,723</u>	<u>288,572</u>
Total assets	<u>\$ 33,093,520</u>	<u>\$ 31,364,800</u>
Liabilities		
Salaries and compensated absences payable	\$ 7,778,893	\$ 6,762,765
Accounts and contracts payable	643,794	623,593
Due to other governmental units	977,108	1,241,737
Unearned revenue	<u>309,744</u>	<u>285,241</u>
Total liabilities	9,709,539	8,913,336
Fund balances		
Nonspendable for prepaid items	106,723	288,572
Restricted for American Indian education aid	-	26,133
Restricted for basic skills programs	113,142	365,714
Restricted for safe schools levy	1,092,192	980,389
Restricted for literacy aid	9,759	-
Restricted for long-term facilities maintenance	485,880	507,105
Restricted for Medical Assistance	3,294,531	3,294,531
Assigned for operational adjustment reserve	95,721	95,721
Assigned for severance	4,491,493	4,811,072
Assigned for tuition adjustments	2,128,941	2,128,941
Assigned for property	227,743	250,000
Assigned for student clubs	8,812	8,641
Assigned for vehicle depreciation	50,712	99,382
Assigned for collaborative curriculum project	1,568	1,568
Assigned for strategic priorities	1,246,715	1,246,715
Assigned for vaping settlement	239,928	141,748
Unassigned	<u>9,790,121</u>	<u>8,205,232</u>
Total fund balances	<u>23,383,981</u>	<u>22,451,464</u>
Total liabilities and fund balances	<u>\$ 33,093,520</u>	<u>\$ 31,364,800</u>

INTERMEDIATE DISTRICT NO. 287

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024
	Budget	Actual		Actual
Revenue				
Local sources				
Pass-through levies	\$ 2,421,265	\$ 2,413,674	\$ (7,591)	\$ 2,153,769
Tuition	20,182,699	21,340,671	1,157,972	23,034,425
Investment earnings	771,500	798,627	27,127	934,197
Other	4,407,563	6,517,316	2,109,753	889,902
State sources	74,003,647	70,324,982	(3,678,665)	62,906,984
Federal sources	2,401,619	1,671,979	(729,640)	3,018,254
Total revenue	<u>104,188,293</u>	<u>103,067,249</u>	<u>(1,121,044)</u>	<u>92,937,531</u>
Expenditures				
Current				
Career and technical education	2,473,519	2,261,663	(211,856)	1,848,758
Academic education	13,693,016	14,593,183	900,167	12,363,817
Special education	68,487,304	66,805,157	(1,682,147)	58,611,588
Student clubs	8,946	6,633	(2,313)	15,680
Administrative support services and operations and maintenance	19,277,138	18,178,982	(1,098,156)	17,194,387
Debt service				
Principal	10,980	285,663	274,683	184,309
Interest and fiscal charges	–	22,296	22,296	22,058
Total expenditures	<u>103,950,903</u>	<u>102,153,577</u>	<u>(1,797,326)</u>	<u>90,240,597</u>
Excess of revenue over expenditures	237,390	913,672	676,282	2,696,934
Other financing sources (uses)				
Issuance of subscription liabilities	–	338,731	338,731	268,613
Transfers (out)	(452,520)	(320,586)	131,934	(307,218)
Sale of assets	–	700	700	–
Insurance recovery	15,000	–	(15,000)	37,141
Total other financing sources (uses)	<u>(437,520)</u>	<u>18,845</u>	<u>456,365</u>	<u>(1,464)</u>
Net change in fund balances	<u>\$ (200,130)</u>	932,517	<u>\$ 1,132,647</u>	2,695,470
Fund balances				
Beginning of year		<u>22,451,464</u>		<u>19,755,994</u>
End of year		<u>\$ 23,383,981</u>		<u>\$ 22,451,464</u>

INTERMEDIATE DISTRICT NO. 287

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account
 Year Ended June 30, 2025

	Career and Technical Education Account	Academic Education Account	Special Education Account
Revenue			
Local sources			
Pass-through levies	\$ 200,489	\$ 37,025	\$ -
Tuition	1,253,114	6,991,603	10,476,367
Investment earnings	-	-	-
Other	472,912	7,118	5,033,204
State sources	43,574	7,357,777	52,278,568
Federal sources	700,639	9	-
Total revenue	<u>2,670,728</u>	<u>14,393,532</u>	<u>67,788,139</u>
Expenditures			
Current			
Career and technical education	2,261,663	-	-
Academic education	-	14,593,183	-
Special education	-	-	66,805,157
Student clubs	-	-	-
Administrative support services and operations and maintenance	-	-	-
Allocated costs	-	(148,607)	-
Debt service			
Principal	-	117,888	-
Interest	-	17,483	-
Total expenditures	<u>2,261,663</u>	<u>14,579,947</u>	<u>66,805,157</u>
Excess (deficiency) of revenue over expenditures	409,065	(186,415)	982,982
Other financing sources (uses)			
Issuance of subscription liabilities	-	-	-
Intrafund transfers	-	216,442	(216,442)
Transfers (out)	-	-	-
Sale of assets	-	-	700
Total other financing sources (uses)	<u>-</u>	<u>216,442</u>	<u>(215,742)</u>
Net change in fund balances	409,065	30,027	767,240
Fund balances			
Beginning of year	<u>339,842</u>	<u>292,495</u>	<u>14,369,959</u>
End of year	<u>\$ 748,907</u>	<u>\$ 322,522</u>	<u>\$ 15,137,199</u>

District-Wide Account	Severance and Property Account	Student Clubs Account	Total
\$ 2,176,160	\$ -	\$ -	\$ 2,413,674
2,619,587	-	-	21,340,671
798,627	-	-	798,627
974,827	22,450	6,805	6,517,316
10,645,063	-	-	70,324,982
971,331	-	-	1,671,979
<u>18,185,595</u>	<u>22,450</u>	<u>6,805</u>	<u>103,067,249</u>
-	-	-	2,261,663
-	-	-	14,593,183
-	-	-	66,805,157
-	-	6,633	6,633
18,178,982	-	-	18,178,982
(215,679)	364,286	-	-
167,775	-	-	285,663
4,813	-	-	22,296
<u>18,135,891</u>	<u>364,286</u>	<u>6,633</u>	<u>102,153,577</u>
49,704	(341,836)	172	913,672
338,731	-	-	338,731
-	-	-	-
(320,586)	-	-	(320,586)
-	-	-	700
<u>18,145</u>	<u>-</u>	<u>-</u>	<u>18,845</u>
67,849	(341,836)	172	932,517
<u>2,379,455</u>	<u>5,061,072</u>	<u>8,641</u>	<u>22,451,464</u>
<u>\$ 2,447,304</u>	<u>\$ 4,719,236</u>	<u>\$ 8,813</u>	<u>\$ 23,383,981</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, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Pass-through levies	\$ 230,000	\$ 200,489	\$ (29,511)	\$ 181,739
Tuition	1,285,630	1,253,114	(32,516)	823,369
Other	449,875	472,912	23,037	26,016
State sources	68,868	43,574	(25,294)	10,548
Federal sources	795,742	700,639	(95,103)	715,471
Total revenue	<u>2,830,115</u>	<u>2,670,728</u>	<u>(159,387)</u>	<u>1,757,143</u>
Expenditures				
Career and technical education				
Salaries and wages	968,049	894,200	(73,849)	692,269
Employee benefits	433,196	422,226	(10,970)	339,701
Purchased services	821,458	728,223	(93,235)	677,858
Supplies and materials	209,247	188,426	(20,821)	90,887
Capital expenditures	–	–	–	9,932
Other	41,569	28,588	(12,981)	38,111
Allocated costs	<u>(40,000)</u>	<u>–</u>	<u>40,000</u>	<u>–</u>
Total expenditures	<u>2,433,519</u>	<u>2,261,663</u>	<u>(171,856)</u>	<u>1,848,758</u>
Net change in fund balances	<u>\$ 396,596</u>	409,065	<u>\$ 12,469</u>	(91,615)
Fund balances				
Beginning of year		<u>339,842</u>		<u>431,457</u>
End of year		<u>\$ 748,907</u>		<u>\$ 339,842</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, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024	
	Budget	Actual		Actual	
Revenue					
Local sources					
Pass-through levies	\$ 33,000	\$ 37,025	\$ 4,025	\$ 37,774	
Tuition	6,622,708	6,991,603	368,895	6,305,271	
Other	8,100	7,118	(982)	148,461	
State sources	7,074,227	7,357,777	283,550	5,790,340	
Federal sources	9	9	–	393,156	
Total revenue	<u>13,738,044</u>	<u>14,393,532</u>	<u>655,488</u>	<u>12,675,002</u>	
Expenditures					
Academic education					
Salaries and wages	9,133,355	10,132,017	998,662	8,401,202	
Employee benefits	3,323,780	3,407,638	83,858	2,925,024	
Purchased services	592,607	621,240	28,633	642,448	
Supplies and materials	580,924	388,324	(192,600)	333,876	
Capital expenditures	500	–	(500)	2,500	
Other	61,850	43,964	(17,886)	58,767	
Allocated costs	(90,000)	(148,607)	(58,607)	–	
Debt service					
Principal	–	117,888	117,888	116,922	
Interest	–	17,483	17,483	19,349	
Total expenditures	<u>13,603,016</u>	<u>14,579,947</u>	<u>976,931</u>	<u>12,500,088</u>	
Excess (deficiency) of revenue over expenditures	135,028	(186,415)	(321,443)	174,914	
Other financing sources (uses)					
Intrafund transfers	–	216,442	216,442	(115,262)	
Net change in fund balances	<u>\$ 135,028</u>	<u>30,027</u>	<u>\$ (105,001)</u>	<u>59,652</u>	
Fund balances					
Beginning of year		<u>292,495</u>		<u>232,843</u>	
End of year		<u>\$ 322,522</u>		<u>\$ 292,495</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, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 9,633,010	\$ 10,476,367	\$ 843,357	\$ 13,327,972
Other	3,016,968	5,033,204	2,016,236	6,814
State sources	55,506,996	52,278,568	(3,228,428)	47,041,350
Federal sources	–	–	–	62,508
Total revenue	<u>68,156,974</u>	<u>67,788,139</u>	<u>(368,835)</u>	<u>60,438,644</u>
Expenditures				
Special education				
Current				
Salaries and wages	44,172,640	43,071,303	(1,101,337)	37,830,912
Employee benefits	19,144,559	19,085,271	(59,288)	17,321,547
Purchased services	3,952,490	3,645,985	(306,505)	2,414,233
Supplies and materials	751,061	501,562	(249,499)	555,771
Capital expenditures	229,343	293,683	64,340	273,527
Other	237,045	207,353	(29,692)	215,598
Debt service				
Principal	166	–	(166)	7,643
Total expenditures	<u>68,487,304</u>	<u>66,805,157</u>	<u>(1,682,147)</u>	<u>58,619,231</u>
Excess (deficiency) of revenue over expenditures	(330,330)	982,982	1,313,312	1,819,413
Other financing sources (uses)				
Sale of assets	–	700	700	–
Intrafund transfers	–	(216,442)	(216,442)	(17,663)
Total financing sources (uses)	<u>–</u>	<u>(215,742)</u>	<u>(215,742)</u>	<u>(17,663)</u>
Net change in fund balances	<u>\$ (330,330)</u>	<u>767,240</u>	<u>\$ 1,097,570</u>	<u>1,801,750</u>
Fund balances				
Beginning of year		<u>14,369,959</u>		<u>12,568,209</u>
End of year		<u>\$ 15,137,199</u>		<u>\$ 14,369,959</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, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024
	Budget	Actual		Actual
Revenue				
Local sources				
Pass-through levies	\$ 2,158,265	\$ 2,176,160	\$ 17,895	\$ 1,934,256
Tuition	2,641,351	2,619,587	(21,764)	2,577,813
Investment earnings	771,500	798,627	27,127	934,197
Other	925,535	974,827	49,292	693,938
State sources	11,353,556	10,645,063	(708,493)	10,064,746
Federal sources	1,605,868	971,331	(634,537)	1,847,119
Total revenue	<u>19,456,075</u>	<u>18,185,595</u>	<u>(1,270,480)</u>	<u>18,052,069</u>
Expenditures				
Current				
Administrative support services and operations and maintenance				
Salaries and wages	8,810,444	8,625,778	(184,666)	8,216,640
Employee benefits	3,453,843	3,357,067	(96,776)	3,271,443
Purchased services	4,576,775	3,703,408	(873,367)	3,745,966
Supplies and materials	1,881,380	1,620,421	(260,959)	1,173,659
Capital expenditures	478,468	817,834	339,366	756,959
Other	76,228	54,474	(21,754)	29,720
Allocated costs	(190,993)	(215,679)	(24,686)	(241,883)
Debt service				
Principal	10,980	167,775	156,795	59,744
Interest and fiscal charges	–	4,813	4,813	2,709
Total expenditures	<u>19,097,125</u>	<u>18,135,891</u>	<u>(961,234)</u>	<u>17,014,957</u>
Excess of revenue over expenditures	358,950	49,704	(309,246)	1,037,112
Other financing sources (uses)				
Issuance of subscription liabilities	–	338,731	338,731	268,613
Intrafund transfers	–	–	–	(117,075)
Transfers (out)	(452,520)	(320,586)	131,934	(307,218)
Insurance recovery	15,000	–	(15,000)	37,141
Total other financing sources (uses)	<u>(437,520)</u>	<u>18,145</u>	<u>455,665</u>	<u>(118,539)</u>
Net change in fund balances	<u>\$ (78,570)</u>	<u>67,849</u>	<u>\$ 146,419</u>	<u>918,573</u>
Fund balances				
Beginning of year		<u>2,379,455</u>		<u>1,460,882</u>
End of year		<u>\$ 2,447,304</u>		<u>\$ 2,379,455</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, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources	\$ -	\$ 22,450	\$ 22,450	\$ -
Expenditures				
Current				
Severance costs				
Allocated costs	320,993	364,286	43,293	241,883
Excess (deficiency) of revenue over expenditures	(320,993)	(341,836)	(20,843)	(241,883)
Other financing sources				
Intrafund transfers	-	-	-	250,000
Net change in fund balances	<u>\$ (320,993)</u>	<u>(341,836)</u>	<u>\$ (20,843)</u>	<u>8,117</u>
Fund balances				
Beginning of year		<u>5,061,072</u>		<u>5,052,955</u>
End of year		<u>\$ 4,719,236</u>		<u>\$ 5,061,072</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, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 7,085	\$ 6,805	\$ (280)	\$ 14,673
Expenditures				
Current				
Student clubs				
Other	8,946	6,633	(2,313)	15,680
Net change in fund balances	<u>\$ (1,861)</u>	172	<u>\$ 2,033</u>	(1,007)
Fund balances				
Beginning of year		8,641		9,648
End of year		<u>\$ 8,813</u>		<u>\$ 8,641</u>

INTERMEDIATE DISTRICT NO. 287

Food Service Special Revenue Fund
 Comparative Balance Sheet
 as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	\$ 25,802	\$ 24,542
Receivables		
Accounts and interest	738	713
Due from other governmental units	553	860
Inventory	<u>11,164</u>	<u>22,432</u>
Total assets	<u>\$ 38,257</u>	<u>\$ 48,547</u>
Liabilities		
Salaries and compensated absences payable	\$ 28,579	\$ 25,957
Accounts and contracts payable	1,281	355
Due to other governmental units	-	300
Unearned revenue	<u>8,397</u>	<u>8,472</u>
Total liabilities	38,257	35,084
Fund balances		
Restricted for food service	<u>-</u>	<u>13,463</u>
Total liabilities and fund balances	<u>\$ 38,257</u>	<u>\$ 48,547</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, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 18,956	\$ 16,880	\$ (2,076)	\$ 20,958
State sources	25,518	15,684	(9,834)	17,544
Federal sources	456,600	537,423	80,823	496,772
Total revenue	<u>501,074</u>	<u>569,987</u>	<u>68,913</u>	<u>535,274</u>
Expenditures				
Current				
Salaries	362,895	372,077	9,182	339,110
Employee benefits	196,695	181,573	(15,122)	165,764
Purchased services	32,550	30,742	(1,808)	43,350
Supplies and materials	353,545	299,831	(53,714)	269,936
Capital expenditures	17,172	16,728	(444)	7,795
Other expenditures	4,200	3,085	(1,115)	3,074
Total expenditures	<u>967,057</u>	<u>904,036</u>	<u>(63,021)</u>	<u>829,029</u>
Excess (deficiency) of revenue over expenditures	(465,983)	(334,049)	131,934	(293,755)
Other financing sources				
Transfers in	<u>452,520</u>	<u>320,586</u>	<u>(131,934)</u>	<u>307,218</u>
Net change in fund balances	<u>\$ (13,463)</u>	<u>(13,463)</u>	<u>\$ –</u>	<u>13,463</u>
Fund balances				
Beginning of year		<u>13,463</u>		<u>–</u>
End of year		<u>\$ –</u>		<u>\$ 13,463</u>

INTERMEDIATE DISTRICT NO. 287

Capital Projects – Building Construction Fund
 Comparative Balance Sheet
 as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	\$ 2,644,516	\$ 3,612,179
Liabilities		
Accounts and contracts payable	\$ 524,719	\$ 802,008
Fund balances		
Restricted for long-term facilities maintenance	<u>2,119,797</u>	<u>2,810,171</u>
Total liabilities and fund balances	<u>\$ 2,644,516</u>	<u>\$ 3,612,179</u>

INTERMEDIATE DISTRICT NO. 287

Capital Projects – Building Construction Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 80,000	\$ 207,765	\$ 127,765	\$ 179,036
Expenditures				
Capital outlay				
Purchased services	130,000	103,905	(26,095)	92,724
Capital expenditures	449,777	794,234	344,457	1,103,383
Total expenditures	<u>579,777</u>	<u>898,139</u>	<u>318,362</u>	<u>1,196,107</u>
Net change in fund balances	<u>\$ (499,777)</u>	(690,374)	<u>\$ (190,597)</u>	(1,017,071)
Fund balances				
Beginning of year		<u>2,810,171</u>		<u>3,827,242</u>
End of year		<u>\$ 2,119,797</u>		<u>\$ 2,810,171</u>

INTERMEDIATE DISTRICT NO. 287

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	\$ —	\$ 176,734
Cash and investments held by trustee	21,449,041	19,543,316
Receivables		
Accounts and interest	319,743	290,741
Due from other governmental units	1,581,787	630,120
Lease	<u>1,533,506</u>	<u>1,718,644</u>
Total assets	<u>\$ 24,884,077</u>	<u>\$ 22,359,555</u>
Liabilities		
Due to other funds	\$ 862,127	\$ —
Deferred inflows of resources		
Lease revenue for subsequent years	1,533,506	1,718,644
Fund balances		
Restricted for debt service	<u>22,488,444</u>	<u>20,640,911</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,884,077</u>	<u>\$ 22,359,555</u>

INTERMEDIATE DISTRICT NO. 287

Debt Service Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024
	Budget	Actual		Actual
Revenue				
Local sources				
Pass-through levies	\$ 5,653,184	\$ 5,426,051	\$ (227,133)	\$ 5,593,483
Tuition	950,000	936,099	(13,901)	958,161
Investment earnings	718,734	752,698	33,964	685,947
Other	223,962	106,061	(117,901)	223,962
Federal sources	1,516,496	1,516,668	172	1,524,184
Total revenue	<u>9,062,376</u>	<u>8,737,577</u>	<u>(324,799)</u>	<u>8,985,737</u>
Expenditures				
Debt service				
Principal	3,655,000	3,655,000	–	3,440,000
Interest	3,206,755	3,206,755	–	3,429,533
Fiscal charges and other	20,655	28,289	7,634	14,704
Total expenditures	<u>6,882,410</u>	<u>6,890,044</u>	<u>7,634</u>	<u>6,884,237</u>
Net change in fund balances	<u>\$ 2,179,966</u>	1,847,533	<u>\$ (332,433)</u>	2,101,500
Fund balances				
Beginning of year		<u>20,640,911</u>		<u>18,539,411</u>
End of year		<u>\$ 22,488,444</u>		<u>\$ 20,640,911</u>

INTERMEDIATE DISTRICT NO. 287

Combining Statement of Net Position
 Proprietary Funds
 Internal Service Funds
 as of June 30, 2025

(With Comparative Totals as of June 30, 2024)

	Health Self-Insurance	Dental Self-Insurance	2025	2024
Current assets				
Cash and temporary investments	\$ 21,743,527	\$ 617,598	\$ 22,361,125	\$ 20,593,541
Receivables				
Accounts and interest	2,678	692	3,370	1,440
Due from other governmental units	—	—	—	6,033
Total current assets	<u>21,746,205</u>	<u>618,290</u>	<u>22,364,495</u>	<u>20,601,014</u>
Current liabilities				
Accounts payable	150,650	63,917	214,567	248,155
Claims payable	622,793	11,772	634,565	1,071,761
Due to other governmental units	—	—	—	6,022
Unearned revenue	<u>1,067,521</u>	<u>49,080</u>	<u>1,116,601</u>	<u>1,047,837</u>
Total current liabilities	<u>1,840,964</u>	<u>124,769</u>	<u>1,965,733</u>	<u>2,373,775</u>
Net position				
Unrestricted	<u>\$ 19,905,241</u>	<u>\$ 493,521</u>	<u>\$ 20,398,762</u>	<u>\$ 18,227,239</u>

INTERMEDIATE DISTRICT NO. 287

Combining Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Internal Service Funds
 Year Ended June 30, 2025
 (With Comparative Totals for the Year Ended June 30, 2024)

	Health Self-Insurance	Dental Self-Insurance	2025	2024
Operating revenue				
Contributions from governmental funds	\$ 13,601,948	\$ 691,833	\$ 14,293,781	\$ 13,507,922
Operating expenses				
Dental benefit claims and expenses	-	657,372	657,372	649,032
Health benefit claims and expenses	11,089,787	-	11,089,787	10,324,117
Administrative fees	1,193,361	52,056	1,245,417	1,401,691
Total operating expenses	<u>12,283,148</u>	<u>709,428</u>	<u>12,992,576</u>	<u>12,374,840</u>
Operating income (loss)	1,318,800	(17,595)	1,301,205	1,133,082
Nonoperating revenues				
Investment earnings	<u>846,400</u>	<u>23,918</u>	<u>870,318</u>	<u>917,333</u>
Change in net position	2,165,200	6,323	2,171,523	2,050,415
Net position				
Beginning of year	<u>17,740,041</u>	<u>487,198</u>	<u>18,227,239</u>	<u>16,176,824</u>
End of year	<u>\$ 19,905,241</u>	<u>\$ 493,521</u>	<u>\$ 20,398,762</u>	<u>\$ 18,227,239</u>

INTERMEDIATE DISTRICT NO. 287

Combining Statement of Cash Flows
 Proprietary Funds
 Internal Service Funds
 Year Ended June 30, 2025
 (With Comparative Totals for the Year Ended June 30, 2024)

	Health Self-Insurance	Dental Self-Insurance	2025	2024
Cash flows from operating activities				
Received from assessments made to other funds	\$ 13,669,077	\$ 697,571	\$ 14,366,648	\$ 13,575,728
Payments for claims	(11,561,566)	(662,399)	(12,223,965)	(10,936,988)
Payments for fees	(1,193,361)	(52,056)	(1,245,417)	(1,401,691)
Net cash from operating activities	914,150	(16,884)	897,266	1,237,049
Cash flows from investing activities				
Investment income received	846,400	23,918	870,318	917,333
Net change in cash and cash equivalents	1,760,550	7,034	1,767,584	2,154,382
Cash and temporary investments				
Beginning of year	19,982,977	610,564	20,593,541	18,439,159
End of year	<u>\$ 21,743,527</u>	<u>\$ 617,598</u>	<u>\$ 22,361,125</u>	<u>\$ 20,593,541</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 1,318,800	\$ (17,595)	\$ 1,301,205	\$ 1,133,082
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Changes in assets and liabilities				
Accounts and interest receivable	(1,502)	(428)	(1,930)	832
Due from other governmental units	6,033	-	6,033	(963)
Accounts payable	(30,211)	(3,377)	(33,588)	(287,211)
Claims payable	(435,546)	(1,650)	(437,196)	322,921
Due to other governmental units	(6,022)	-	(6,022)	451
Unearned revenue	62,598	6,166	68,764	67,937
Net cash from operating activities	<u>\$ 914,150</u>	<u>\$ (16,884)</u>	<u>\$ 897,266</u>	<u>\$ 1,237,049</u>

OTHER DISTRICT INFORMATION

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		
2016	\$ 23,370,376 27.1%	\$ 56,860,030 66.0%	\$ 5,896,624 6.9%	\$ 86,127,030 100.0%
2017	21,967,097 23.9%	63,067,492 68.6%	6,938,340 7.5%	91,972,929 100.0%
2018	21,577,449 23.2%	63,488,292 68.4%	7,819,389 8.4%	92,885,130 100.0%
2019	20,647,784 22.3%	64,929,651 70.2%	6,908,878 7.5%	92,486,313 100.0%
2020	21,104,022 21.7%	67,325,134 69.1%	8,982,484 9.2%	97,411,640 100.0%
2021	19,630,956 21.1%	63,896,514 68.7%	9,436,601 10.2%	92,964,071 100.0%
2022	20,834,633 22.1%	64,325,990 68.1%	9,266,013 9.8%	94,426,636 100.0%
2023	20,974,437 21.5%	64,757,060 66.5%	11,709,563 12.0%	97,441,060 100.0%
2024	21,339,268 20.6%	70,592,979 68.0%	11,841,001 11.4%	103,773,248 100.0%
2025	23,832,888 20.8%	78,143,278 68.2%	12,659,387 11.0%	114,635,553 100.0%

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
2016	\$ 1,142,660 1.4%	\$ 10,121,670 12.3%	\$ 51,068,483 62.0%	\$ 29,516 -	\$ 15,386,789 18.7%
2017	1,369,906 1.3%	13,060,608 12.6%	67,710,721 65.0%	39,188 -	17,056,602 16.4%
2018	1,189,352 1.2%	13,538,974 13.2%	66,311,391 64.8%	26,229 -	16,765,264 16.3%
2019	870,531 1.2%	8,577,294 12.0%	43,028,735 60.4%	18,349 -	14,436,356 20.4%
2020	1,441,711 1.6%	11,808,725 12.7%	57,723,643 62.3%	13,682 -	17,469,152 18.9%
2021	1,521,795 1.7%	10,847,983 11.8%	58,192,490 63.4%	5,787 -	17,523,399 19.1%
2022	998,931 1.2%	9,689,617 11.2%	54,196,824 62.6%	13,084 -	17,940,049 20.7%
2023	1,551,446 2.0%	8,457,087 10.7%	47,381,560 59.7%	29,759 -	17,911,782 22.6%
2024	1,757,311 2.0%	11,200,610 12.8%	53,196,197 60.9%	15,680 -	17,326,591 19.9%
2025	2,170,314 2.1%	14,372,074 13.8%	64,601,635 62.1%	6,633 -	19,080,180 18.3%

Food Service		Community Service		Interest and Fiscal Charges		Total	
\$	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%
	866,392		—		3,148,556		79,346,582
	1.0%		—		4.0%		100.0%
	803,770		—		3,063,083		87,363,242
	0.9%		—		3.5%		100.0%
	886,382		—		2,951,746		104,068,964
	0.9%		—		2.8%		100.0%

INTERMEDIATE DISTRICT NO. 287

General Fund Revenue by Source
Last Ten Fiscal Years

Year Ended June 30,	Pass-Through Levies	Tuition	Federal Revenue	State Revenue	Other Revenue	Total
2016	\$ 3,850,274	\$ 19,398,980	\$ 275,271	\$ 53,880,747	\$ 2,794,534	\$ 80,199,806
2017	3,279,663	19,262,787	336,177	58,159,071	2,303,186	83,340,884
2018	2,319,442	20,447,609	320,008	59,815,242	2,145,934	85,048,235
2019	2,426,180	19,865,146	546,783	61,551,068	1,380,770	85,769,947
2020	2,597,370	21,051,703	550,089	63,397,394	1,127,821	88,724,377
2021	2,576,713	18,699,103	1,554,714	60,530,137	818,492	84,179,159
2022	2,473,934	20,738,868	2,550,036	59,345,316	571,528	85,679,682
2023	2,406,392	21,770,918	3,849,815	58,539,285	961,639	87,528,049
2024	2,153,769	23,034,425	3,018,254	62,906,984	1,824,099	92,937,531
2025	2,413,674	21,340,671	1,671,979	70,324,982	7,315,943	103,067,249

Note: The change in other revenue from 2025 to 2024 is due to the reclassification of medical assistance revenues from tuition to other revenue.

OTHER REQUIRED REPORTS



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

To the 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, 2025, 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 22, 2025.

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.

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.

Respectfully submitted,

A handwritten signature in black ink that reads "LB Carlson, LLP". The signature is written in a cursive, flowing style.

LB CARLSON, LLP
Minneapolis, Minnesota

December 22, 2025



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, 2025, 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 22, 2025.

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 for Minnesota School Districts (UFARS) 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.

Respectfully submitted,

A handwritten signature in black ink that reads "LB Carlson, LLP".

LB CARLSON, LLP
Minneapolis, Minnesota

December 22, 2025

INTERMEDIATE DISTRICT NO. 287

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2025

	Audit	UFARS	Audit – UFARS
General Fund			
Total revenue	\$ 103,067,249	\$ 103,067,248	\$ 1
Total expenditures	\$ 102,153,577	\$ 102,153,577	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ 106,723	\$ 106,723	\$ –
Restricted			
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
403 Staff development	\$ –	\$ –	\$ –
407 Capital projects levy	\$ –	\$ –	\$ –
408 Cooperative revenue	\$ –	\$ –	\$ –
412 Literacy incentive aid	\$ –	\$ –	\$ –
414 Operating debt	\$ –	\$ –	\$ –
416 Levy reduction	\$ –	\$ –	\$ –
417 Taconite building maintenance	\$ –	\$ –	\$ –
420 American Indian education aid	\$ –	\$ –	\$ –
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	\$ –	\$ –	\$ –
437 Quality compensation	\$ –	\$ –	\$ –
438 Gifted and talented	\$ –	\$ –	\$ –
439 English learner	\$ –	\$ –	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
441 Basic skills programs	\$ 113,142	\$ 113,142	\$ –
448 Achievement and integration	\$ –	\$ –	\$ –
449 Safe schools levy	\$ 1,092,192	\$ 1,092,192	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
453 Unfunded severance and retirement levy	\$ –	\$ –	\$ –
456 Literacy aid	\$ 9,759	\$ 9,759	\$ –
457 Teacher compensation for READ Act training	\$ –	\$ –	\$ –
459 Basic skills extended time	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ 485,880	\$ 485,880	\$ –
471 Student support personnel	\$ –	\$ –	\$ –
472 Medical Assistance	\$ 3,294,531	\$ 3,294,531	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
475 Title VII – impact aid	\$ –	\$ –	\$ –
476 PILT	\$ –	\$ –	\$ –
Committed			
418 Committed for separation	\$ –	\$ –	\$ –
461 Committed fund balance	\$ –	\$ –	\$ –
Assigned			
462 Assigned fund balance	\$ 8,491,633	\$ 8,491,633	\$ –
Unassigned			
422 Unassigned fund balance	\$ 9,790,121	\$ 9,790,121	\$ –
Food Service			
Total revenue	\$ 569,987	\$ 569,987	\$ –
Total expenditures	\$ 904,036	\$ 904,036	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
452 OPEB liability not in trust	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Community Service			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
426 \$25 taconite	\$ –	\$ –	\$ –
431 Community education	\$ –	\$ –	\$ –
432 ECFE	\$ –	\$ –	\$ –
437 Quality compensation	\$ –	\$ –	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
444 School readiness	\$ –	\$ –	\$ –
447 Adult basic education	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
456 Literacy aid	\$ –	\$ –	\$ –
457 Teacher compensation for READ Act training	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

INTERMEDIATE DISTRICT NO. 287

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2025

	Audit	UFARS	Audit – UFARS
Building Construction			
Total revenue	\$ 207,765	\$ 207,765	\$ –
Total expenditures	\$ 898,139	\$ 898,139	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
407 Capital projects levy	\$ –	\$ –	\$ –
413 Projects funded by COP	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ 2,119,797	\$ 2,119,797	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Debt Service			
Total revenue	\$ 8,737,577	\$ 8,737,576	\$ 1
Total expenditures	\$ 6,890,044	\$ 6,890,044	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
433 Maximum effort loan	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 22,488,444	\$ 22,488,444	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Trust			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
Custodial Fund			
Total revenue	\$ 4,257	\$ 4,257	\$ –
Total expenditures	\$ 1,500	\$ 1,500	\$ –
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ 100,011	\$ 100,011	\$ –
448 Achievement and integration	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Internal Service			
Total revenue	\$ 15,164,099	\$ 15,164,098	\$ 1
Total expenditures	\$ 12,992,576	\$ 12,992,576	\$ –
422 Net position	\$ 20,398,762	\$ 20,398,762	\$ –
OPEB Revocable Trust Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
OPEB Irrevocable Trust Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
OPEB Debt Service Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –

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.

Management Report

for

Intermediate District No. 287
Plymouth, Minnesota

June 30, 2025

LB | CARLSON

Certified Public Accountants Business Consultants



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, 2025. 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.

Respectfully submitted,

A handwritten signature in cursive script that reads 'LB Carlson, LLP'.

LB CARSLON, LLP
Minneapolis, Minnesota

December 22, 2025

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 AND *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

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

The District is subject to a Single Audit of its federal awards expenditures for the year ended June 30, 2025, which is required to be performed in accordance with Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). It was originally planned that the Single Audit would be completed and issued along with the District's financial statement audit by December 31, 2025. However, issuance of the 2025 *Compliance Supplement* by the Office of Management and Budget was delayed, and the final version was recently issued. The 2025 *Compliance Supplement* guidance is effective for Single Audits of federal awards expenditures for the year ended June 30, 2025. Consequently, Single Audits for this period could not have been finalized until the final version of this guidance was issued. The Minnesota Department of Education (MDE) has extended the due date for Single Audits to coincide with the federal deadline of March 31, 2026. The District plans to issue its audited Schedule of Federal Awards Expenditures and related reports separately by this deadline.

AUDIT OPINIONS AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2025:

- We have issued an unmodified opinion on the District's basic financial statements.
- 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 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, 2025. However, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during fiscal year ended June 30, 2025. This standard changed the recognition and measurement of the compensated absence liability reported by the District, but did not result in a restatement of beginning net position or fund balance.

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 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 compensated absences. Management's estimate is based on current rates of pay, unused compensated absence balances, and the likelihood compensated absences will be paid out over the course of employment or at termination.

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, 73, and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

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

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

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

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

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

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

We proposed one uncorrected audit adjustment to the financial statements for the reporting of governmental activities and fund based accrued interest receivable and interest revenue totaling \$261,912. Management has determined that the effects of these items were immaterial 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 22, 2025.

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

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

FUNDING PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

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

The table below presents a summary of the formula allowance for the past decade and as approved for the next fiscal year. The 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.

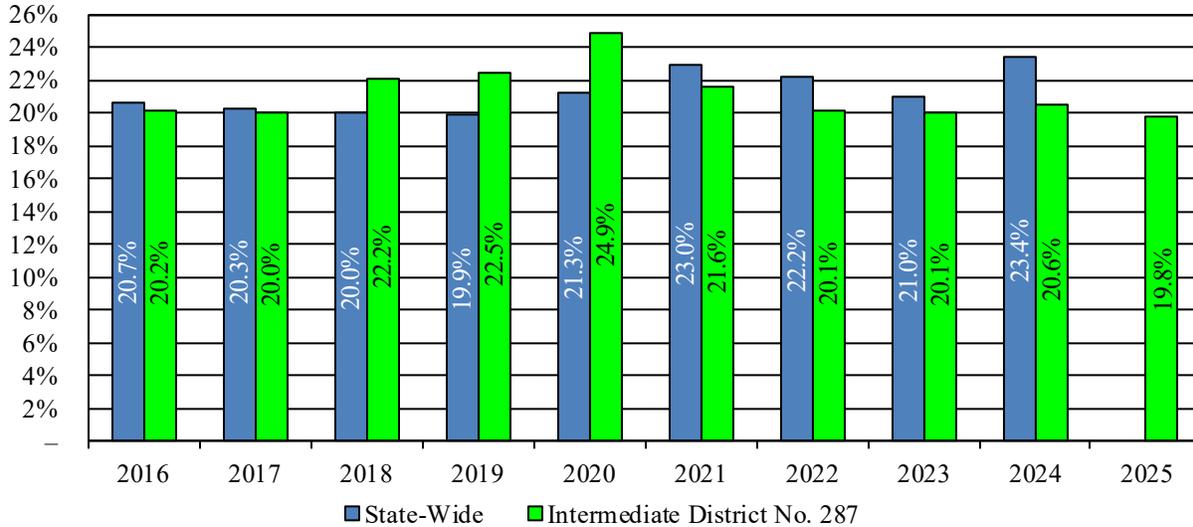
For fiscal 2026 and beyond, the annual formula increase will be adjusted for inflation, using a formula based on the Consumer Price Index-Urban (CPI-U) average inflation rate for both the fourth calendar quarter of the immediately prior fiscal year compared to the average for the fourth calendar quarter of the second prior fiscal year, with a floor of 2.00 percent and a cap of 3.00 percent. This resulted in a per pupil increase to the basic formula allowance of \$200 for 2026.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2016	\$ 5,948	2.00 %
2017	\$ 6,067	2.00 %
2018	\$ 6,188	2.00 %
2019	\$ 6,312	2.00 %
2020	\$ 6,438	2.00 %
2021	\$ 6,567	2.00 %
2022	\$ 6,728	2.45 %
2023	\$ 6,863	2.00 %
2024	\$ 7,138	4.00 %
2025	\$ 7,281	2.00 %
2026	\$ 7,481	2.75 %

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 2025.

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 state-wide average unrestricted fund balance as a percentage of operating expenditures for Minnesota school districts has risen in recent years, fluctuating between 21.0 percent and 23.4 percent over the last five fiscal years for which data is available.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 19.8 percent at the end of the current year, as compared to 20.6 percent at the end of the prior fiscal year.

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

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

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

	Year Ended June 30,			
	2022	2023	2024	2025
Revenue	\$ 85,679,682	\$ 87,528,049	\$ 92,937,531	\$ 103,067,249
Expenditures	86,658,844	87,009,291	90,240,597	102,153,577
Excess (deficiency) of revenue over expenditures	(979,162)	518,758	2,696,934	913,672
Other financing sources (uses)	(251,557)	34,399	(1,464)	18,845
Net change in fund balances	(1,230,719)	553,157	2,695,470	932,517
Fund balances				
Beginning of year	20,433,556	19,202,837	19,755,994	22,451,464
End of year	<u>\$ 19,202,837</u>	<u>\$ 19,755,994</u>	<u>\$ 22,451,464</u>	<u>\$ 23,383,981</u>
Fund balances				
Nonspendable for prepaid items	\$ 125,543	\$ 133,782	\$ 288,572	\$ 106,723
Restricted for American Indian education aid	-	-	26,133	-
Restricted for basic skills programs	115,586	17,663	365,714	113,142
Restricted for basic skills extended time	115,262	115,262	-	-
Restricted for safe schools levy	645,942	514,244	980,389	1,092,192
Restricted for literacy aid	-	-	-	9,759
Restricted for long-term facilities maintenance	658,985	529,625	507,105	485,880
Restricted for Medical Assistance	1,510,671	2,495,391	3,294,531	3,294,531
Assigned for operational adjustment reserve	310,388	181,420	95,721	95,721
Assigned for donations	6,146	-	-	-
Assigned for severance	5,167,529	5,024,941	4,811,072	4,491,493
Assigned for tuition adjustments	1,788,609	2,128,941	2,128,941	2,128,941
Assigned for property	165,200	28,014	250,000	227,743
Assigned for student clubs	16,348	9,648	8,641	8,812
Assigned for vehicle depreciation	101,664	101,664	99,382	50,712
Assigned for collaborative curriculum project	113,669	29,158	1,568	1,568
Assigned for strategic priorities	498,681	717,243	1,246,715	1,246,715
Assigned for subsequent year's budget	529,541	244,962	-	-
Assigned for vaping settlement	-	-	141,748	239,928
Unassigned	7,333,073	7,484,036	8,205,232	9,790,121
Total fund balances	<u>\$ 19,202,837</u>	<u>\$ 19,755,994</u>	<u>\$ 22,451,464</u>	<u>\$ 23,383,981</u>
Unassigned General Fund balances as a percentage of expenditures	<u>8.5%</u>	<u>8.6%</u>	<u>9.1%</u>	<u>9.6%</u>
Total fund balances as a percentage of expenditures	<u>22.2%</u>	<u>22.7%</u>	<u>24.9%</u>	<u>22.9%</u>

The District completed the year with a net increase in General Fund balance of \$932,517. This compares to a budget which projected a decrease in fund balance of \$200,130. The net change in fund balance was \$1,132,647 higher when compared to budgeted amounts. This difference was mainly the result of the net change in fund balance increasing more than budgeted amounts in the Special Education Account by \$1,097,570.

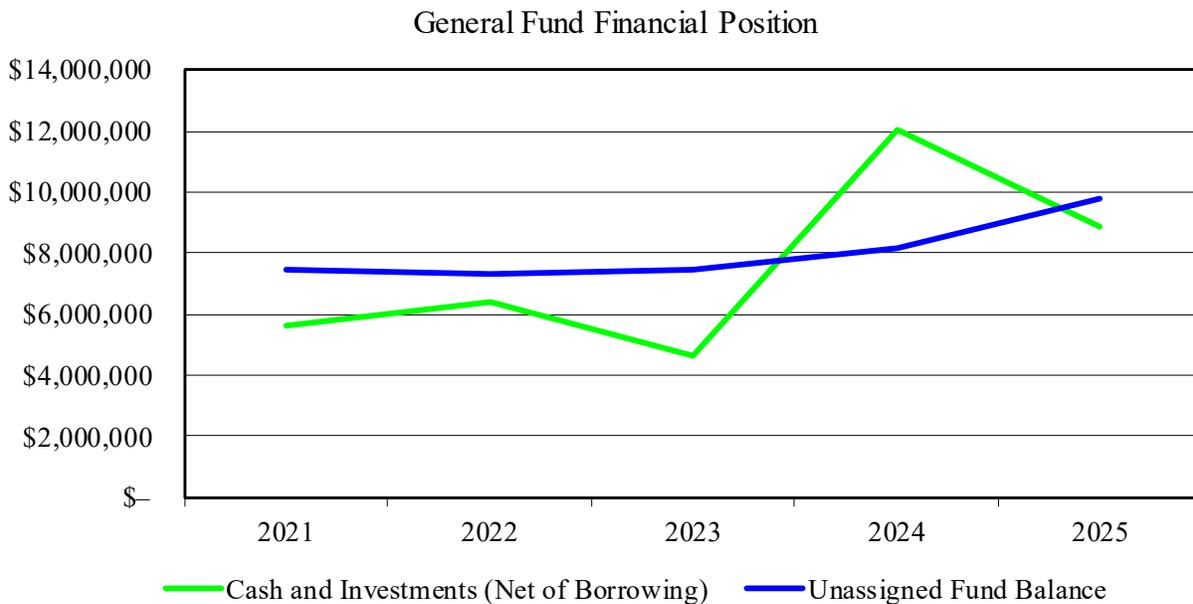
The District continues to assign fund balance for the MDE state special education tuition billing adjustments. The District has a significant receivable in this area that is being classified as an assigned balance until the appeal process is completed and finalized.

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

FUND BALANCE POLICY

Unassigned fund balance as a percentage of expenditures is one key measure of a district’s financial health. The resources represented by this fund balance are critical to a district’s ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion the impact of unexpected costs or funding shortfalls. For your district, this ratio is 9.6 percent of total current year expenditures. This ratio compares to the District’s fund balance policy, which states the District will maintain at year end, a minimum unassigned fund balance of 8 percent of annual general fund expenditures.

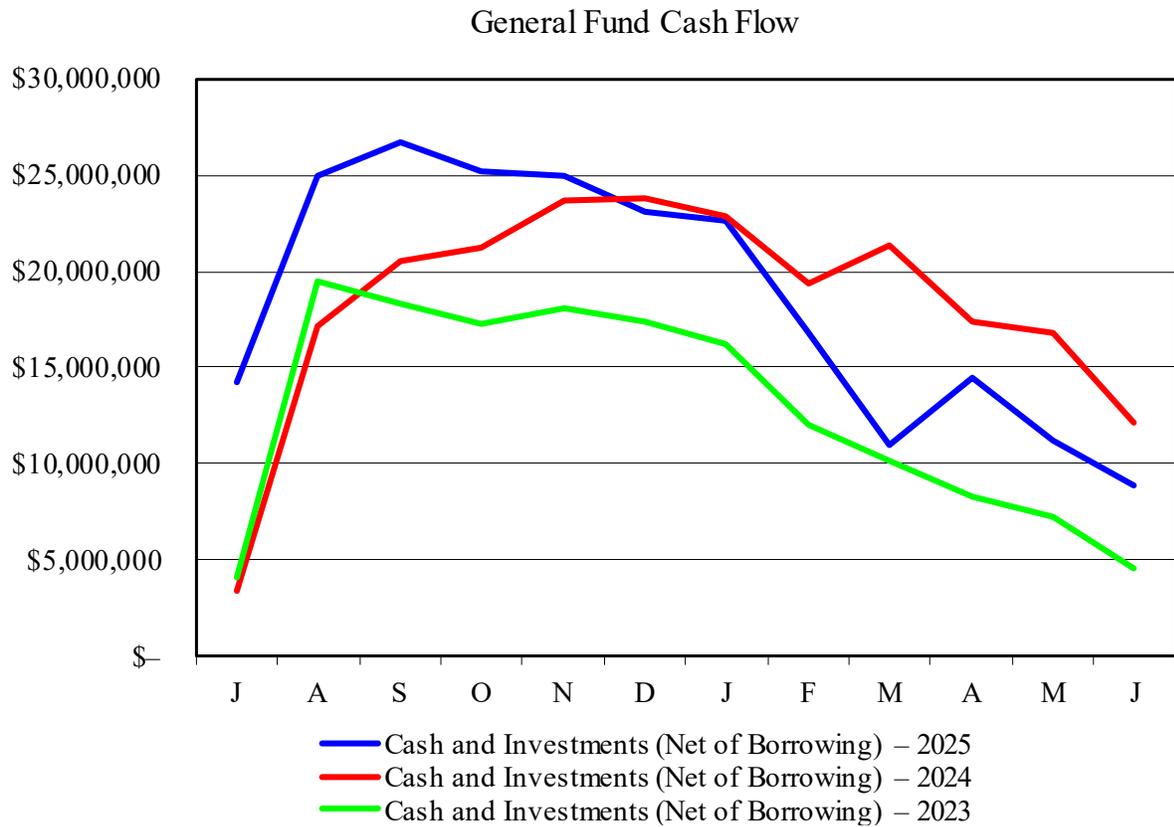
The following graph summarizes the level of cash and investments, net of borrowing, and unassigned fund balance in the General Fund:



The above graph shows an increase in unassigned fund balance and a significant decrease in cash and investments (net of borrowing) at June 30, 2025. The graph also shows other fluctuations in year-end cash balances. These changes are typically caused by changes in the tuition billing cycles and systems of the District. Changes in funding structure and state aid payment schedules also significantly affect the cash flow of Minnesota school districts. The decrease in cash and investments in 2025 is the result of the timing of payments from the MDE, which resulted in increased amounts due from the MDE at June 30, 2025.

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 \$17.7 million for fiscal 2025.

GENERAL FUND OPERATIONS AND FINANCIAL POSITION BY ACCOUNT

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

Special Education Account

	Year Ended June 30,			
	2022	2023	2024	2025
Revenue and other financing sources	\$ 57,559,818	\$ 58,541,471	\$ 60,438,644	\$ 67,788,839
Expenditures and other financing uses	57,792,336	56,771,372	58,636,894	67,021,599
Excess (deficiency)	(232,518)	1,770,099	1,801,750	767,240
Fund balances				
Beginning of year	11,030,628	10,798,110	12,568,209	14,369,959
End of year	<u>\$ 10,798,110</u>	<u>\$ 12,568,209</u>	<u>\$ 14,369,959</u>	<u>\$ 15,137,199</u>

In fiscal 2025, the Special Education Account expenditures and other financing uses were less than revenues and other financing sources by \$767,240, while the District’s budgeted expectations projected a decrease of \$330,330. State sources were lower than budget by \$3,228,428, mainly due to lower than projected state special education aid driven by lower than expected special education expenditures. Other local source revenue exceeded budget by \$2,016,236, mainly due to higher than projected Medical Assistance revenues. Expenditures were less than budget by \$1,682,147, mainly in salaries and benefits, mostly from open positions.

Special Education Account revenue and other financing sources increased \$7,350,195, due to an increase in state aid sources revenue. Other local source revenue was higher by \$5,026,390. This category was higher, the result of Medical Assistance being reported as other revenue when previously was reported as tuition. Special Education Account expenditures and other financing uses increased \$8,384,705, mostly in salaries and benefits and purchased services. Increases in salaries and benefits were the result of filling open positions, contractual increases, and program growth. Purchased service increases were mainly contract staffing related.

Career and Technical Education Account

	Year Ended June 30,			
	2022	2023	2024	2025
Revenue and other financing sources	\$ 1,191,366	\$ 1,711,624	\$ 1,757,143	\$ 2,670,728
Expenditures and other financing uses	1,089,010	1,796,506	1,848,758	2,261,663
Excess (deficiency)	102,356	(84,882)	(91,615)	409,065
Fund balances				
Beginning of year	413,983	516,339	431,457	339,842
End of year	<u>\$ 516,339</u>	<u>\$ 431,457</u>	<u>\$ 339,842</u>	<u>\$ 748,907</u>

In fiscal 2025, the Career and Technical Education Account fund balance increased by \$409,065, while budget expectations projected an increase of \$369,596 in fund balance. Revenue in this account increased \$943,585. The increase was mainly in tuition of \$429,745 in the Pathways program and other local sources of \$446,896 mainly from grants. Expenditure increases were \$412,905 spread across multiple spending categories.

Academic Education Account

	Year Ended June 30,			
	2022	2023	2024	2025
Revenue and other financing sources	\$ 10,424,659	\$ 11,042,504	\$ 12,675,002	\$ 14,609,974
Expenditures and other financing uses	10,364,777	11,460,022	12,615,350	14,579,947
Excess (deficiency)	59,882	(417,518)	59,652	30,027
Fund balances				
Beginning of year	590,479	650,361	232,843	292,495
End of year	\$ 650,361	\$ 232,843	\$ 292,495	\$ 322,522

The Academic Education Account fund balance increased by \$30,027 in 2025, while budget projections provided for an increase in fund balance of \$135,028. Tuition revenue was more than budget by \$368,895, mainly related to the increase in students enrolled in the Northern Star Online program. State sources were over budget by \$283,550 for similar reasons. Expenditures were greater than budget by \$976,931, mainly in salaries and benefits as growth in the program exceeded projections.

Revenue and other financing sources in this account increased by \$1,934,972 in fiscal 2025. This was mainly in state sources due to the increase in enrollment in the District's Northern Star online program.

Expenditures and other financing uses increased in this account by \$1,964,597 in fiscal 2025. Most of this increase was related to increases in salaries and benefits, due to the growth in the Northern Star Online program.

District-Wide Account

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

	Year Ended June 30,			
	2022	2023	2024	2025
Revenue and other financing sources	\$ 16,720,519	\$ 17,023,491	\$ 18,357,823	\$ 18,524,326
Expenditures and other financing uses	17,458,837	17,451,559	17,439,250	18,456,477
Excess (deficiency)	(738,318)	(428,068)	918,573	67,849
Fund balances				
Beginning of year	2,627,268	1,888,950	1,460,882	2,379,455
End of year	\$ 1,888,950	\$ 1,460,882	\$ 2,379,455	\$ 2,447,304

The District-Wide Account fund balance increased by \$67,849 in 2025. This compares to a budgeted decrease in fund balance of \$78,570. Revenues (excluding other financing sources) were under budget by \$1,270,480, mostly in state and federal revenue as spending on grants was lower than entitlements. Expenditures were under budget by \$961,234. The most significant expenditures under budget were purchased services by \$873,367, mainly from lower than expected grant spending.

Revenue and other financing sources increased by \$166,503, mainly in state sources, including newly approved funding. This was offset by a decrease in federal revenues, as the District has expended one-time pandemic funding. Expenditures and other financing uses increased by \$1,017,227. Salaries and benefits increased due to added staffing and contractual settlements. Supplies and materials also increased due to technology purchases.

OTHER GOVERNMENTAL FUNDS

Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund expenditures exceeded revenue and other financing sources by \$13,463. A transfer from the General Fund to the Food Service Special Revenue Fund in the amount of \$320,586 was necessary to cover the deficit in the fund.

Capital Project – Building Construction Fund

Expenditures exceeded revenues by \$690,374 in the current year. The change in the fund balance is due to the District spending down long-term facilities maintenance bonds issued.

Debt Service Fund

The District's Debt Service Fund revenue exceeded expenditures by \$1,847,533, leaving a fund balance of \$22,488,444 at June 30, 2025. 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, 2025, the Dental Self-Insurance Fund had unrestricted net position of \$493,521. The Health Self-Insurance Fund showed an increase in net position of \$2,165,200 and unrestricted net position of \$19,905,241 at June 30, 2025, representing 162.1 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
	2024	2025	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 45,916,009	\$ 47,992,222	\$ 2,076,213
Net book value of capital assets	83,694,378	83,027,009	(667,369)
Subscription liabilities	(399,406)	(452,474)	(53,068)
Certificates of participation payable	(57,250,000)	(54,020,000)	3,230,000
General obligation bonds payable	(8,160,000)	(7,735,000)	425,000
Compensated absences payable	(5,970,582)	(6,655,314)	(684,732)
OPEB adjustments	(4,102,419)	(3,353,927)	748,492
Net pension-related adjustments	(50,444,548)	(47,429,612)	3,014,936
Bond refunding deferments	284,801	253,156	(31,645)
Internal service funds net position	18,227,239	20,398,762	2,171,523
Accrued interest payable	(453,888)	(418,120)	35,768
Unamortized premium/discount on debt issued	(2,262,523)	(1,961,052)	301,471
Total net position – governmental activities	<u>\$ 19,079,061</u>	<u>\$ 29,645,650</u>	<u>\$ 10,566,589</u>
Net position			
Net investment in capital assets	\$ 18,717,421	\$ 21,231,436	\$ 2,514,015
Restricted	25,374,358	27,065,828	1,691,470
Unrestricted	<u>(25,012,718)</u>	<u>(18,651,614)</u>	<u>6,361,104</u>
Total net position	<u>\$ 19,079,061</u>	<u>\$ 29,645,650</u>	<u>\$ 10,566,589</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 compensated absences, net pension, and net OPEB liabilities.

Unrestricted net position increased \$6,361,104 in fiscal 2025. This change in unrestricted net position was from an increase in the General Fund balance and Internal Service Fund net position and the changes in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension obligations in the current year.

The District's net investment in capital assets increased \$2,514,015 in fiscal 2025. 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 \$1,691,470, mainly in restricted for debt service.

ACCOUNTING AND AUDITING UPDATES

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

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

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

This statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). This statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. In addition, this statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

This statement defines unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence, and requires governments to display the inflows and outflows related to each unusual or infrequent item separately.

This statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

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

GASB STATEMENT NO. 104, *DISCLOSURE OF CERTAIN CAPITAL ASSETS*

The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets.

This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this statement requires intangible assets other than those three types to be disclosed separately by major class.

This statement also requires additional disclosures for capital assets held for sale. A capital asset is considered held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. Capital assets held for sale are required to be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

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



Strategic Plan Progress Report

2025-2026 Goals



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.

Values & Beliefs

Inclusion

We believe inclusion exists when everyone has equitable access and the opportunity to be acknowledged and validated.

Trust

We believe trust is developed through honesty, reliability, and when our actions align with the District's values.

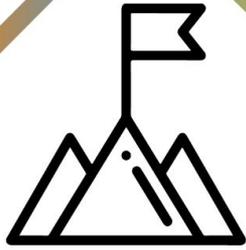
Integrity

We believe organizational integrity occurs when we hold ourselves and each other accountable.

Authenticity

We believe organizational authenticity happens when each person shows up as their true self, embraces the uniqueness of others, and creates a safe environment.

Themes



**ACHIEVING
ACADEMIC SUCCESS**



**CULTIVATING EQUITY
& INCLUSION**



**PROMOTING
SOCIAL-EMOTIONAL
LEARNING (SEL)**



Student Goals

Annual Goals completed by June 30, 2026

- **Achieving Academic Success**
80% of all students will meet or exceed one identified academic goal, as measured by weekly formative assessments, including progress monitoring.
- **Cultivating Equity & Inclusion**
Each educational center will have a student leadership group that is representative of their student body; the district's programs (Care & Treatment, Itinerant, Northern Star Online) will provide opportunities for student voice on curriculum, activities, or events.
- **Promoting Social-Emotional Learning**
80% of all students will meet or exceed one identified social-emotional learning goal, as measured by weekly formative assessments, including self-assessments or progress monitoring.

Achieving Academic Success



Goal

80% of all students will meet or exceed one identified academic goal, as measured by weekly formative assessments, including progress monitoring.

Progress

As of 1/15/2026, for students in site-based programs

- 94% of students enrolled have a goal recorded
- 68% of students are on track with their goal
- 6% of students have already met their goal

Cultivating Equity & Inclusion



Goal

Each educational center will have a student leadership group that is representative of their student body; the district's programs (Care & Treatment, Itinerant, Northern Star Online) will provide opportunities for student voice on curriculum, activities, or events.

Progress

- All district sites and programs have a plan for student input or a group established
- Student leadership groups at NEC and ABEC have planned and hosted building-wide activities
- All student leadership advisors participated in training by Good Trouble

Promoting Social-Emotional Learning



Goal

80% of all students will meet or exceed one identified social-emotional learning goal, as measured by weekly formative assessments, including self-assessments or progress monitoring.

Progress

As of 1/15/2026, for students in site-based programs

- 91% of students enrolled have a goal recorded
- 63% of students are on track with their goal
- 1% of students have already met their goal



Staff Goals

Annual Goals completed by June 30, 2026

- **Achieving Academic Success**
Through monthly collaborative team meetings, all staff teams will show evidence of using disaggregated student/school data and implementing targeted intervention plans.
- **Cultivating Equity & Inclusion**
All full-time staff will engage in at least eight activities to reflect on their social identities and how that influences their work with students and colleagues.
- **Promoting Social-Emotional Learning**
Retention rates for staff within their first year will increase by 10% from the previous year through consistent onboarding and mentorship, as measured by annual retention data and stay interviews.

Achieving Academic Success



Goal

Through monthly collaborative team meetings, all staff teams will show evidence of using disaggregated student/school data and implementing targeted intervention plans.

Progress

- 100% of staff meet in teams at least monthly
- Structure for data collection and review has been established
- Intervention opportunities and process have been identified
- Process for monitoring teaming is created

Cultivating Equity & Inclusion



Goal

All full-time staff will engage in at least eight activities to reflect on their social identities and how that influences their work with students and colleagues.

Progress

- 24% of staff have attended at least 4 social identity reflection activities.
- Staff have reflected on racial, ability, gender, cultural, age, nationality, sexual attraction, and socioeconomic status identities
- Activities include racial affinity spaces, learning opportunities, cultural education visits, book studies, and interrogations of White Supremacy Culture Characteristics

Promoting Social-Emotional Learning



Goal

Retention rates for staff within their first year will increase by 10% from the previous year through consistent onboarding and mentorship, as measured by annual retention data and stay interviews.

Progress

- As of 1/6/2026, the 2025-2026 retention rate is 83%
- Stay interview surveys have been sent out
- In-Person Stay Interviews
- Standardized Mentorship Process
- Role-based onboarding checklists



Family/Caregiver Goals

Annual Goals completed by June 30, 2026

- **Achieving Academic Success & Promoting Social-Emotional Learning**
To increase family/caregiver knowledge of their student's progress, staff will provide caregivers with an opportunity to review and discuss their formative assessment data on academic and social-emotional learning goals at conferences.
- **Cultivating Equity & Inclusion**
Each educational center and district program (Care & Treatment, Itinerant, Northern Star Online) will establish a family/caregiver group to provide feedback to administration on district curriculum and school activities.

Achieving Academic Success & Promoting Social-Emotional Learning



Goal

To increase family/caregiver knowledge of their student's progress, staff will provide caregivers with an opportunity to review and discuss their formative assessment data on academic and social-emotional learning goals at conferences.

Progress

- Conferences scheduled at all sites and programs
- Families provided the option to attend in-person or virtually
- Academic and SEL progress data provided through conferences or sent to families who were unable to attend
- Combined with family nights to provide activities and resources

Cultivating Equity & Inclusion



Goal

Each educational center and district program (Care & Treatment, Itinerant, Northern Star Online) will establish a family/caregiver group to provide feedback to administration on district curriculum and school activities.

Progress

- Each district site and program has a group, planned engagement and conditions to foster true and authentic engagement.
- Examples of family group activities include Coffee and Donuts, Conferences, Full Service Community Schools Site Leadership Teams, surveys, and parent interviews





Strategic Plan Progress Report

Implementation of 2024-2025 Goals



Achieving Academic Success

2024-2025 Annual Goals

- **Student Goals**

Each student will have an academic growth target, and 80% of students will meet or exceed their growth target.

- **Staff Goals**

During observations of scheduled planning time, 100% of classrooms/programs will show evidence of implementing the Collaborative Planning Time Guide for teachers, ESPs, and related service providers.

- **Family/Caregiver Goals**

A comprehensive system for communicating with families/caregivers regarding school and academic progress will be completed.



ACHIEVING
ACADEMIC SUCCESS

Student Goal



Goal

Each student will have an academic growth target, and 80% of students will meet or exceed their growth target.

Implementation Progress

-



Cultivating Equity & Inclusion

2024-2025 Annual Goals

□ Student Goals

Tier 1, Tier 2, and Academy students will have digital access to view all of District 287's courses and select classes.

□ Staff Goals

Each District 287 site and program will host two culturally relevant educational opportunities, experiences, or performances.

□ Family/Caregiver Goals

Culturally relevant interpreting and translating resources will be provided to staff, along with consistent standards of usage.



CULTIVATING EQUITY
& INCLUSION

Student Goal



Goal

Tier 1, Tier 2, and Academy students will have digital access to view all of District 287's courses and select classes.

Implementation Progress

-



Promoting Social-Emotional Learning

2024-2025 Annual Goals

□ Student Goals

80% of Tier 2 Elementary and Middle School and Academy students will develop their own social-emotional learning goal, self-monitor progress, and confer with staff.

□ Staff Goals

A universal onboarding system for new staff, including mentoring with experienced staff and a minimum of eight hours of understanding disabilities, mental health, trauma, and de-escalation, will be developed.

□ Family/Caregiver Goals

A minimum of four social-emotional learning-based opportunities will be provided to families/caregivers.

Student Goal



Goal

80% of Tier 2 Elementary and Middle School and Academy students will develop their own social-emotional learning goal, self-monitor progress, and confer with staff.

Implementation Progress

-

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

DISTRICT POLICY

Second Read

POLICY SERIES: Business Operations

BOARD APPROVED:

REVISION DATE:

721 UNIFORM GRANT GUIDANCE POLICY REGARDING FEDERAL REVENUE SOURCES

I. PURPOSE

The purpose of this policy is to ensure compliance with the requirements of the federal Uniform Grant Guidance regulations by establishing uniform administrative requirements, cost principles, and audit requirements for federal grant awards received by the school district.

II. DEFINITIONS

A. Grants

1. “State-administered grants” are those grants that pass through a state agency such as the Minnesota Department of Education (MDE).
2. “Direct grants” are those grants that do not pass through another agency such as MDE, and are awarded directly by the federal awarding agency to the grantee organization. These grants are usually discretionary grants that are awarded by the U.S. Department of Education (DOE) or by another federal awarding agency.

B. “Non-federal entity” means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a federal award as a recipient or subrecipient.

C. “Federal award” has the meaning, depending on the context, in either paragraph 1. or 2. of this definition:

1.
 - a. The federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 Code of Federal Regulations section 200.101 (Applicability); or
 - b. The cost-reimbursement contract under the federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 Code of Federal Regulations section 200.101 (Applicability).

2. The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of 2 Code of Federal Regulations section 200.40 (Federal Financial Assistance), or the cost-reimbursement contract awarded under the federal Acquisition Regulations.
 3. “Federal award” does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal-government-owned, contractor-operated facilities.
- D. “Contract” means a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. The term, as used in 2 Code of Federal Regulations Part 200, does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of a federal award or subaward.
- E. Procurement Methods
1. “Procurement by micro-purchase” is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold, which is \$25,000.
 2. “Procurement by small purchase procedures” are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$175,000 (periodically adjusted for inflation).
 3. “Procurement by sealed bids (formal advertising)” is a publicly solicited and a firm, fixed-price contract (lump sum or unit price) awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
 4. “Procurement by competitive proposals” is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. Competitive proposals are generally used when conditions are not appropriate for the use of sealed bids.
 5. “Procurement by noncompetitive proposals” is procurement through solicitation of a proposal from only one source.
- F. “Equipment” means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.
- G. “Compensation for personal services” includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the federal award, including, but not necessarily limited to, wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in 2 Code of Federal Regulations section 200.431 (Compensation - Fringe Benefits).
- H. “Post-retirement health plans” refer to costs of health insurance or health services not included in a pension plan covered by 2 Code of Federal Regulations section 200.431(g) for retirees and their spouses, dependents, and survivors.

- I. “Severance pay” is a payment in addition to regular salaries and wages by the non-federal entities to workers whose employment is being terminated.
- J. “Direct costs” are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
- K. “Relocation costs” are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period not less than 12 months) of an existing employee or upon recruitment of a new employee.
- L. “Travel costs” are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the school district.

III. CONFLICT OF INTEREST

- A. Employee Conflict of Interest. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The employees, officers, and agents of the school district may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the school district may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officers, or agents of the school district.
- B. Organizational Conflicts of Interest. The school district is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization because of relationships with a parent company, affiliate, or subsidiary organization.
- C. Disclosing Conflicts of Interest. The school district must disclose in writing any potential conflict of interest to MDE in accordance with applicable federal awarding agency policy.

IV. ACCEPTABLE METHODS OF PROCUREMENT

- A. General Procurement Standards. The school district must use its own documented procurement procedures which reflect applicable state laws, provided that the procurements conform to the applicable federal law and the standards identified in the Uniform Grant Guidance.
- B. The school district must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- C. The school district’s procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.

- D. The school district must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- E. The school district must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement; selection of the contract type; contractor selection or rejection; and the basis for the contract price.
- F. The school district alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the school district of any contractual responsibilities under its contracts.
- G. The school district must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- H. Methods of Procurement. The school district must use one of the following methods of procurement:
 - 1. Procurement by micro-purchases. To the extent practicable, the school district must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the school district considers the price to be reasonable.
 - 2. Procurement by small purchase procedures. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
 - 3. Procurement by sealed bids (formal advertising).
 - 4. Procurement by competitive proposals. If this method is used, the following requirements apply:
 - a. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - b. Proposals must be solicited from an adequate number of qualified sources;
 - c. The school district must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - d. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - e. The school district may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to

negotiation of fair and reasonable compensation. The method where price is not used as a selection factor can only be used in procurement of A/E professional services; it cannot be used to purchase other types of services, though A/E firms are a potential source to perform the proposed effort.

5. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals may be used only when one or more of the following circumstances apply:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The DOE or MDE expressly authorizes noncompetitive proposals in response to a written request from the school district; or
 - d. After solicitation of a number of sources, competition is determined inadequate.
- I. Competition. The school district must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
 1. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When making a clear and accurate description of the technical requirements is impractical or uneconomical, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 2. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- J. The school district must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the school district must not preclude potential bidders from qualifying during the solicitation period.
- K. Non-federal entities are prohibited from contracting with or making subawards under “covered transactions” to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered transactions” include procurement contracts for goods and services awarded under a grant or cooperative agreement that are expected to equal or exceed \$25,000.

- L. All nonprocurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 Code of Federal Regulations section 180.215.

V. **MANAGING EQUIPMENT AND SAFEGUARDING ASSETS**

- A. Property Standards. The school district must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with federal funds as provided to property owned by the non-federal entity. Federally owned property need not be insured unless required by the terms and conditions of the federal award.

The school district must adhere to the requirements concerning real property, equipment, supplies, and intangible property set forth in 2 Code of Federal Regulations sections 200.311, 200.314, and 200.315.

- B. Equipment
Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place will, at a minimum, meet the following requirements:

1. Property records must be maintained that include a description of the property; a serial number or other identification number; the source of the funding for the property (including the federal award identification number (FAIN)); who holds title; the acquisition date; the cost of the property; the percentage of the federal participation in the project costs for the federal award under which the property was acquired; the location, use, and condition of the property; and any ultimate disposition data, including the date of disposition and sale price of the property.
2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
4. Adequate maintenance procedures must be developed to keep property in good condition.
5. If the school district is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

VI. **FINANCIAL MANAGEMENT REQUIREMENTS**

- A. Financial Management. The school district's financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.

- B. Payment. The school district must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement between the school district and the financial management systems that meet the standards for fund control.

Advance payments to a school district must be limited to the minimum amounts needed and timed to be in accordance with the actual, immediate cash requirements of the school district in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The school district must make timely payment to contractors in accordance with the contract provisions.

- C. Internal Controls. The school district must establish and maintain effective internal control over the federal award that provides reasonable assurance that the school district is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government,” issued by the Comptroller General of the United States, or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The school district must comply with federal statutes, regulations, and the terms and conditions of the federal award.

The school district must also evaluate and monitor the school district’s compliance with statutes, regulations, and the terms and conditions of the federal award.

The school district must also take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.

The school district must take reasonable measures to safeguard protected personally identifiable information considered sensitive consistent with applicable federal and state laws regarding privacy and obligations of confidentiality.

VII. ALLOWABLE USE OF FUNDS AND COST PRINCIPLES

- A. Allowable Use of Funds. The school district administration and board will enforce appropriate procedures and penalties for program, compliance, and accounting staff responsible for the allocation of federal grant costs based on their allowability and their conformity with federal cost principles to determine the allowability of costs.

B. Definitions

1. “Allowable cost” means a cost that complies with all legal requirements that apply to a particular federal education program, including statutes, regulations, guidance, applications, and approved grant awards.
2. “Education Department General Administrative Regulations (EDGAR)” means a compilation of regulations that apply to federal education programs. These regulations contain important

rules governing the administration of federal education programs and include rules affecting the allowable use of federal funds (including rules regarding allowable costs, the period of availability of federal awards, documentation requirements, and grants management requirements). EDGAR can be accessed at: <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>.

3. “Omni Circular” or “2 Code of Federal Regulations Part 200s” or “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” means federal cost principles that provide standards for determining whether costs may be charged to federal grants.
4. “Advance payment” means a payment that a federal awarding agency or passthrough entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-federal entity disburses the funds for program purposes.

C. Allowable Costs. The following items are costs that may be allowable under the 2 Code of Federal Regulations Part 200s under specific conditions:

1. Advisory councils;
2. Audit costs and related services;
3. Bonding costs;
4. Communication costs;
5. Compensation for personal services;
6. Depreciation and use allowances;
7. Employee morale, health, and welfare costs;
8. Equipment and other capital expenditures;
9. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of federal programs;
10. Insurance and indemnification;
11. Maintenance, operations, and repairs;
12. Materials and supplies costs;
13. Meetings and conferences;
14. Memberships, subscriptions, and professional activity costs;
15. Security costs;
16. Professional service costs;
17. Proposal costs;
18. Publication and printing costs;
19. Rearrangement and alteration costs;
20. Rental costs of building and equipment;
21. Training costs; and
22. Travel costs.

D. Costs Forbidden by Federal Law. 2 Code of Federal Regulations Part 200s and EDGAR identify certain costs that may never be paid with federal funds. The following list provides examples of such costs. If a cost is on this list, it may not be supported with federal funds. The fact that a cost is not on this list does not mean it is necessarily permissible. Other important restrictions apply to federal funds, such as those items detailed in the 2 Code of Federal Regulations Part 200s; thus, the following list is not exhaustive:

1. Advertising and public relations costs (with limited exceptions), including promotional items and memorabilia, models, gifts, and souvenirs;
2. Alcoholic beverages;
3. Bad debts;
4. Contingency provisions (with limited exceptions);
5. Fundraising and investment management costs (with limited exceptions);
6. Donations;
7. Contributions;
8. Entertainment (amusement, diversion, and social activities and any associated costs);
9. Fines and penalties;
10. General government expenses (with limited exceptions pertaining to Indian tribal governments and Councils of Government (COGs));
11. Goods or services for personal use;
12. Interest, except interest specifically stated in 2 Code of Federal Regulations section 200.441 as allowable;
13. Religious use;
14. The acquisition of real property (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs);
15. Construction (unless specifically/permitted by programmatic statute or regulations, which is very rare in federal education programs); and
16. Tuition charged or fees collected from students applied toward meeting matching, cost sharing, or maintenance of effort requirements of a program.

E. Program Allowability

1. Any cost paid with federal education funds must be permissible under the federal program that would support the cost.
2. Many federal education programs detail specific required and/or allowable uses of funds for that program. Issues such as eligibility, program beneficiaries, caps or restrictions on certain types of program expenses, other program expenses, and other program specific requirements must be considered when performing the programmatic analysis.
3. The two largest federal K-12 programs, Title I, Part A, and the Individuals with Disabilities Education Act (IDEA), do not contain a use of funds section delineating the allowable uses of funds under those programs. In those cases, costs must be consistent with the purposes of the program in order to be allowable.

F. Federal Cost Principles

1. The Omni Circular defines the parameters for the permissible uses of federal funds. While many requirements are contained in the Omni Circular, it includes five core principles that serve as an important guide for effective grant management. These core principles require all costs to be:

- a. Necessary for the proper and efficient performance or administration of the program.
 - b. Reasonable. An outside observer should clearly understand why a decision to spend money on a specific cost made sense in light of the cost, needs, and requirements of the program.
 - c. Allocable to the federal program that paid for the cost. A program must benefit in proportion to the amount charged to the federal program – for example, if a teacher is paid 50% with Title I funds, the teacher must work with the Title I program/students at least 50% of the time. Recipients also need to be able to track items or services purchased with federal funds so they can prove they were used for federal program purposes.
 - d. Authorized under state and local rules. All actions carried out with federal funds must be authorized and not prohibited by state and local laws and policies.
 - e. Adequately documented. A recipient must maintain proper documentation so as to provide evidence to monitors, auditors, or other oversight entities of how the funds were spent over the lifecycle of the grant.
- G. Program Specific Fiscal Rules. The Omni Circular also contains specific rules on selected items of costs. Costs must comply with these rules in order to be paid with federal funds.
1. All federal education programs have certain program specific fiscal rules that apply. Determining which rules apply depends on the program; however, rules such as supplement, not supplant, maintenance of effort, comparability, caps on certain uses of funds, etc., have an important impact when analyzing whether a particular cost is permissible.
 2. Many state-administered programs require local education agencies (LEAs) to use federal program funds to supplement the amount of state, local, and, in some cases, other federal funds they spend on education costs and not to supplant (or replace) those funds. Generally, the “supplement, not supplant” provision means that federal funds must be used to supplement the level of funds from non-federal sources by providing additional services, staff, programs, or materials. In other words, federal funds normally cannot be used to pay for things that would otherwise be paid for with state or local funds (and, in some cases, with other federal funds).
 3. Auditors generally presume supplanting has occurred in three situations:
 - a. School district uses federal funds to provide services that the school district is required to make available under other federal, state, or local laws.

- b. School district uses federal funds to provide services that the school district provided with state or local funds in the prior year.
 - c. School district uses Title I, Part A, or Migrant Education Program funds to provide the same services to Title I or Migrant students that the school district provides with state or local funds to nonparticipating students.
 - 4. These presumptions apply differently in different federal programs and also in schoolwide program schools. Staff should be familiar with the supplement not supplant provisions applicable to their program.
- H. Approved Plans, Budgets, and Special Conditions
 - 1. As required by the Omni Circular, all costs must be consistent with approved program plans and budgets.
 - 2. Costs must also be consistent with all terms and conditions of federal awards, including any special conditions imposed on the school district's grants.
- I. Training
 - 1. The school district will provide training on the allowable use of federal funds to all staff involved in federal programs.
 - 2. The school district will promote coordination between all staff involved in federal programs through activities, such as routine staff meetings and training sessions.
- J. Employee Sanctions. Any school district employee who violates this policy will be subject to discipline, as appropriate, up to and including the termination of employment.

VIII. COMPENSATION – PERSONAL SERVICES EXPENSES AND REPORTING

A. Compensation – Personal Services

Costs of compensation are allowable to the extent that they satisfy the specific requirements of the Uniform Grant Guidance and that the total compensation for individual employees:

- 1. Is reasonable for the services rendered and conforms to the established written policy of the school district consistently applied to both federal and non-federal activities; and
- 2. Follows an appointment made in accordance with a school district's written policies and meets the requirements of federal statute, where applicable.

Unless an arrangement is specifically authorized by a federal awarding agency, a school district must follow its written non-federal, entity-wide policies and practices concerning the permissible extent of professional services that can be provided outside the school district for non-organizational compensation.

B. Compensation – Fringe Benefits

- 1. During leave.
The costs of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and

other similar benefits, are allowable if all of the following criteria are met:

- a. They are provided under established written leave policies;
 - b. The costs are equitably allocated to all related activities, including federal awards; and
 - c. The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the school district.
2. The costs of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in 2 Code of Federal Regulations section 200.447(d)); pension plan costs; and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits must be allocated to federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such federal awards and other activities and charged as direct or indirect costs in accordance with the school district's accounting practices.
 3. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., post-retirement health benefits) are allowable in the year of payment provided that the school district follows a consistent costing policy.
 4. Pension plan costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with the written policies of the school district.
 5. Post-retirement costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the school district.
 6. Costs of severance pay are allowable only to the extent that, in each case, severance pay is required by law; employer-employee agreement; established policy that constitutes, in effect, an implied agreement on the school district's part; or circumstances of the particular employment.
- C. Insurance and Indemnification. Types and extent and cost of coverage are in accordance with the school district's policy and sound business practice.
- D. Recruiting Costs. Short-term, travel visa costs (as opposed to longer-term, immigration visas) may be directly charged to a federal award, so long as they are:
1. Critical and necessary for the conduct of the project;
 2. Allowable under the cost principles set forth in the Uniform Grant Guidance;
 3. Consistent with the school district's cost accounting practices and school district policy; and

4. Meeting the definition of “direct cost” in the applicable cost principles of the Uniform Grant Guidance.
- E. Relocation Costs of Employees. Relocation costs are allowable, subject to the limitations described below, provided that reimbursement to the employee is in accordance with the school district’s reimbursement policy.
- F. Travel Costs. Travel costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the school district’s non-federally funded activities and in accordance with the school district’s reimbursement policies.

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the school district in its regular operations according to the school district’s written reimbursement and/or travel policies.

In addition, when costs are charged directly to the federal award, documentation must justify the following:

1. Participation of the individual is necessary to the federal award;
and
2. The costs are reasonable and consistent with the school district’s established travel policy.

Legal References:

- 2 C.F.R. § 200.1 (Definitions: Capital Assets)
- 2 C.F.R. § 200.112 (Conflict of Interest)
- 2 C.F.R. § 200.113 (Mandatory Disclosures)
- 2 C.F.R. § 200.205(d) (Federal Awarding Agency Review of Risk Posed by Applicants)
- 2 C.F.R. § 200.214 (Suspension and Debarment)
- 2 C.F.R. § 200.300(b) (Statutory and National Policy Requirements)
- 2 C.F.R. § 200.302 (Financial Management)
- 2 C.F.R. § 200.303 (Internal Controls)
- 2 C.F.R. § 200.305(b)(1) (Federal Payment)
- 2 C.F.R. § 200.310 (Insurance Coverage)
- 2 C.F.R. § 200.311 (Federally-owned and Exempt Property)
- 2 C.F.R. § 200.313(d) (Equipment)
- 2 C.F.R. § 200.314 (Supplies)
- 2 C.F.R. § 200.315 (Intangible Property)
- 2 C.F.R. § 200.318 (General Procurement Standards)
- 2 C.F.R. § 200.319(c) (Competition)
- 2 C.F.R. § 200.320 (Methods of Procurement to be Followed)
- 2 C.F.R. § 200.321 (Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms)
- 2 C.F.R. § 200.328 (Financial Reporting)
- 2 C.F.R. § 200.339 (Remedies for Noncompliance)
- 2 C.F.R. § 200.403(c) (Factors Affecting Allowability of Costs)

2 C.F.R. § 200.430 (Compensation – Personal Services)
2 C.F.R. § 200.431 (Compensation – Fringe Benefits)
2 C.F.R. § 200.447 (Insurance and Indemnification)
2 C.F.R. § 200.463 (Recruiting Costs)
2 C.F.R. § 200.464 (Relocation Costs of Employees)
2 C.F.R. § 200.474 (Transportation Costs)
2 C.F.R. § 200.475 (Travel Costs)

Cross References:

Policy 208 (Development, Adoption, and Implementation of Policies)
Policy 210 (Conflict of Interest – School Board Members)
Policy 210.1 (Conflict of Interest – Charter School Board Members)
Policy 412 (Expense Reimbursement)
Policy 701 (Establishment and Adoption of School District Budget)
Policy 701.1 (Modification of School District Budget)
Policy 702 (Accounting)
Policy 703 (Annual Audit)

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

DISTRICT POLICY

Second Read

POLICY SERIES: 500 Students

BOARD APPROVED:

REVISION DATE:

512 SCHOOL-SPONSORED STUDENT PUBLICATIONS AND ACTIVITIES

I. PURPOSE

The purpose of this policy is to protect students' rights to free speech in production of school-sponsored media and activities while at the same time balancing the school district's role in supervising student publications and the operation of public schools.

II. GENERAL STATEMENT OF POLICY

- A. Expressions and representations made by students in school-sponsored publications and activities are not expressions of official school district policy. Faculty advisors shall supervise student writers to ensure compliance with the law and school district policies.
- B. Students who believe their right to free expression has been unreasonably restricted in school-sponsored media or activity may seek review of the decision by the building principal. The principal shall issue a decision no later than three (3) school days after review is requested.
 - 1. Students producing school-sponsored media and activities shall be under the supervision of a faculty advisor and the school principal. School-sponsored media and activities shall be subject to the guidelines set forth below.
 - 2. School-sponsored media may be distributed at reasonable times and locations.

III. DEFINITIONS

- A. "Distribution" means circulation or dissemination of material by means of handing out free copies, selling or offering copies for sale, accepting donations for copies, posting, or displaying material, or placing materials in internal staff or student mailboxes.
- B. "Material and substantial disruption" of a normal school activity means:
 - 1. Where the normal school activity is an educational program of the school district for which student attendance is compulsory, "material and substantial disruption" is defined as any disruption which interferes with or impedes the implementation of that program.
 - 2. Where the normal school activity is voluntary in nature (including, without limitation, school athletic events, school plays and concerts, and lunch periods) "material and substantial disruption" is defined as student rioting, unlawful seizures of property, conduct inappropriate to the event, participation in a school boycott, demonstration, sit-in, stand-in, walk-out, or other related forms of activity.

In order for expression to be considered disruptive, there must exist specific facts upon which the likelihood of disruption can be forecast, including past experience in the school, current events influencing student activities and behavior, and instances of actual or threatened disruption relating to the written material in question.

- C. "Minor" means any person under the age of eighteen (18).
- D. "Obscene to minors" means:
 - 1. The average person, applying contemporary community standards, would find that the material, taken as a whole, appeals to the prurient interest of minors of the age to whom distribution is requested;
 - 2. The material depicts or describes, in a manner that is patently offensive to prevailing standards in the adult community concerning how such conduct should be presented to minors of the age to whom distribution is requested, sexual conduct such as intimate sexual acts (normal or perverted), masturbation, excretory functions, or lewd exhibition of the genitals; and
 - 3. The material, taken as a whole, lacks serious literary, artistic, political, or scientific value for minors.
- E. "School activities" means any activity of students sponsored by the school including, but not limited to, classroom work, library activities, physical education classes, official assemblies and other similar gatherings, school athletic contests, band concerts, school plays and other theatrical productions, and in-school lunch periods.
- F. "School-sponsored media" means material that is:
 - 1. prepared, wholly or substantially written, published, broadcast, or otherwise disseminated by a student journalist enrolled in the school district;
 - 2. distributed or generally made available to students in the school; and
 - 3. prepared by a student journalist under the supervision of a student media adviser.School-sponsored media does not include material prepared solely for distribution or transmission in the classroom in which the material is produced, or a yearbook.
- G. "Student journalist" means a school district student in grades 6 through 12 who gathers, compiles, writes, edits, photographs, records, or otherwise prepares information for dissemination in school-sponsored media.
- H. "Student media adviser" means a qualified teacher, as defined in Minnesota Statutes, section 122A.16, that the school district employs, appoints, or designates to supervise student journalists or provide instruction relating to school-sponsored media.

IV. GUIDELINES

- A. Except as provided in paragraph B below, a student journalist has the right to exercise freedom of speech and freedom of the press in school-sponsored media regardless of whether the school-sponsored media receives financial support from the school or district, uses school equipment or facilities in its production, or is produced as part of a class or course in which the student journalist is enrolled. Freedom of speech includes freedom to express political viewpoints. Consistent with paragraph B below, a student

journalist has the right to determine the news, opinion, feature, and advertising content of school-sponsored media. The school district must not discipline a student journalist for exercising rights or freedoms under this paragraph or the First Amendment of the United States Constitution.

- B. Student expression in school-sponsored media, a yearbook, or school sponsored activity is prohibited when the material:
1. is obscene to minors;
 2. is defamatory;
 3. is profane, harassing, threatening, or intimidating;
 4. constitutes an unwarranted invasion of privacy;
 5. violates federal or state law;
 6. causes a material and substantial disruption of school activities;
 7. is directed to inciting or producing imminent lawless action on school premises or the violation of lawful school policies or rules, including a policy adopted in accordance with Minnesota Statutes, section 121A.03 or 121A.031;
 8. advertises or promotes any product or service not permitted for minors by law;
 9. advocates sexual, racial, or religious harassment or violence or prejudice; or
 10. is distributed or displayed in violation of time, place, and manner regulations.
- C. The school district must not retaliate or take adverse employment action against a student media adviser for supporting a student journalist exercising rights or freedoms under paragraph A above or the First Amendment of the United States Constitution.
- D. Notwithstanding the rights or freedoms of this Article or the First Amendment of the United States Constitution, nothing in this Article inhibits a student media adviser from teaching professional standards of English and journalism to student journalists. These professional standards may include, but are not limited to, the following:
1. assuring that participants learn whatever lessons the activity is designed to teach;
 2. assuring that readers or listeners are not exposed to material that may be inappropriate for their level of maturity;
 3. assuring that the views of the individual speaker are not erroneously attributed to the school;
 4. assuring that the school is not associated with any position other than neutrality on matters of political controversy;
 5. assuring that the sponsored student speech cannot reasonably be perceived to advocate conduct otherwise inconsistent with the shared values of a civilized social order;
 6. assuring that the school is not associated with expression that is, for example, ungrammatical, poorly written, inadequately researched, biased or prejudiced, vulgar or profane, or unsuitable for immature audiences.
- E. Time, Place, and Manner of Distribution
Students shall be permitted to distribute written materials at school as follows:
1. **Time**
Distribution shall be limited to the hours before the school day begins, during lunch hour, and after school is dismissed.

2. Place

Written materials may be distributed in locations so as not to interfere with the normal flow of traffic within the school hallways, walkways, entryways, and parking lots. Distribution shall not impede entrance to or exit from school premises in any way.

3. Manner

No one shall induce or coerce a student or staff member to accept a student publication.

V. POSTING

The school district must adopt a student journalist policy consistent with Minnesota Statutes, section 121A.80, and post it on the district website.

Legal References:

U. S. Const., amend. I

Morse v. Frederick, 551 U.S. 393 (2007)

Hazelwood School District v. Kuhlmeier, 484 U.S. 260 (1988)

Bystrom v. Fridley High School, I.S.D. No. 14, 822 F. 2d 747 (8th Cir. 1987)

Minn. Stat. § 121A.03 (Model Policy)

Minn. Stat. § 121A.031 (School Student Bullying Policy)

Minn. Stat. § 121A.80 (Student Journalism; Student Expression)

Cross References:

Policy 505 (Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees)

Policy 506 (Student Discipline)

Policy 904 (Distribution of Materials on School District Property by Nonschool Persons)

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

DISTRICT POLICY

Second Read

POLICY SERIES: 600 Education Programs

BOARD APPROVED:

REVISION DATE:

606.5 LIBRARY MATERIALS

I. PURPOSE

The purpose of this policy is to provide direction and to delegate responsibility for selection and reconsideration of library materials.

II. GENERAL STATEMENT OF PURPOSE

The school board recognizes that library materials serve as a vital component of a student's education by enriching the breadth of the curriculum as a whole and meeting the needs and interests of individual students. The purpose of library materials is to meet the needs of all students. Therefore, questions regarding selection and reconsideration of library materials should be handled differently than those concerning textbooks and instructional materials.

To ensure that library materials fulfill this role, the school board delegates to the superintendent or the superintendent's designee responsibility for administering a process for selection of library materials. Responsibility for selection shall rest with professionally trained school district staff, with recognition that the school board has the final authority on selection of library materials. Parents and guardians and caregivers have the right and the responsibility to determine their children's access to library materials.

III. DEFINITIONS

A. "Library" is the school district resource that holds the library collection that serves the information and independent reading needs of students and supports the curriculum needs of teachers and staff. The term "library" includes a school library media center. The term also includes access to electronic materials.

For school districts with multiple school buildings, the term "library" refers to the resource within a specific school building.

Minnesota Statutes, section 124D.991, states that a school district or charter school library or school library media center provides equitable and free access to students, teachers, and administrators and that a school library or school library media center must have the following characteristics:

1. ensures every student has equitable access to resources and is able to locate, access, and use resources that are organized and cataloged;
 2. has a collection development plan that includes but is not limited to materials selection and deselection, a challenged materials procedure, and an intellectual and academic freedom statement;
 3. is housed in a central location that provides an environment for expanded learning and supports a variety of student interests;
 4. has technology and Internet access; and
 5. is served by a licensed school library media specialist or licensed school librarian.
- B. “Library collection” consists of the library materials made available to students.
- C. “Library materials” are the books, periodicals, newspapers, manuscripts, films, prints, documents, videotapes, subscription content, electronic and digital materials (including e-books, audiobooks, and databases), and related items made available to students in a school building or through access to electronic materials. This term does not include materials made available to students as part of the curriculum.

IV. RESPONSIBILITY FOR SELECTION OF LIBRARY MATERIALS

- A. The school board recognizes the expertise of the school district’s professional staff and the vital need of such staff to be responsible for selection of library materials.
- B. While recommendations by administrators, faculty members, students, parents/caregiver, and other community members may be considered, the final responsibility for selection of library materials shall rest with the library media specialist or Superintendent in absence of a media specialist.
- C. The procedures for selection and reconsideration set forth in this policy will be administered by:
1. a licensed library media specialist under Minnesota Rules, part 8710.4550;
 2. an individual with a master’s degree in library science or library and information science; or
 3. a professional librarian or a person trained in library collection management.
- D. **A committee that includes the Superintendent will recommend to the school board the declining of purchasing, lending, shelving, or removing access to library materials legitimately based on:**
1. practical reasons, including but not limited to shelf space limitations, rare or antiquarian status, damage, or obsolescence;
 2. legitimate pedagogical concerns, including but not limited to the appropriateness of potentially sensitive topics for the library's intended audience, the selection of library materials for a curated collection, or the likelihood of causing a material and substantial disruption of the work and discipline of the school; or
 3. compliance with state or federal law.

The school board will make the final decision.

V. SELECTION OF LIBRARY MATERIALS

- A. Selection Criteria: The library materials selection process should result in a library collection that, when considered as a whole, is consistent with the following criteria:
1. Library materials shall support and be consistent with the general educational goals of the state and the district and the aims and objectives of individual schools and specific courses;
 2. Library materials shall be chosen to enrich and support the curriculum as well as to promote reading for pleasure by responding to the personal needs and interests of student users;
 3. Library materials shall not be excluded because of the race, nationality, religion, sex, gender, gender identity, or political views of the writer;
 4. Library materials shall be appropriate to and reflect the needs, ages, maturity level, emotional development, ability levels, learning styles, social development, background, diversity, and needs and interests of the students for whom the materials were selected;
 5. Library materials shall meet high standards of quality in one or more of these categories (presented alphabetically):
 - a. Artistic quality and/or literary style;
 - b. Authenticity;
 - c. Critical thinking;
 - d. Educational significance;
 - e. Factual content;
 - f. High interest for intended audience; and
 - g. Readability.
 6. The selection of library materials shall conform to the constraints of the school district budget.
- B. The library media specialist or Director of Teaching and Learning, shall consult sources and specialists experienced in library materials collections appropriate for the building's students and that are reputable, experienced, unbiased, and professionally trained in school library materials.
- C. The superintendent or the superintendent's designee shall be responsible for keeping the school board informed of progress on review and selection of each building's library materials.
- D. Library materials that are outdated, inaccurate, no longer useful for curricular support or reading enrichment, or have not been utilized for an extended period of time may be removed. Library materials that are in poor physical condition may be removed or replaced as determined by the library media specialist or the principal.
- E. Gifts and Donations of Library Materials
- Materials offered for donation or gifted to a school library may be accepted if they comply with the library collection selection criteria and approved by the library media specialist or Principal. The school district's libraries welcome donations of books and other resource materials from individuals and organizations, but also reserve the right to decline to accept library materials that do not meet the criteria for selection. In addition, financial donations to benefit school district's libraries

will be accepted with the understanding that funds will be used to purchase materials that are needed for libraries based on the needs of the individual schools.

VI. INDIVIDUAL STUDENT ACCESS TO SPECIFIC LIBRARY MATERIAL

A parent or guardian or caregiver may request that access to specific material in the library materials collection be restricted from their student. The school shall take reasonable steps to fulfill this request. This type of request will not result in removal of specific library collection material from the library or restrictions upon any other student accessing specific library materials.

VII. RECONSIDERATION OF SPECIFIC LIBRARY MATERIAL

A. The school board seeks to uphold students' access to library materials that meet the educational goals and selection criteria set forth in this policy.

B. A school district employee, student, or a parent or guardian or caregiver of a school district student may request reconsideration of specific library material on the basis of appropriateness. Access to the material in question shall not be restricted until the procedures listed below have been fully completed and a decision to remove or restrict the materials has been made.

C. Informal Request for Reconsideration of Specific Library Material

1. Requests for reconsideration of specific library material shall be directed to the library media specialist and the building principal. The building principal and/or the library media specialist or Principal shall assume responsibility for processing the request on an informal basis.

2. The building principal and/or the library media specialist or Principal shall provide an explanation to the individual who submitted the request. The explanation shall include the particular selection criteria that the material in question met in order to be included in the library as curriculum support or as an independent reading choice for students in the building.

3. If the request is not resolved informally, the principal shall submit a report on the matter to the superintendent or the superintendent's designee. The requestor will have an option to initiate a Formal Request for Reconsideration.

D. Formal Request for Reconsideration of Specific Library Collection Material

1. A Formal Request for Reconsideration of specific library material is initiated upon submission of a completed *Formal Request for Reconsideration of Specific Library Collection Material* form. The form must be completed in its entirety for each work that is subject to a request for reconsideration. The principal shall notify the superintendent or the superintendent's designee and the library media specialist of receipt of a completed Formal Request form.

If specific library material is the subject of a Formal Request for Reconsideration and a final decision is made to retain the specific library material, then the specific library material shall not be subject to additional requests for reconsideration for three years

- following the date of final resolution of the initial Formal Request for Reconsideration.
2. On an annual basis, the Superintendent or the superintendent's designee shall appoint a Library Materials Review Committee (Review Committee). This committee shall include:
 - a. One member of the school district administration
 - b. One principal
 - c. Two teachers
 - d. One library media specialist (or district media specialist or public librarian if the school district does not have a library media specialist)
 - e. Two members of the school district community with no direct connection with the request for reconsideration
 - f. Two student representatives (as appropriate to the specific request).
 3. The Review Committee shall establish a date upon which it will discuss the request and whether the specific library collection material conforms to the selection criteria set forth in this policy.
 4. The Review Committee
 - a. may consult individuals, organizations, and other resources with relevant professional knowledge on school library material;
 - b. shall examine the specific library material as a whole;
 - c. shall examine the specific library material as to its conformance with the criteria for selection of library materials; and
 - d. shall submit a written report to the superintendent or the superintendent's designee containing the Review Committee's decision on whether to retain, to remove, or to take other action regarding the specific library material.
 5. The superintendent or the superintendent's designee shall inform the requestor and the school board of the Review Committee's decision. The requestor may appeal the Review Committee's decision to the superintendent or the superintendent's designee by submitting a written appeal to the superintendent or the superintendent's designee within fourteen (14) days of submission of the Review Committee's decision to the requestor. The superintendent or the superintendent's designee shall provide a written decision on a requestor's appeal within a reasonable time period.
 6. The requestor shall have the right to appeal the decision of the superintendent or the superintendent's designee to the school board.

VIII. CHALLENGE REPORT

Upon the completion of a content challenge or reconsideration process in accordance with this policy, the school board must submit a report of the challenge to the Commissioner of the Minnesota Department of Education that includes:

- A. the title, author, and other relevant identifying information about the material being challenged;

- B. the date, time, and location of any public hearing held on the challenge in question, including minutes or transcripts;
- C. the result of the challenge or reconsideration request; and
- D. accurate and timely information on who from the school district the Department of Education may contact with questions or follow-up.

IX. PROHIBITION ON RETALIATION

The school district may not discriminate against or discipline an employee for complying with Minnesota Statutes, section 134.51.

Legal References: [Minn. Stat. § 120A.22, Subd. 9 \(Compulsory Instruction\)](#)
[Minn. Stat. § 123B.02 \(General Powers of Independent School Districts\)](#)
[Minn. Stat. § 123B.09 \(School Board Responsibilities\)](#)
[Minn. Stat. § 124D.991 \(Public School Libraries and Media Centers\)](#)
[Minn. Stat. § 134.51 \(Access to Library Materials and Rights Protected\)](#)
[Minn. Rules Part 8710.4550 \(Library Media Specialists\)](#)
[Bd. of Educ., *Island Trees Union Free Sch. Dist. No. 26 v. Pico*, 457 U.S. 853 \(1982\)](#)
[Virginia State Bd. of Educ. v. Barnette](#), 319 U.S. 624, 642 (1943)

Cross References: [Policy 524 \(Internet Acceptable Use and Safety Policy\)](#)
[Policy 606 \(Textbooks and Instructional Materials\)](#)

CONNECTI NS

News from the Association of Metropolitan School Districts

January 2026
Volume 23
Number 4

Collaborative Mindset at SouthWest Metro

January 9, 2026
Board of Directors Meeting
7 a.m. - 9 a.m.
Quora Education Center
NE Metro 916
Little Canada

January 30, 2026
Executive/Legislative Committee Meeting
7:30 a.m. - 9 a.m.
Anderson Center
Bethel University
Arden Hills

February 6, 2026
Legislative Session Preview
7:30 a.m. - 9:45 a.m.
Quora Education Center
NE Metro 916
Little Canada

February 27, 2026
Executive/Legislative Committee Meeting
7:30 a.m. - 9 a.m.
Anderson Center
Bethel University
Arden Hills

On a December afternoon at Shakopee Bowl, students from school districts in the service area of SouthWest Metro Intermediate District 288 (SWMetro) gathered for an experience that went far beyond bowling. Deaf and Hard of Hearing (DHH) students and educators came together to build friendships, share experiences, and connect with peers. The event offered students a chance to practice communication skills, expand their networks, and feel a strong sense of belonging within a larger community.



Students participating in the Deaf and Hard of Hearing bowling event in Shakopee.

Experiences like this reflect how SWMetro programs build connection, access, and opportunity. By working alongside member school districts and community partners, SWMetro helps create learning environments that support students academically, socially, and emotionally, while preparing them for life beyond the classroom.

What Is an Intermediate District?

SouthWest Metro is one of four intermediate school districts in Minnesota. Together, Minnesota's intermediate districts serve more than 20,000 students each year from over 45 member school districts. Intermediate districts exist to provide specialized programs, professional development and services that are strengthened through regional collaboration.

Across the state, intermediate districts deliver more than 120 specialized services in areas such as special education, alternative learning, Career and Technical Education (CTE), and care and treatment programs in facilities tailored to student needs. Intermediates also innovate in areas like mental health services, adult learning, online education, and itinerant services that

Continued on page 2

Happy New Year! I hope you had a wonderful holiday season with your family and friends. It is hard to believe but the 2026 legislative session convenes next month. I look forward to sharing our [session priorities](#) with legislators at AMSD's annual [Session Preview](#) on **Friday, Feb. 6**. The program will include a legislative panel discussion of leaders of the House and Senate Education Policy Committees. I encourage AMSD members to reach out to your local legislators to invite them to this event. Thank you in advance for your support and assistance!

From the AMSD Chair, Jim DeMay, Mounds View Board Member

Collaboration Deepens Understanding and Strengthens Community

Continued from page 1

bring specialized expertise directly into member school districts.

Intermediate districts operate on a fee-for-service model, with funding generated through tuition billing, state and federal grants, and levies. Combined, Minnesota's intermediate districts manage an estimated \$250 million in budgets, all dedicated to supporting students, families, and school communities. SouthWest Metro specifically serves 11 member districts and eight associate member districts working with district leaders and the SouthWest Metro School Board to identify areas of high need. Combining resources from member districts leads to fiscally responsible, highly responsive and specialized programming opportunities for students.

Collaboration and Real-World Experience

Cross-program collaboration at SWMetro creates hands-on learning opportunities rarely found outside an intermediate district. Students across departments, including those in setting 4 special education environments, have access to robust in-person and online CTE offerings. This year, the district expanded career pathways by adding an exploratory option for Alternative Learning Center students and piloting a Culinary Artistry course for setting 4 students focused on commercial kitchen skills.



SWMetro Construction Trades students and instructor Jason Wetzel (far left) with the newly installed woodshed for the Culinary Artistry program at Dean Lakes Education Center in Shakopee.

At Dean Lakes Education Center, Construction Trades students from seven member districts collaborated to build a custom woodshed for the Culinary Artistry Pathway's wood-fire cooking curriculum. Culinary students later prepared a meal for the Construction Trades students using produce from the Agriculture Pathway's garden, demonstrating how collaboration across pathways connects learning to real-world applications and shared success.

Building Community

Collaboration also deepens understanding and strengthens community across programs. One example is Dean Lakes Education Center's Annual Winter Fashion Show, which brings together students

in the Transition Program, Career and Technical Education (CTE) students, staff, and community members for a shared learning experience. Transition learners stepped onto the runway as models, participating in a social-emotional learning activity designed to build self-confidence, practice self-expression, and develop comfort presenting themselves in front of an audience. CTE Photography students planned and executed event photography, applying skills in lighting, composition, and event documentation while working directly with live subjects in a professional setting. Staff from multiple programs collaborated behind the scenes to coordinate logistics, coach students, and ensure a supportive environment. Together, these shared roles created an inclusive event that strengthened relationships, celebrated student strengths, and reinforced a culture of encouragement across SouthWest Metro programs.

Extending Collaborative Support

Collaboration is at the heart of how SouthWest Metro serves students, families, and communities. By working alongside member districts and community partners, programs are designed to share expertise, expand access, and create opportunities that no single school or system could provide alone. These collaborative efforts strengthen connections between students and staff, support smooth transitions, and ensure learning experiences are responsive to regional needs. Together, this shared approach builds a system of support that helps every learner feel connected, valued, and prepared for continued growth and success.

This month's member feature was submitted by Wright Braudt, Director of Communications, SouthWest Metro Intermediate District 288.

AMSD Board Adopts 2026 Legislative Platform



Association of Metropolitan School Districts

LEGISLATIVE PLATFORM

2026

AMSD recognizes that the biennial budget was set last session. However, inflation continues to outpace general education revenue, and recent legislative changes have created instability in key funding streams. Safe Schools and Local Optional Revenue have been frozen for a decade, changes to the compensatory formula have created funding cliffs for many school districts, and a contingent \$250 million cut to special education cross-subsidy reduction aid would erase inflationary increases to the basic formula. Given the state's current fiscal landscape, AMSD identifies both immediate and



ongoing priorities essential to sustaining high-quality education.

IMMEDIATE PRIORITIES

ENHANCE SCHOOL SAFETY

- Increase the Safe Schools levy to \$100 per pupil for school districts and \$35 per pupil for intermediate and cooperative districts.
- Permit limited removal time within non-exclusionary discipline to support effective reentry planning and maintain safe classrooms.
- Strengthen secure gun storage requirements.

STABILIZE COMPENSATORY FUNDING

- Hold districts harmless from revenue losses resulting from recent compensatory formula changes until recommendations from the Compensatory Revenue Task Force can be implemented.

MODERNIZE PERMANENT SCHOOL FUND DISTRIBUTIONS

- Support a constitutional amendment to adopt a percentage-of-market-value distribution model that provides predictable funding while protecting long-term trust assets.

REEVALUATE MINNESOTA'S ASSESSMENT SYSTEM

- Establish a blue-ribbon commission to redesign Minnesota's assessment system, focusing on balanced, student-centered measures and exploring the replacement of high school MCAs with a nationally recognized college entrance exam.
- Modernize hours-of-instruction requirements so students can earn credit for learning that occurs beyond traditional settings.

WWW.AMSD.ORG  WWW.FACEBOOK.COM/AMSDMN  @AMSDMN

The 2026 legislative session convenes on Feb. 17, 2026. While the AMSD Board recognizes that the biennial budget was adopted last legislative session, the reality is that inflation continues to outpace general education revenue, recent legislative changes have created instability in key funding streams, and some new programs and requirements adopted in recent years have been underfunded or not funded at all.

That background is the impetus behind the AMSD 2026 Legislative Platform approved last month. Identifying AMSD's priorities is no casual matter. Each summer, the AMSD legislative committee begins the process by surveying AMSD Board Members and district staff asking them to share their highest priorities for the upcoming legislative session.

Based on that feedback, the legislative committee drafts a platform reflecting the priorities of our member school districts. In budget years, the platform focuses on funding school districts' needs; and in alternating years, the focus is on policy priorities.

However, with school districts continuing to face budget challenges, the 2026 platform identifies both funding and policy priorities. Several factors have contributed to the challenging fiscal environment. The Safe Schools levy and Local Optional Revenue have been frozen for a decade, changes to the compensatory formula have created a funding cliff for many school districts, and the 2025 education bill included a contingent \$250 million cut to special education cross-subsidy reduction aid.

The Minnesota Management and Budget Office reported in November that the state's short-term fiscal outlook is positive with a projected surplus of \$2.465 billion in the current biennium and budget reserves totaling \$3.771 billion. However, the FY28-29 planning estimates project a structural imbalance of \$2.960 billion. An updated forecast will be released at the end of February and that is the one the Governor and legislators will use to make any adjustments to the biennial budget.

Given the state's uncertain fiscal position, AMSD has identified both immediate and ongoing priorities for consideration in the 2026 session.

Immediate Priorities

Enhancing School Safety.

Ensuring safe learning environments is a perennial priority for AMSD member school districts. The AMSD Board updated its [position paper](#) on this important topic in November. The platform specifically calls on state policymakers to increase the Safe Schools levy to \$100 per pupil for school districts and \$35 per pupil for intermediate and cooperative districts. The Safe Schools levy has been frozen at the same level for over a decade. The platform also advocates for allowing limited removal time within non-exclusionary discipline, as well strengthening secure gun storage requirements.

Continued on page 4

School Safety, Assessment Reform, and Compensatory Funding Among Top Priorities

Continued from page 3

Stabilizing Compensatory Funding.

Recent changes to how the state calculates compensatory funding has created a funding cliff for many districts. The platform calls on legislators to hold school districts harmless from revenue losses resulting from the formula change until recommendations from the Compensatory Revenue Task Force can be implemented.

Reevaluating Minnesota's Assessment System.

AMSD urges the Governor and legislators to establish a blue-ribbon commission to redesign Minnesota's assessment system, focusing on balanced, student-centered measures and explore replacing the high school MCAs with a nationally recognized college entrance exam. The platform also calls on legislators to provide greater flexibility with current hours-of-instruction requirements to include non-traditional learning opportunities.

Modernizing Permanent School Fund Distributions.

AMSD supports a constitutional amendment to modernize distributions from the Permanent School Fund. Moving to a reliable and consistent allocation model would better allow school officials to budget and plan.

Ongoing Priorities

Stabilizing the education funding system is another perennial legislative priority for AMSD members. To that end, AMSD calls on legislators and the Governor to:

- Repeal the contingent \$250 million cut to special education cross-subsidy reduction aid scheduled for the 2028–29 biennium.
- Increase Local Optional Revenue to \$979 per pupil to restore purchasing power lost to inflation and index it to the general education formula.
- Strengthen the PSEO program to ensure financial stability, academic rigor, student support, and preparation for success after high school.

Likewise, reducing mandates and restoring local control remain high priorities. Specifically, AMSD supports: repealing the requirement that school boards negotiate e-learning days, student testing, and student-to-staff ratios; allowing school boards to renew a capital project levy at the existing rate following a public hearing, and providing a permanent funding for summer unemployment for non-licensed staff, and for employer premiums and substitute staff costs associated with the Paid Leave program.

AMSD Board Members and staff stand ready to work with state policymakers to address these important issues in the 2026 legislative session.

- [Link: View the AMSD 2026 Legislative platform](#)

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

Board Calendar (Second & Fourth Thursday of the Month)

Start Time: 6:30 PM

TENTATIVE

January 2026 – December 2026	
January 22, 2026	
February 12, 2026	February 26, 2026
March 12, 2026	March 26, 2026 Conflict with Spring Break
April 9, 2026	April 23, 2026
May 14, 2026	May 28, 2026
June 11, 2026	June 25, 2026
No July Meeting	
August 27, 2026	
September 10, 2026	September 24, 2026
October 8, 2026	October 22, 2026
November 12, 2026	
December 10, 2026	

INTERMEDIATE DISTRICT 287
January 22, 2026
SCHOOL BOARD CALENDAR

TENTATIVE

January 2026

22	Thursday	Organizational Meeting of the Board	6:30 PM	DSC
22	Thursday	General Meeting of the Board	6:45 PM	DSC

February 2026

12	Thursday	School Board Retreat	4:30 PM	DSC
12	Thursday	General Meeting of the Board	6:30 PM	DSC
26	Thursday	General Meeting of the Board	6:30 PM	DSC

March 2026

12	Thursday	General Meeting of the Board	6:30 PM	DSC
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April 2026

09	Thursday	General Meeting of the Board	6:30 PM	DSC
23	Thursday	General Meeting of the Board	6:30 PM	DSC

May 2026

14	Thursday	District-wide Retirement Celebration	5:00 PM	DSC
14	Thursday	General Meeting of the Board	6:30 PM	DSC
28	Thursday	School Board Retreat	4:30 PM	DSC
28	Thursday	General Meeting of the Board	6:30 PM	DSC

June 2026

11	Thursday	General Meeting of the Board	6:30 PM	DSC
25	Thursday	General Meeting of the Board	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 Meeting Schedule

2025-2026

Get on the Bus

~~Tuesday, October 28th~~

~~West Education Center~~

~~Bus leaves 287 DSC @ 8:30 AM~~

Richard Zeck	Anne Casey
Brian Roath	Kim Ross
_____	_____
_____	_____

~~Tuesday, December 2nd~~

~~Ann Bremer Education Center~~

~~Bus leaves 287 DSC @ 8:30 AM~~

Richard Zeck	Kim Ross
Anne Casey	_____
_____	_____
_____	_____

Tuesday, March 3rd

Care & Treatment

Bus leaves 287 DSC @ 8:30 AM

Richard Zeck	Michael Birdman
_____	_____
_____	_____
_____	_____

Tuesday, April 14th

Itinerant – Community of Practice

Bus leaves 287 DSC @ 8:30 AM

Richard Zeck	Michael Birdman
_____	_____
_____	_____
_____	_____

Local 2209/Board Meeting

1:00 PM

(Lunch will be provided)

~~Tuesday, October 21st~~

~~District Service Center~~

~~(3rd Floor – Room 316)~~

~~Richard Zeck~~

~~Keith Tate~~

~~Anne Casey~~

~~Tuesday, December 9th~~

~~District Service Center~~

~~(3rd Floor – Room 316)~~

~~Richard Zeck~~

~~Anne Casey~~

~~Brian Roath~~

Tuesday, March 10th

District Service Center

(3rd Floor – Room 316)

Richard Zeck

Tuesday, April 21st

District Service Center

(3rd Floor – Room 316)

Richard Zeck

Michael Birdman