

Board Meeting

Tuesday, November 19, 2024 5:30 PM

Conference Room, 23130 345th St SE, Erskine, MN 56535

1. **Call to order by Chairperson_____ at _____**

1. Pledge of Allegiance

2. Welcome

3. Roll Call

2. **Approval of Agenda as presented or amended**

3. **Open Forum**

This is an opportunity for members in the audience to share a thought or idea with the board. Please limit comments to under 3 minutes

As per Minnesota Statute, items of private data or personnel issues will not be allowed to be presented or deliberated. Visitors with employee issues will be encouraged to proceed via use of School Policies dealing with complaints.

4. **Acknowledgements - Students/Staff/Personnel**

5. **Infomational Reports**

1. Audit Report presentation from Brady Martz & Associates (I)

2. Dean of Students/Activities Director Report

6. **Financial - Auditors for the Month of November - Sander and Huschle**

1. Approve payment of bills

2. Finance Officers Report

7. **Written Reports/Updates**

1. Superintendent Report

2. School Board Committee Reports

3. Principal/Community Education/Title Grant Coordinator's Report

8. **Consent Agenda Business**

1. Approve Minutes of the regular meeting held October 15, 2024

2. Accept Donations

9. **Discussion Items**

1. Discussion on Parent Request of a Sports Coop with Freedom Christian Academy

2. Discussion on Multi-Activity Participation

10. **Action Items**

1. Accept the resignation of Jessica Strom as a JH volleyball coach (A)

2. Approve hiring Colleen Bergeron as a paraprofessional (A)

3. Approve Hiring Mandy Davis as the Winter Cheer Advisor (A)

4. Approve hiring Jason Svalen as the JH BBB Coach (A)

5. Approve the 24-25 Contract with Judy Stenberg (A)

6. Approve the READ Act MOU with Win-E-Mac Teachers United (A)

7. Approve the Wild Rice Electric Coop Inadvertent Demand Insurance (A)

8. Approve the ASEC Resolution to spend Federal flow-through funds (R)

9. Approve the FY24 Audit (A)

10. Approve the purchase of a softball scoreboard from UMC for \$5000 (A)

11. Approve the contract with Essentia Health for sports medicine services (A)

12. Approve appointing Tyler Brekken to the Region 1 Joint Powers Board to fill the term of Jim Ferden (A)

11. **Set Meeting Dates and Times**

December 17, 2024 - 5:30 PM - Conference Room

12. **Adjourn**

Congratulations to Abby Suer who was named to the Pine to Prairie All Conference Honorable Mention team for volleyball.

Congratulations to Braylon Hamre, Jayden Haugen and Bergen Howard being named to All-Sub-District Team for Football

Activities Directors Report

Fall Activities

- VB held their end of seasons award night on 11/14. Abby Sauer was named to the Pine to Prairie All-Conference Honorable Mention team.
- FB will hold their awards night some time in December. Braylon Hamre, Jayden Haugen, and Bergen Howard were all named to the All-Sub-District team.

Winter Activities

- The JHGBB started practice on Oct 28. First game is on 11/19 at home.
- GBB 9-12 started practice on 11/11.
- JH BBB will start on 11/25
- BBB 9-12 will started on 11/18
- Cheerleading practice started on 11/15
- Participation numbers will be in the Dec. report

JH Play

Performances of *Good Cop, Bad Cop* will be on Saturday, 11/23 at 7pm & Sunday, 11/25 at 3pm

Robotics

VRC: First tournaments are 12/6 in Hawley and 12/14 in EGF. Drone competition on 11/26 as well.

IQ: 16 students have been showing up for practices. Our first competition is not until January.

Other

- PTP meeting was on 11/1. Fees stayed the same, no changes to report.
- Team-Up Leadership conference (5 sophomores) will be 11/26 in TRF.
- Together 3.0 Leadership conference (MSHSL) (12 students) will be 12/3 in Bemidji.
- JH Band/Choir Concert 12/12 (evening)
- Elementary Concert 12/13 (daytime)
- SH Band/Choir Concert 12/17 (evening)

Approve payment of bills

_____ moved to approve the payment of bills with computer check numbers **#50960-51092** in the amount of **\$193,109.57**; activity check number **#19994-2001** in the amount of **\$5,128.72**; wire payments in the amount of **\$5,128.72** and MSDLAF Transfers - Redemptions in the amount of **\$680,000** and MSDLAF Transfers - Purchases **\$500,000**. Seconded by_____ Motion carried/failed.

[illegible]

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
2609	ASB	50973	3125		COOK KATHY		Check
				E 01	005 720 000 401 001 Wellness Committee Supplies	\$230.00	
	PO#:	Voucher #:	49842	Invoice	Invoice No: Wellness102424	10/24/2024	Paid Amt: \$230.00 Check Amount: \$230.00
2609	ASB	50974	MNBCA		MN BCA		Check
				R 01	005 000 000 099 000 Misc Revenue Local	\$15.00	
	PO#:	Voucher #:	49843	Invoice	Invoice No: 102224	10/24/2024	Paid Amt: \$15.00 Check Amount: \$15.00
2609	ASB	50975	3014		HUGOS		Check
				E 02	005 770 701 490 000 Food	\$20.38	
				E 01	300 331 000 430 000 Instructional Supply	\$17.50	
	PO#:	Voucher #:	49844	Invoice	Invoice No: 09302024-1	10/24/2024	Paid Amt: \$37.88 Check Amount: \$37.88
2609	ASB	50976	RUSJO		JOHNSON RUSSELL		Check
				E 01	300 292 000 305 001 GVTV Game Exp	\$30.00	
	PO#:	Voucher #:	49849	Invoice	Invoice No: 102424	10/24/2024	Paid Amt: \$30.00 Check Amount: \$30.00
2609	ASB	50977	2982		MANDT COLTEN		Check
				E 01	300 292 000 305 001 GVTV Game Exp	\$360.00	
	PO#:	Voucher #:	49845	Invoice	Invoice No: 102424	10/24/2024	Paid Amt: \$360.00 Check Amount: \$360.00
2609	ASB	50978	JMORG		MORGENROTH JEREMY		Check
				E 01	300 292 000 305 001 GVTV Game Exp	\$60.00	
	PO#:	Voucher #:	49848	Invoice	Invoice No: 102424	10/24/2024	Paid Amt: \$60.00 Check Amount: \$60.00
2609	ASB	50979	3208		MORITZ TEDDY		Check
				E 01	300 292 000 305 001 GVTV Game Exp	\$120.00	
	PO#:	Voucher #:	49846	Invoice	Invoice No: 102424	10/24/2024	Paid Amt: \$120.00 Check Amount: \$120.00
2609	ASB	50980	3209		SENN BELLA		Check
				E 01	300 292 000 305 001 GVTV Game Exp	\$30.00	
	PO#:	Voucher #:	49850	Invoice	Invoice No: 102424	10/24/2024	Paid Amt: \$30.00 Check Amount: \$30.00
2609	ASB	50981	3141		WALK JARETH		Check
				E 01	300 292 000 305 001 GVTV Game Exp	\$60.00	
	PO#:	Voucher #:	49847	Invoice	Invoice No: 102424	10/24/2024	Paid Amt: \$60.00 Check Amount: \$60.00

Win-E-Mac Public School #2609

Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
2609	ASB	51003	3213		KIECKER LIVAEH		Check
				E 01	300 296 000 305 113 Consult & Serv Fees		\$45.00
PO#:	Voucher #:	49927	Invoice	Invoice No:	110124	11/4/2024	Paid Amt: \$45.00
							Check Amount: \$45.00
2609	ASB	51004	3177		KRAMER ERICKA		Check
				E 01	300 296 000 305 113 Consult & Serv Fees		\$90.00
PO#:	Voucher #:	49932	Invoice	Invoice No:	110124	11/4/2024	Paid Amt: \$90.00
							Check Amount: \$90.00
2609	ASB	51005	2640		LANGEMO KAROL		Check
				E 01	300 296 000 305 113 Consult & Serv Fees		\$150.00
				E 01	300 296 000 305 113 Consult & Serv Fees		\$125.00
				E 01	300 294 000 305 111 Consult & Serv Fees		\$40.00
PO#:	Voucher #:	49901	Invoice	Invoice No:	110124	11/4/2024	Paid Amt: \$315.00
							Check Amount: \$315.00
2609	ASB	51006	2595		LEE PHILLIP		Check
				E 01	300 294 000 305 111 Consult & Serv Fees		\$120.00
				E 01	300 294 000 305 111 Consult & Serv Fees		\$100.00
PO#:	Voucher #:	49925	Invoice	Invoice No:	110124	11/4/2024	Paid Amt: \$220.00
							Check Amount: \$220.00
2609	ASB	51007	2983		LISBURG ERIN		Check
				E 01	300 296 000 305 113 Consult & Serv Fees		\$125.00
				E 01	300 294 000 305 111 Consult & Serv Fees		\$25.00
PO#:	Voucher #:	49902	Invoice	Invoice No:	110124	11/4/2024	Paid Amt: \$150.00
							Check Amount: \$150.00
2609	ASB	51008	3164		LONG SHELBY		Check
				E 01	300 296 000 305 113 Consult & Serv Fees		\$90.00
PO#:	Voucher #:	49930	Invoice	Invoice No:	110124	11/4/2024	Paid Amt: \$90.00
							Check Amount: \$90.00
2609	ASB	51009	3218		MANDT SHELBY		Check
				E 01	300 296 000 305 113 Consult & Serv Fees		\$45.00
PO#:	Voucher #:	49935	Invoice	Invoice No:	110124	11/4/2024	Paid Amt: \$45.00
							Check Amount: \$45.00
2609	ASB	51010	3214		MOLSTAD DESTINY		Check
				E 01	300 296 000 305 113 Consult & Serv Fees		\$45.00
PO#:	Voucher #:	49929	Invoice	Invoice No:	110124	11/4/2024	Paid Amt: \$45.00
							Check Amount: \$45.00
2609	ASB	51011	PATMO		MORAN PATRICK		Check
				E 01	300 294 000 305 111 Consult & Serv Fees		\$120.00

Co	Bank	Check No	Code	Rcd	Vendor					Pmt/Void Date	Pmt Type
2609	ASB	51011	PATMO		MORAN PATRICK						Check
				E 01	300	294	000	305	111	Consult & Serv Fees	\$35.00
	PO#:	Voucher #:	49912	Invoice	Invoice No: 110124					11/4/2024	Paid Amt: \$155.00
											Check Amount: \$155.00
2609	ASB	51012	3100		MORGENROTH KRISTEN						Check
				E 01	300	296	000	305	113	Consult & Serv Fees	\$125.00
				E 01	300	296	000	305	113	Consult & Serv Fees	\$115.00
	PO#:	Voucher #:	49904	Invoice	Invoice No: 110124					11/4/2024	Paid Amt: \$240.00
											Check Amount: \$240.00
2609	ASB	51013	2393		PALUBICKI MEGHAN						Check
				E 01	300	296	000	305	113	Consult & Serv Fees	\$50.00
				E 01	300	296	000	305	113	Consult & Serv Fees	\$30.00
	PO#:	Voucher #:	49920	Invoice	Invoice No: 110124					11/4/2024	Paid Amt: \$80.00
											Check Amount: \$80.00
2609	ASB	51014	AlbertP		PLANTE ALBERT						Check
				E 01	300	294	000	305	111	Consult & Serv Fees	\$135.00
	PO#:	Voucher #:	49916	Invoice	Invoice No: 110124					11/4/2024	Paid Amt: \$135.00
											Check Amount: \$135.00
2609	ASB	51015	1919		PLANTE HUNTER						Check
				E 01	300	294	000	305	111	Consult & Serv Fees	\$120.00
				E 01	300	294	000	305	111	Consult & Serv Fees	\$50.00
				E 01	300	294	000	305	111	Consult & Serv Fees	\$25.00
				E 01	300	294	000	305	111	Consult & Serv Fees	\$35.00
	PO#:	Voucher #:	49911	Invoice	Invoice No: 110124					11/4/2024	Paid Amt: \$230.00
											Check Amount: \$230.00
2609	ASB	51016	2480		PLANTE KRISTI						Check
				E 01	300	296	000	305	113	Consult & Serv Fees	\$25.00
	PO#:	Voucher #:	49899	Invoice	Invoice No: 110124					11/4/2024	Paid Amt: \$25.00
											Check Amount: \$25.00
2609	ASB	51017	3210		REIERSON CASEY						Check
				E 01	300	296	000	305	113	Consult & Serv Fees	\$25.00
	PO#:	Voucher #:	49907	Invoice	Invoice No: 110124					11/4/2024	Paid Amt: \$25.00
											Check Amount: \$25.00
2609	ASB	51018	3215		RYAN EVELYN						Check
				E 01	300	296	000	305	113	Consult & Serv Fees	\$45.00
	PO#:	Voucher #:	49931	Invoice	Invoice No: 110124					11/4/2024	Paid Amt: \$45.00
											Check Amount: \$45.00

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
2609	ASB	51019	3219		SAUER ABBY		Check
				E 01	300 296 000 305 113 Consult & Serv Fees	\$45.00	
	PO#:	Voucher #:	49936	Invoice	Invoice No: 110124	11/4/2024	Paid Amt: \$45.00 Check Amount: \$45.00
2609	ASB	51020	2506		SCHOW ANNE		Check
				E 01	300 294 000 305 111 Consult & Serv Fees	\$75.00	
	PO#:	Voucher #:	49897	Invoice	Invoice No: 110124	11/4/2024	Paid Amt: \$75.00 Check Amount: \$75.00
2609	ASB	51021	2596		SCHOW ASHLEY		Check
				E 01	300 296 000 305 113 Consult & Serv Fees	\$50.00	
				E 01	300 296 000 305 113 Consult & Serv Fees	\$30.00	
	PO#:	Voucher #:	49917	Invoice	Invoice No: 110124	11/4/2024	Paid Amt: \$80.00 Check Amount: \$80.00
2609	ASB	51022	3217		SIMPSON NEVAEH		Check
				E 01	300 296 000 305 113 Consult & Serv Fees	\$90.00	
	PO#:	Voucher #:	49934	Invoice	Invoice No: 110124	11/4/2024	Paid Amt: \$90.00 Check Amount: \$90.00
2609	ASB	51023	2084		SMEBY MELISSA		Check
				E 01	300 296 000 305 113 Consult & Serv Fees	\$25.00	
				E 01	300 296 000 305 113 Consult & Serv Fees	\$15.00	
	PO#:	Voucher #:	49918	Invoice	Invoice No: 110124	11/4/2024	Paid Amt: \$40.00 Check Amount: \$40.00
2609	ASB	51024	BILSO		SOLHEIM BILL		Check
				E 01	300 296 000 305 113 Consult & Serv Fees	\$50.00	
				E 01	300 296 000 305 113 Consult & Serv Fees	\$30.00	
	PO#:	Voucher #:	49921	Invoice	Invoice No: 110124	11/4/2024	Paid Amt: \$80.00 Check Amount: \$80.00
2609	ASB	51025	JEFFST		STARK JEFF		Check
				E 01	300 294 000 305 111 Consult & Serv Fees	\$50.00	
				E 01	300 294 000 305 111 Consult & Serv Fees	\$100.00	
	PO#:	Voucher #:	49903	Invoice	Invoice No: 110124	11/4/2024	Paid Amt: \$150.00 Check Amount: \$150.00
2609	ASB	51026	JSTROI		STROM JESSICA		Check
				E 01	300 296 000 305 113 Consult & Serv Fees	\$30.00	
				E 01	300 294 000 305 111 Consult & Serv Fees	\$30.00	
	PO#:	Voucher #:	49906	Invoice	Invoice No: 110124	11/4/2024	Paid Amt: \$60.00 Check Amount: \$60.00

Win-E-Mac Public School #2609

Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
2609	ASB	51035	WILDR		WILDRICE COOPERATIVE		Check
				E 01	005 810 000 330 000 Utilities		\$1,088.55
PO#:	Voucher #:	49960	Invoice	Invoice No:	102824	11/12/2024	Paid Amt: \$1,088.55
							Check Amount: \$1,088.55
2609	ASB	51036	3112		A STITCH IN TIME		Check
				E 01	300 331 000 430 001 FACS Print Shop Supplies		\$123.67
PO#:	Voucher #:	49972	Invoice	Invoice No:	29286	11/13/2024	Paid Amt: \$123.67
							Check Amount: \$123.67
2609	ASB	51037	1586		ACME Tools		Check
				E 01	005 865 366 305 000 H&S Indoor Air Quality - LTFM		\$1,559.94
PO#: 5156	Voucher #:	49855	Invoice	Invoice No:	13459148	11/19/2024	Paid Amt: \$1,559.94
							Check Amount: \$1,559.94
2609	ASB	51038	2831		ALLUMA		Check
				E 01	100 203 000 305 000 Consulting service-tech & guidance		\$280.00
				E 01	300 211 000 305 000 Technology Support-Sec		\$280.00
PO#:	Voucher #:	49977	Invoice	Invoice No:	10312024	11/19/2024	Paid Amt: \$560.00
							Check Amount: \$560.00
2609	ASB	51039	2624		ALTERNATIVE SANITATION		Check
				E 01	005 810 000 330 000 Utilities		\$259.64
PO#:	Voucher #:	49976	Invoice	Invoice No:	25575	11/19/2024	Paid Amt: \$259.64
							Check Amount: \$259.64
2609	ASB	51040	AMAZO		AMAZON CAPITAL SERVICES		Check
				E 01	300 292 000 401 124 Non-Instruct Supply Track		\$95.95
PO#:	Voucher #:	49809	Invoice	Invoice No:	1XMR-DXQ9-KWVF	11/19/2024	Paid Amt: \$95.95
				E 01	300 292 000 401 124 Non-Instruct Supply Track		\$112.91
PO#:	Voucher #:	49895	Invoice	Invoice No:	1VWM-9MRR-T9NG	11/19/2024	Paid Amt: \$112.91
				E 01	005 810 000 350 000 Building & Grounds Repair		\$129.00
PO#:	Voucher #:	49796	Invoice	Invoice No:	1TKP-QNGX-V1PP	11/19/2024	Paid Amt: \$129.00
				E 01	300 361 000 430 000 Regular Ind Supplies		\$276.99
PO#:	Voucher #:	49797	Invoice	Invoice No:	1WRF-LFWH-XH9W	11/19/2024	Paid Amt: \$276.99
				E 01	300 292 000 401 000 Non-Instruct Supply		\$313.37
PO#:	Voucher #:	49795	Invoice	Invoice No:	1FD4-H11V-GTRC	11/19/2024	Paid Amt: \$313.37
				E 01	005 810 000 350 000 Building & Grounds Repair		\$27.17
PO#:	Voucher #:	49821	Invoice	Invoice No:	19RP-9LW4-4KWD	11/19/2024	Paid Amt: \$27.17
				E 01	005 620 000 430 500 SNUSTAD Media Instructional Supply		\$108.61
PO#:	Voucher #:	49807	Invoice	Invoice No:	1D4K-V3PP-TQJ1	11/19/2024	Paid Amt: \$108.61
				E 01	005 620 000 430 500 SNUSTAD Media Instructional Supply		\$20.56
PO#:	Voucher #:	49798	Invoice	Invoice No:	17YP-RLY3-376N	11/19/2024	Paid Amt: \$20.56

Win-E-Mac Public School #2609

Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
2609	ASB	51040	AMAZO		AMAZON CAPITAL SERVICES		Check		
				E 01	300 331 000 430 000 Instructional Supply			\$257.19	
PO#:		Voucher #:	49822	Invoice	Invoice No: 1PY3-X1P3-7KPV	11/19/2024	Paid Amt:	\$257.19	
				E 01	005 718 342 401 000 Safe School Non-Instruct Supply			\$35.55	
PO#:		Voucher #:	49808	Invoice	Invoice No: 1FCD-DYVT-JXCK	11/19/2024	Paid Amt:	\$35.55	
							Check Amount:	\$1,377.30	
2609	ASB	51041	ARESP		AREA SPECIAL ED CO-OP #997		Check		
				E 01	100 407 000 394 000 ASEC Membership Fees			\$13,551.86	
PO#:		Voucher #:	49968	Invoice	Invoice No: 10012024	11/19/2024	Paid Amt:	\$13,551.86	
				E 01	100 407 000 394 000 ASEC Membership Fees			\$13,551.86	
PO#:		Voucher #:	49969	Invoice	Invoice No: 11012024	11/19/2024	Paid Amt:	\$13,551.86	
							Check Amount:	\$27,103.72	
2609	ASB	51042	CARQU		Auto Value Fosston		Check		
				E 01	005 760 720 401 000 Non-Instruct Supply-Transportation			\$50.96	
PO#:		Voucher #:	49943	Invoice	Invoice No: 130170074-130170420	11/19/2024	Paid Amt:	\$50.96	
							Check Amount:	\$50.96	
2609	ASB	51043	2138		Bemidji Welders Supply Inc		Check		
				E 01	300 260 000 430 000 Instructional Supply - Science			\$112.63	
PO#:		Voucher #:	49940	Invoice	Invoice No: 0010145434	11/19/2024	Paid Amt:	\$112.63	
							Check Amount:	\$112.63	
2609	ASB	51044	2919		BLUUM OF MINNESOTA LLC		Check		
				E 01	005 605 302 555 000 Technology Equip.			\$3,049.00	
PO#: 5154		Voucher #:	49862	Invoice	Invoice No: 1012275	11/19/2024	Paid Amt:	\$3,049.00	
							Check Amount:	\$3,049.00	
2609	ASB	51045	BRAMA		BRADY, MARTZ & ASSOCIATES, PC		Check		
				E 01	005 105 000 305 000 Advertising/audit/			\$4,200.00	
PO#:		Voucher #:	49939	Invoice	Invoice No: 847734	11/19/2024	Paid Amt:	\$4,200.00	
							Check Amount:	\$4,200.00	
2609	ASB	51046	3199		BRENCO		Check		
				E 01	005 810 000 401 000 Building Supplies			\$793.80	
PO#:		Voucher #:	49812	Invoice	Invoice No: 0156378-IN	11/19/2024	Paid Amt:	\$793.80	
				E 01	005 810 000 401 000 Building Supplies			\$425.94	
PO#:		Voucher #:	49973	Invoice	Invoice No: 0157821-IN	11/19/2024	Paid Amt:	\$425.94	
				E 01	005 810 000 401 000 Building Supplies			\$431.12	
PO#:		Voucher #:	49869	Invoice	Invoice No: 0157066-IN	11/19/2024	Paid Amt:	\$431.12	
				E 01	005 810 000 401 000 Building Supplies			\$212.50	
PO#:		Voucher #:	49870	Credit	Invoice No: 0157068-IN	11/19/2024	Paid Amt:	(\$212.50)	

Co	Bank	Check No	Code	Rcd	Vendor							Pmt/Void Date	Pmt Type
2609	ASB	51046	3199		BRENCO								Check
				E 01	005	810	000	401	000	Building Supplies	\$42.50		
	PO#:	Voucher #:	49871	Credit	Invoice No: 0157069-IN					11/19/2024	Paid Amt:	(\$42.50)	
											Check Amount:	\$1,395.86	
2609	ASB	51047	BRYANF		BRYAN ROCK PRODUCTS								Check
				E 01	005	850	302	520	000	Building Improvement	\$682.55		
	PO#:	Voucher #:	49956	Invoice	Invoice No: 67492					11/19/2024	Paid Amt:	\$682.55	
											Check Amount:	\$682.55	
2609	ASB	51048	1632		BSN Sports, INC								Check
				E 01	300	292	302	530	000	Equipment -Pur&lease	\$2,350.60		
	PO#:	Voucher #:	49942	Invoice	Invoice No: 927461867					11/19/2024	Paid Amt:	\$2,350.60	
				E 01	300	292	302	530	000	Equipment -Pur&lease	\$833.00		
	PO#:	Voucher #:	49974	Invoice	Invoice No: 927444770					11/19/2024	Paid Amt:	\$833.00	
											Check Amount:	\$3,183.60	
2609	ASB	51049	BURHH		BURGGRAF'S ACE HARDWARE								Check
				E 01	300	292	000	460	500	SNUSTAD Equipment	\$57.97		
				E 01	005	760	720	401	000	Non-Instruct Supply-Transportation	\$105.97		
				E 01	005	810	000	350	000	Building & Grounds Repair	\$189.89		
				E 01	300	292	000	401	124	Non-Instruct Supply Track	\$45.94		
	PO#:	Voucher #:	49954	Invoice	Invoice No: 462954-463657					11/19/2024	Paid Amt:	\$399.77	
											Check Amount:	\$399.77	
2609	ASB	51050	1375		CENGAGE LEARNING								Check
				E 01	300	341	000	430	000	Quote 6550133	\$330.75		
	PO#: 5149	Voucher #:	49829	Invoice	Invoice No: 85765145, 85773209					11/19/2024	Paid Amt:	\$330.75	
											Check Amount:	\$330.75	
2609	ASB	51051	2836		CHOICE THERAPY CROOKSTON								Check
				E 01	300	292	000	305	000	Consult & Serv Fees	\$1,792.60		
	PO#:	Voucher #:	49817	Invoice	Invoice No: 1137					11/19/2024	Paid Amt:	\$1,792.60	
											Check Amount:	\$1,792.60	
2609	ASB	51052	1484		COCA-COLA BOTTLING CO HIGH COUNTRY								Check
				E 01	300	292	000	401	301	AD concession exp	\$345.00		
	PO#:	Voucher #:	49811	Invoice	Invoice No: 4913982					11/19/2024	Paid Amt:	\$345.00	
											Check Amount:	\$345.00	
2609	ASB	51053	1898		EAST SIDE JERSEY DAIRY INC								Check
				E 02	005	770	701	495	000	Milk	\$2,775.54		
	PO#:	Voucher #:	49962	Invoice	Invoice No: 9030759-9043350					11/19/2024	Paid Amt:	\$2,775.54	
											Check Amount:	\$2,775.54	

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Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
2609	ASB	51068	2851		LINDE GAS & EQUIPMENT INC		Check
				E 01	300 361 000 430 000 Regular Ind Supplies	\$70.10	
	PO#:	Voucher #:	49823	Invoice	Invoice No: 45883876	11/19/2024	Paid Amt: \$70.10 Check Amount: \$70.10
2609	ASB	51069	2600		MCGLYNN FENCE		Check
				E 01	005 850 302 520 000 Building Improvement	\$6,670.00	
	PO#:	Voucher #:	49830	Invoice	Invoice No: 101424	11/19/2024	Paid Amt: \$6,670.00 Check Amount: \$6,670.00
2609	ASB	51070	MCGHI		MCGRAW-HILL		Check
				E 01	100 203 302 460 000 Elementary Capital	\$1,467.45	
	PO#: 5155	Voucher #:	49863	Invoice	Invoice No: 134796587001	11/19/2024	Paid Amt: \$1,467.45 Check Amount: \$1,467.45
2609	ASB	51071	1150		MIKE'S LOCK & KEY SERVICE		Check
				E 01	005 810 000 350 000 Building & Grounds Repair	\$598.00	
	PO#:	Voucher #:	49856	Invoice	Invoice No: 17956	11/19/2024	Paid Amt: \$598.00 Check Amount: \$598.00
2609	ASB	51072	MNESH		MN ELEM. SCHOOL PRINCIPAL ASSO		Check
				E 01	100 640 316 366 000 Travel-Staff Dev	\$500.00	
	PO#:	Voucher #:	49859	Invoice	Invoice No: 18539	11/19/2024	Paid Amt: \$500.00 Check Amount: \$500.00
2609	ASB	51073	NORCB		NORTH CENTRAL BUS SALES		Check
				E 01	005 760 720 401 000 Non-Instruct Supply-Transportation	\$58.32	
	PO#:	Voucher #:	49832	Invoice	Invoice No: 316902	11/19/2024	Paid Amt: \$58.32
				E 01	005 760 720 401 000 Non-Instruct Supply-Transportation	\$190.07	
	PO#:	Voucher #:	49833	Invoice	Invoice No: 316618X1	11/19/2024	Paid Amt: \$190.07
				E 01	005 760 720 401 000 Non-Instruct Supply-Transportation	\$118.63	
	PO#:	Voucher #:	49834	Invoice	Invoice No: 316791	11/19/2024	Paid Amt: \$118.63
				E 01	005 760 720 401 000 Non-Instruct Supply-Transportation	\$245.35	
	PO#:	Voucher #:	49835	Invoice	Invoice No: 316618	11/19/2024	Paid Amt: \$245.35
				E 01	005 760 720 401 000 Non-Instruct Supply-Transportation	\$67.78	
	PO#:	Voucher #:	49836	Invoice	Invoice No: 316445	11/19/2024	Paid Amt: \$67.78 Check Amount: \$680.15
2609	ASB	51074	NORCL		NORTH COUNTRY LUMBER INC		Check
				E 01	300 361 000 430 303 Ind Tech Student Resale Items	\$463.50	
	PO#:	Voucher #:	49970	Invoice	Invoice No: 57433	11/19/2024	Paid Amt: \$463.50 Check Amount: \$463.50

Win-E-Mac Public School #2609

Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
2609	ASB	51075	NCTC		NORTHLAND COMMUNITY COLLEGE		Check
				E 01	300 050 000 394 000 CIHS (College in the High School)	\$3,100.00	
PO#:		Voucher #:	49868	Invoice	Invoice No: CI0000003044	11/19/2024	Paid Amt: \$3,100.00
							Check Amount: \$3,100.00
2609	ASB	51076	norec		NORTHWEST SERVICE COOPERATIVE		Check
				E 01	005 620 343 366 000 School Library Aid - Travel	\$499.00	
PO#:		Voucher #:	49816	Invoice	Invoice No: 10318	11/19/2024	Paid Amt: \$499.00
				E 01	005 010 000 820 000 Dues & Membership - Board	\$482.90	
PO#:		Voucher #:	49860	Invoice	Invoice No: 10386	11/19/2024	Paid Amt: \$482.90
							Check Amount: \$981.90
2609	ASB	51077	2303		OFTEDAHL OVERHEAD DOORS LLC		Check
				E 01	005 810 000 350 000 Building & Grounds Repair	\$250.00	
PO#:		Voucher #:	49831	Invoice	Invoice No: 2964	11/19/2024	Paid Amt: \$250.00
							Check Amount: \$250.00
2609	ASB	51078	1379		PAN O GOLD		Check
				E 02	005 770 701 490 000 Food	\$559.88	
PO#:		Voucher #:	49961	Invoice	Invoice No: 224288017-224302015	11/19/2024	Paid Amt: \$559.88
							Check Amount: \$559.88
2609	ASB	51079	1498		PERFORMANCE FOODSERVICE		Check
				E 01	300 292 000 401 301 AD concession exp	\$66.31	
PO#:		Voucher #:	49800	Invoice	Invoice No: 312834	11/19/2024	Paid Amt: \$66.31
				E 02	005 770 701 490 000 Food	\$21.00	
PO#:		Voucher #:	49839	Invoice	Invoice No: 319746	11/19/2024	Paid Amt: \$21.00
				E 02	005 770 701 490 000 Food	\$1,493.68	
PO#:		Voucher #:	49867	Invoice	Invoice No: 324000	11/19/2024	Paid Amt: \$1,493.68
				E 02	005 770 705 490 000 Food - Breakfast	\$800.33	
PO#:		Voucher #:	49866	Invoice	Invoice No: 323998	11/19/2024	Paid Amt: \$800.33
				E 02	005 770 701 490 000 Food	\$1,507.44	
PO#:		Voucher #:	49964	Invoice	Invoice No: 339438	11/19/2024	Paid Amt: \$1,507.44
				E 02	005 770 701 490 000 Food	\$1,503.65	
PO#:		Voucher #:	49893	Invoice	Invoice No: 331827	11/19/2024	Paid Amt: \$1,503.65
				E 02	005 770 707 490 000 Food - Ala carte	\$139.58	
PO#:		Voucher #:	49891	Invoice	Invoice No: 331824	11/19/2024	Paid Amt: \$139.58
				E 02	005 770 701 490 000 Food	\$3,084.98	
PO#:		Voucher #:	49858	Invoice	Invoice No: 327634	11/19/2024	Paid Amt: \$3,084.98
				E 02	005 770 701 490 000 Food	\$96.74	
PO#:		Voucher #:	49840	Invoice	Invoice No: 319949	11/19/2024	Paid Amt: \$96.74
				E 02	005 770 701 490 000 Food	\$788.64	
PO#:		Voucher #:	49799	Invoice	Invoice No: 312749	11/19/2024	Paid Amt: \$788.64

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Win-E-Mac Public School #2609

Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
2609	ASB	51082	2503		Riverview Health		Check
				E 01	005 760 720 305 000 Consult & Serv Fees	\$100.00	
	PO#:	Voucher #:	49937	Invoice	Invoice No: 102324	11/19/2024	Paid Amt: \$100.00
							Check Amount: \$100.00
2609	ASB	51083	SCHSP		SCHOOL SPECIALTY LLC		Check
				E 01	100 203 000 430 002 Instructional Supply - Grade 2	\$12.20	
	PO#:	Voucher #:	49950	Invoice	Invoice No: 208135102331	11/19/2024	Paid Amt: \$12.20
							Check Amount: \$12.20
2609	ASB	51084	2918		SOLID BOTTOM SEPTIC LLC		Check
				E 01	005 810 000 350 000 Building & Grounds Repair	\$683.20	
	PO#:	Voucher #:	49894	Invoice	Invoice No: 9031	11/19/2024	Paid Amt: \$683.20
							Check Amount: \$683.20
2609	ASB	51085	1733		Sterling Carpet One		Check
				E 01	005 715 342 530 000 Safe Schools Equipment -Pur&lease	\$9,657.25	
	PO#:	Voucher #:	49872	Invoice	Invoice No: CG419683	11/19/2024	Paid Amt: \$9,657.25
				E 01	005 810 000 350 000 Building & Grounds Repair	\$809.24	
	PO#:	Voucher #:	49818	Invoice	Invoice No: CG421408	11/19/2024	Paid Amt: \$809.24
							Check Amount: \$10,466.49
2609	ASB	51086	1378		THIEF RIVER GLASS INC		Check
				E 01	005 850 302 520 000 Building Improvement	\$560.00	
	PO#:	Voucher #:	49975	Invoice	Invoice No: 0010256	11/19/2024	Paid Amt: \$560.00
							Check Amount: \$560.00
2609	ASB	51087	GRAFG		US FOODS		Check
				E 02	005 770 705 490 000 Food - Breakfast	\$1,507.40	
				E 02	005 770 701 490 000 Food	\$6,665.80	
				E 02	005 770 707 490 000 Food - Ala carte	\$894.56	
	PO#:	Voucher #:	49896	Invoice	Invoice No: 10/3/24-10/31/24	11/19/2024	Paid Amt: \$9,067.76
							Check Amount: \$9,067.76
2609	ASB	51088	WILDR		WILDRICE COOPERATIVE		Check
				E 01	005 810 000 330 000 Utilities	\$11,856.40	
				E 01	005 810 000 330 000 Utilities	\$52.50	
				E 01	005 760 720 330 000 Utilities	\$173.83	
	PO#:	Voucher #:	49957	Invoice	Invoice No: 11092024	11/19/2024	Paid Amt: \$12,082.73
							Check Amount: \$12,082.73
2609	ASB	51089	WTRAV		WIN-E-MAC TRAVEL CENTER		Check
				E 01	005 760 720 440 000 Fuel	\$7,387.53	

Win-E-Mac Public School #2609

Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
2609	ASB	51089	WTRAVI		WIN-E-MAC TRAVEL CENTER		Check
				E 01 300 298 000 401 300	Student Council Fundraising Expense	\$125.14	
	PO#:	Voucher #:	49978	Invoice	Invoice No: 103124	11/19/2024	Paid Amt: \$7,512.67
							Check Amount: \$7,512.67
2609	ASB	51090	1498		PERFORMANCE FOODSERVICE		Check
				E 02 005 770 701 490 000	Food	\$275.46	
	PO#:	Voucher #:	49987	Invoice	Invoice No: 331634-1	11/19/2024	Paid Amt: \$275.46
							Check Amount: \$275.46
2609	ASB	51091	ADABO		ADA-BORUP-WEST SCHOOL DIST		Check
				E 01 005 020 000 305 000	Superintendent Shared Contract	\$10,643.91	
	PO#:	Voucher #:	49988	Invoice	Invoice No: 202505	11/19/2024	Paid Amt: \$10,643.91
							Check Amount: \$10,643.91
2609	ASB	51092	3220		MTM INC		Check
				E 01 005 810 000 520 000	Building Improvement	\$1,116.90	
	PO#:	Voucher #:	49989	Invoice	Invoice No: 271633	11/19/2024	Paid Amt: \$1,116.90
							Check Amount: \$1,116.90
							Report Total: \$193,109.57

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Win-E-Mac Public School #2609

Detail Payment Register By Wire

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
2609	ASB	2922			WEX BPA-VEBA		Wire
				B 28 215 051	VEBA Liability	\$1,560.42	
PO#:	Voucher #:	49789	Invoice	Invoice No:	S2025080	10/18/2024	Paid Amt: \$1,560.42
							Check Amount: \$1,560.42
2609	ASB	2993			WEX HEALTH INC-HSA		Wire
				B 28 215 029	Flexible Benefits	\$1,098.75	
				B 28 215 051	VEBA Liability	\$562.50	
PO#:	Voucher #:	49788	Invoice	Invoice No:	S2025080	10/18/2024	Paid Amt: \$1,661.25
							Check Amount: \$1,661.25
2609	ASB	FED/W			FEDERAL WITHHOLDING		Wire
				B 28 215 010	Federal Tax	\$9,119.23	
				B 28 215 040	Social Security	\$26,168.66	
PO#:	Voucher #:	49778	Invoice	Invoice No:	S2025080	10/18/2024	Paid Amt: \$35,287.89
							Check Amount: \$35,287.89
2609	ASB	MNDER			MINNESOTA DEPT. OF REVENUE		Wire
				B 28 215 020	State Tax	\$5,419.87	
PO#:	Voucher #:	49783	Invoice	Invoice No:	S2025080	10/18/2024	Paid Amt: \$5,419.87
							Check Amount: \$5,419.87
2609	ASB	PERA			PERA		Wire
				B 28 215 050	PERA -Public Employees Retire Assn	\$7,967.72	
PO#:	Voucher #:	49782	Invoice	Invoice No:	S2025080	10/18/2024	Paid Amt: \$7,967.72
							Check Amount: \$7,967.72
2609	ASB	TRA			TEACHERS RETIREMENT ASS.		Wire
				B 28 215 030	Teachers Retirement	\$19,540.26	
PO#:	Voucher #:	49785	Invoice	Invoice No:	S2025080	10/18/2024	Paid Amt: \$19,540.26
							Check Amount: \$19,540.26
2609	ASB	2912			NW Service Cooperative MEDICA		Wire
				B 28 215 060	Health Insurance	\$64,931.61	
				B 28 215 060	Adj to Strmt	(\$1,679.11)	
				E 01 005 110 000 305 000	EAP	\$70.20	
PO#:	Voucher #:	49780	Invoice	Invoice No:	S2025080	10/18/2024	Paid Amt: \$63,322.70
							Check Amount: \$63,322.70
2609	ASB	2922			WEX BPA-VEBA		Wire
				B 28 215 051	VEBA Liability	\$1,560.42	
PO#:	Voucher #:	49890	Invoice	Invoice No:	S2025090	11/5/2024	Paid Amt: \$1,560.42
							Check Amount: \$1,560.42
2609	ASB	2993			WEX HEALTH INC-HSA		Wire
				B 28 215 029	Flexible Benefits	\$1,618.75	

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
2609	ASB	2993			WEX HEALTH INC-HSA		Wire
			B 28	215 051	VEBA Liability	\$562.50	
	PO#:	Voucher #:	49889	Invoice	Invoice No: S2025090	11/5/2024	Paid Amt: \$2,181.25 Check Amount: \$2,181.25
2609	ASB	FED/W			FEDERAL WITHHOLDING		Wire
			B 28	215 010	Federal Tax	\$9,434.57	
			B 28	215 040	Social Security	\$26,611.52	
	PO#:	Voucher #:	49879	Invoice	Invoice No: S2025090	11/5/2024	Paid Amt: \$36,046.09 Check Amount: \$36,046.09
2609	ASB	MNDER			MINNESOTA DEPT. OF REVENUE		Wire
			B 28	215 020	State Tax	\$5,530.58	
	PO#:	Voucher #:	49885	Invoice	Invoice No: S2025090	11/5/2024	Paid Amt: \$5,530.58 Check Amount: \$5,530.58
2609	ASB	PERA			PERA		Wire
			B 28	215 050	PERA -Public Employees Retire Assn	\$7,286.01	
	PO#:	Voucher #:	49884	Invoice	Invoice No: S2025090	11/5/2024	Paid Amt: \$7,286.01 Check Amount: \$7,286.01
2609	ASB	TRA			TEACHERS RETIREMENT ASS.		Wire
			B 28	215 030	Teachers Retirement	\$19,449.97	
	PO#:	Voucher #:	49887	Invoice	Invoice No: S2025090	11/5/2024	Paid Amt: \$19,449.97 Check Amount: \$19,449.97
2609	ASB	FED/W			FEDERAL WITHHOLDING		Wire
			B 28	215 010	Federal Tax	\$2,857.49	
			B 28	215 040	Social Security	\$6,973.48	
	PO#:	Voucher #:	49944	Invoice	Invoice No: S202509S0	11/8/2024	Paid Amt: \$9,830.97 Check Amount: \$9,830.97
2609	ASB	MNDER			MINNESOTA DEPT. OF REVENUE		Wire
			B 28	215 020	State Tax	\$1,573.51	
	PO#:	Voucher #:	49946	Invoice	Invoice No: S202509S0	11/8/2024	Paid Amt: \$1,573.51 Check Amount: \$1,573.51
2609	ASB	PERA			PERA		Wire
			B 28	215 050	PERA -Public Employees Retire Assn	\$560.00	
	PO#:	Voucher #:	49945	Invoice	Invoice No: S202509S0	11/8/2024	Paid Amt: \$560.00 Check Amount: \$560.00

Win-E-Mac Public School #2609

Detail Payment Register By Wire

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
2609	ASB		TRA		TEACHERS RETIREMENT ASS.		Wire
				B 28 215 030	Teachers Retirement		\$5,008.78
	PO#:	Voucher #:	49947	Invoice	Invoice No: S202509S0	11/8/2024	Paid Amt: \$5,008.78
							Check Amount: \$5,008.78
							Report Total: \$223,787.69

Finance Officers Report
November 2024

Food Service

- Lunch Verification: The lunch verification process was completed last week. We contacted one family to confirm their eligibility.
- Free & Reduced: We are currently at 46.04% in the elementary, 48.13% at the secondary level and 46.97% overall (prior year 49.89%).

Enrollment

- Our K-12 enrollment as of Nov 1 was 441 (prior year 421). This has increased 2 from the previous meeting. The budget update in December will have updated projected enrollment for the year. The original budget had a K-12 student count of 413.

Other

- The next board meeting will be the budget & levy meeting. There will be a presentation regarding the levy and time allotted for the public to speak at that meeting.
- We will also approve an updated budget at the December meeting.
- I will begin to draw down our REAP & Title funds in SERVS in December
- Brady Martz will go over the audit at this meeting

Win-E-Mac School District #2609

Free and Reduced Summary

	9/3/2024			10/1/2024			11/1/2024			12/1/2024			1/1/2025		
	Elem	Sec	Total	Elem	Sec	Total	Elem	Sec	Total	Elem	Sec	Total	Elem	Sec	Total
Direct Certify Free	104		87	191	110		87	197	101		79	180	0		0
Free w/app	4		3	7	0		4	4	0		4	4	0		0
Total Free	108		90	198	110		91	201	101		83	184	0	0	0
Direct Certify Reduced	21		20	41	15		18	33	14		16	30	0		0
Reduced w/app	5		3	8	7		4	11	7		4	11	0		0
Total Reduced	26		23	49	22		22	44	21		20	41	0	0	0
Overall total	134		113	247	132		113	245	122		103	225	0	0	0
Enrollment	263		218	481	263		211	474	265		214	479	0	0	0
% Free & Reduced	50.95%	51.83%	51.35%		50.19%	53.55%	51.69%		46.04%	48.13%	46.97%		0.00%	0.00%	0.00%

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Win-E-Mac School District #2609
Enrollment

	Final 2023-24	Orig. Est. 2024-25	9/3/2024	10/1/2024	11/1/2024	12/1/2024	1/1/2025	2/1/2025	3/1/2025	4/1/2025	5/1/2025	5/23/2025	Final Budget	ADM Report
EC	3.29	0	5	7	7								6.33	
VPK	11.06	15.6	12.6	14.4	14.4								13.80	
K	28.67	25	32	33	33								32.67	
1	24.85	28	31	30	30								30.33	
2	26.3	24	27	26	26								26.33	
3	31	25	29	30	31								30.00	
4	30.72	31	34	34	33								33.67	
5	41	29	35	34	34								34.33	
6	29.45	41	41	41	41								41.00	
Total Elementary	226.34	218.6	246.6	249.4	249.4	0	0	0	0	0	0	0	248.47	0.00
7	32.97	29	33	34	34								33.67	
8	46.21	32	34	36	36								35.33	
9	34.9	46	46	43	43								44.00	
10	28.51	34	36	36	38								36.67	
11	34.46	28	29	29	29								29.00	
12	35.08	36	34	33	33								33.33	
Total High School	212.13	205	212	211	213	0	0	0	0	0	0	0	212.00	0.00
Total Enrollment	438.47	423.6	458.6	460.4	462.4	0	0	0	0	0	0	0	460.47	0.00
K-12 Enrollment	424.12	408	441	439	441	0	0	0	0	0	0	0	440.33	0.00

**WIN-E-MAC SCHOOL DISTRICT #2609
INTEREST EARNINGS
FOR THE MONTHS ENDED FY 2024-25**

[illegible]

**WIN-E-MAC SCHOOL DISTRICT #2609
INVESTMENT SUMMARY
FOR MONTHS ENDED FY 2024-25**

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Unaudited June
<u>First National Bank - McIntosh</u>												
CD #31000512												
14 month CD at 2.90%												
Maturity 12/02/25	\$ 152,923	\$ 152,923	\$ 152,923	\$ 162,386								
CD #31000551												
14 month CD at 5.25%												
Maturity 2/21/25	576,283	576,283	576,283	576,283								
Troutman Trust Account:												
CD# 31000513												
14 month CD at 2.90%												
Maturity 12/02/2025	506,772	506,772	506,772	538,130								
<u>American State Bank - Erskine</u>												
Trophy Fund												
CD #47402												
12 month CD at 3.10%												
Maturity 8/25/2025	2,094	2,094	2,094	2,094								
<u>Ultima Bank - Winger</u>												
UBM Direct - 85417	272,695	273,367	274,009	274,661								
<u>Liquid Asset Fund</u>												
General												
MSDLAF:	105,924	51,904	6,597	48,464								
MSDMAX:	2,129,564	2,415,787	2,488,995	2,654,878								
Total General	2,235,489	2,467,692	2,495,592	2,703,342								
Trust												
MSDLAF:	367	369	370	372								
MSDMAX:	9,313	9,355	9,394	9,432								
Total Trust	9,680	9,723	9,764	9,804								
<u>MN Trust</u>												
Money Market	499	501	503	506								
Total Investments	<u>\$ 3,756,435</u>	<u>\$ 3,989,355</u>	<u>\$ 4,017,941</u>	<u>\$ 4,267,206</u>								

**WIN-E-MAC SCHOOL DISTRICT #2609
CASH RECONCILIATION BY FUND
FOR THE MONTHS ENDED FY 2024-25**

[illegible]

Liquid Asset Fund Trust	\$ 9,680.31	\$ 9,723.14	\$ 9,763.76	\$ 9,803.78
Liquid Asset Fund General	2,235,489	2,467,692	2,495,592	2,703,342
Ultima Bank	272,695	273,367	274,009	274,661
MN Trust Money Market	499	501	503	506
Certificate of Deposit - First National	729,207	729,207	729,207	738,669
Certificate of Deposit -Trust Principal	506,772	506,772	506,772	538,130
Certificate of Deposit - Trophy Fund	2,094	2,094	2,094	2,094
Total Bank Balance	\$ 3,756,435	\$ 3,989,355	\$ 4,017,941	\$ 4,267,206
Difference	-	-	-	-

Book		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	24
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[illegible][illegible]

WIN-E-MAC SCHOOL DISTRICT

AARON COOK, SUPERINTENDENT

www.wemschools.org

Phone: (218)563-2900

23130 345th Street SE
Erskine, MN 56535
Casey Reiersen, Principal

DISTRICT FAX: (218)563-2107
H.S./ELEM. FAX: (218)563-2902

November 15, 2024

Superintendent Report

November 2024 School Board Meeting

1. School Board Elections
 - a. Congratulations to Tyler Brekken, Davin Swanson, Nicki Carlson & Amanda Schow
 - i. Thank you to others for running
2. Read Act MOU
 - a. Need approval on the Read Act MOU. Legislative requirements require the MOU to be in place based on funds from the 2024 cycle.
3. FY24 Audit
 - a. Total general fund loss of \$184,569
 - i. Unassigned funds will have a loss of \$1257
4. Softball Field Scoreboard
 - a. Can purchase a 9 inning scoreboard from UMC for \$5000
5. Sports Medicine Contract with Essentia
 - a. We will be able to have trainer services from Essentia at no cost to the school
6. MSBA Conference & Meetings
 - a. MSBA Conference will be on Jan 16 & 17
 - b. MSBA will be hosting a Phase I training at Win-E-Mac on Wednesday Dec 4 from 6-9pm

ISD #2609



WIN-E-MAC SCHOOL DISTRICT

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Principals Report 10/15/2024

- We are communicating with BSU, MSUM, and UND to try and get a licensed long-term social studies substitute.
- Our literacy team has been working on finding our next Reading/LA curriculum. We have found resources that we currently have to pilot and are sending staff members to other schools for observations and discussions.
- Our Career Exploration Day was a success. We will be starting career posts with Garden Valley, the fire departments, and a few other local businesses. There is a very good possibility that our costs will be covered by grants.
- The Read Act- We have completed 5 out of the 8 modules. Our teachers are continuing to do an amazing job. MDE sent a survey out for the next round of teachers.
- Principal Survey Results
- Blue Ribbon Program/Project 11 Kickoff - Brad Hubred has led a group of students through the planning process for a school wide kickoff. Brad is open to conversations about the program, but would also love for board members that are available to come. It will be Tuesday November 26th @ 12:30 in the main gym.
- Community Ed - Committee meeting Wednesday December 4th @ 5:00 PM

- **Principal Casey Reiersen**

ISD #2609



**Minutes of Regular School Board Meeting
Win-E-Mac School District
Tuesday, October 15th, 2024
5:30 PM - Conference Room**

The meeting was called to order by Chairperson Jim Ferden. Members present: Brekken, Ferden, Huschle, Rock, Sander, and Swanson. Members absent: Strom

Audience Members: Heather Burd, Heidi Determan, Rob Hole, Erin Jore, Kristi Plante

Approval of Agenda as amended. This motion, made by Brad Sander and seconded by Tyler Brekken. Carried.

Activities Directors report was in written format. Fall sports seasons are winding down. VB hosts LPA tonight and in FF for that tournament on 10/17; FB travels to KCC tonight to wrap up the regular season. Playoffs - VB pigtail games are on 10/21 (high seed host); FB quarterfinals are on 10/22 (high seed host). Boys & Girls Basketball - JH GBB practice 10/28; GBB practice starts 11/1; BB practice starts 11/18, JH BBB practice starts 11/25. Robotics - We currently have 5 teams (23 kids) this year showing up for practices and working on their robots. VEX IQ Robotics will start after MEA break. Other - PTP meeting & All-Conference selection is scheduled for 10/30 in Mahanomen. The BBB cheer advisor position is still vacant, but there are a couple leads, and I have a backup contingency all set if we cannot find a replacement coach. MSHSL Foundation Form A application will be submitted (free reduced lunch numbers 9-12). Resolution must be approved by the School Board so it can be sent off. Recommend approval of all winter coaches. The Board discussed that a future agenda item should be to have a discussion regarding Spring sports and having an athlete only choose one sport and not two.

Auditors for the month of October were Swanson and Ferden. This motion, made by Jackie Huschle and seconded by Davin Swanson, moved to approve the payment of bills with computer check numbers 50850-50959 in the amount of \$253,595.83; activity check numbers - 19984-19993 in the amount of \$4,672.71, wire payments in the amount of \$216,212.96 and MSDLAF Transfers Redemptions in the amount of \$635,000. Carried.

Brady Martz will be at the next board meeting to discuss the audit.

The Finance Officer report was in written format. Free and Reduced: We are at 51.69% in the elementary, 50.19% at the secondary level, and overall, we are at 53.55% as of 10/1 (prior year 51.87%). Any Students who were on free or reduced lunches from an app from last year, are no longer receiving them under the free or reduced classification. They were required to fill out a new app by mid-October. We are required to complete a lunch verification by Nov 15. Families selected will be notified and must get me the proper paperwork verifying their income. Enrollment - Our enrollment as of Oct 1 was 439, K-12 only. This is down two from the last meeting. Other - EDRS: Soon I will begin to enter the correct numbers for the 2024-25 school year for Special Ed. Brady Martz will go over the audit at this meeting.

The Superintendent Report was in written format. Geothermal update - System is up and operational; Leak in line 18 has been found Will have line repaired and hopeful to have line back

in operations prior to winter. Steins Bus Contract - We will be voiding our contract with Steins. New Hires -Night Custodian – Samantha Timmerman; Bus Driver – Ron Carlson. Shared Leave Request - Looking for approval for teachers to donate up to 1 day for this circumstance.

There was some Board discussion on sending out a survey to all staff regarding how it is going to have only a part-time Superintendent. In addition, a separate survey will be conducted to school board members to evaluate Aaron's performance during the first half of the school year. Jim will be talking to Aaron about them.

The board reports were given and discussed.

Casey Reiersen gave the Principal's report. Mr. Langemo and I have continued using a positive/negative referral system to highlight our students making a positive impact on others and to document negative behaviors and collect data. I went to the local Legion meeting on 10/10 to request a donation to help support this initiative. Our Junior class has a career expo on 10/23. The senior class has a manufacturing tour 10/24. 9th-12th grade will be doing a career exploration on November 8th. I have a meeting scheduled for 9:30 am on October 29th for local businesses interested in contributing to our career explorations in the future. Mr. Eckman added 8 new Honor Society members on 10/9. Our teacher mentors and mentees have completed their first round of peer observations. We have filled our long-term social studies vacancy with Gregory Powell. I have completed the first round of formal observations for non-tenured staff. The Read Act- We have completed 3 out of the 8 modules. Our teachers are plugging away and doing a fine job. Community Ed - Drivers Ed will begin soon. Open gym will start Sunday, November 12th. Pickleball is being planned. There was some discussion on Community Ed. There will not be bulk mailing going out as in the past. It will be digital, on social media, in newspapers, etc.

Approve Minutes of the regular meeting held September 17, 2024. Accept donations and Approve the Fall 2024 CIHAS Memorandum of Understanding with UMC. This motion, made by Brad Sander and seconded by Jackie Huschle, Carried.

Approve the 2024-2025 Boys Basketball Coaches Head: Jerid Courneya Asst: Nathan Johnson Asst: Brady Langemo JH: Russell Johnson. This motion, made by Brad Sander and seconded by Megan Rock, Carried.

Approve the 2024-2025 Girls Basketball Coaches Head: Paul Kaster Asst: Vance Kaupang Asst: Erin Lisburg JH: Shelby Engstrom. This motion, made by Tyler Brekken and seconded by Jackie Huschle, Carried.

Approve 2024-2025 Wrestling Advisor Jeremy Morgenroth. This motion, made by Brad Sander and seconded by Megan Rock, Carried.

Approve hiring Samantha Timmerman as a custodian. This motion, made by Megan Rock and seconded by Jackie Huschle, Carried.

Approve the MSHSL Foundation Form A Resolution. This motion, made by Jackie Huschle and seconded by Davin Swanson, Carried.

Approve agreement to void contract with Steins bus service. This motion, made by Tyler Brekken and seconded by Brad Sander, Carried

Approve hiring Ron Carlson as a bus driver. This motion, made by Brad Sander and seconded by Tyler Brekken, Carried.

Approve offering teachers the opportunity to contribute one sick day towards a shared sick leave bank for Jesse Hickman. This motion, made by Brad Sander and seconded by Megan Rock, Carried. There was discussion on this that this would be approved for now but would like to see an MOU with correct verbiage in the future.

Approve hiring Ashlynn Macho as a .7 FTE paraprofessional. This motion, made by Megan Rock and seconded by Tyler Brekken, Carried.

Approve hiring Sarah English as a 1.0 FTE paraprofessional. This motion, made by Brad Sander and seconded by Jackie Huschle, Carried.

Next Regular Board Meeting will be held on November 19th, 2024, in the Conference Room at 5:30 p.m.

Sander made a motion to adjourn the meeting at 6:30 pm. Brekken seconded the motion. Motion carried.

Donor	Amount	Purpose	Date
American Legion Erskine	\$1,200.00	Positive Behaviors Club	November 2024

WINTER INADVERTENT DEMAND INSURANCE AGREEMENT

This Agreement made this 11th day of November, by and between Win-E-Mac School ("INSURED"); and Wild Rice Electric Cooperative, Inc. ("WILD RICE ELECTRIC"), the parties hereinafter individually "PARTY" or collectively "PARTIES".

RECITALS

1. Wild Rice Electric is able to purchase Winter Inadvertent Demand Insurance from its wholesale power supplier (Minnkota); and
2. The cost of winter billing demand inadvertently caused by the failure of load management and associated control equipment or human error could destroy the benefits normally expected to result from years of savings from participation in the Load Management Program;

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements contained in this Agreement, the INSURED and WILD RICE ELECTRIC agree as follows:

1. Insurance Coverage – Winter Inadvertent Demand Insurance for the 2024-2025 winter billing demands will be furnished by WILD RICE ELECTRIC to the INSURED for the following named off-peak electric load in the stated amount. The INSURED warrants that the load management and auxiliary equipment to control said load is properly installed, maintained, and tested.

<u>Name of Load</u>	<u>Estimated KW Demand</u>	<u>Dollars of Coverage</u> (Est KW Demand x \$96.76)	<u>Cost of Insurance @ 2.5%</u> (Dollars of coverage x .025)
WEMISD2609	450	43,542	1088.55

2. Compensation – In consideration of the Inadvertent Demand Insurance provided by WILD RICE ELECTRIC, the INSURED will pay to WILD RICE ELECTRIC, two and one-half percent (2½%) of the amount of coverage shown in Section 1 above, prior to November 15, 2024.
3. Metering - WILD RICE ELECTRIC warrants the demand of each load listed in paragraph one and INSURED hereunder is metered and recorded so an accurate determination of the possible uncurtailed winter coincidental billing demand contribution can be made. Data thus generated shall be used to determine each claim for insured loss payment submitted by the INSURED.

4. Insured Loss Credit – Upon acceptable demonstration by the INSURED of the magnitude of KW and dollars of INSURED loss, WILD RICE ELECTRIC will credit the INSURED's power billing each month for 12 months, beginning with the April 1, 2024, billing, an amount equal to $0.667 \times$ any portion of the INSURED consumer's KW demand at the appropriate rate which inadvertently and unintentionally became a billing obligation through INSURED's human error or failure of INSURED's load control equipment located on INSURED's premises, but the 12 month total of said loss credits shall not be in excess of two-thirds of the lessor of the amount of insurance coverage purchased for the specific uncurtailed loads or two-thirds of the amount of monetary loss sustained by the INSURED.

IN WITNESS WHEREOF, the PARTIES have caused this Agreement to be executed by their respective authorized representatives as of the day and year first above written.

WILD RICE ELECTRIC COOPERATIVE, INC.

Win-E-Mac School
Account No. 506770

By: _____

Tommy Houdek

Its: Director of Member Services and
Communication

By: _____

Its: _____

Date: _____

Date: _____

RESOLUTION

WHEREAS, Independent School District No. _____ is a member district of the Area Special Education Cooperative (ASEC) of East Grand Forks, Minnesota, and,

WHEREAS, the Board of Directors of the Area Special Education Cooperative at the October 15, 2024 meeting passed a motion to spend Federal Flow-Through Individuals with Disabilities Education Act (IDEA) Part B Section 611 (Fund 01); Individuals with Disabilities Education Act (IDEA) Part B Section 619 – Preschool Grant for Children with Disabilities (Fund 01); Individuals with Disabilities Education Act (IDEA) Part C – Ages Birth through 2 (Fund 01), Individuals with Disabilities Education Act (IDEA) Part B Section 611 Discretionary Low Incidence (Fund 01); Program funds jointly in the Cooperative for the 2024/2025 school year;

THEREFORE, BE IT RESOLVED that _____ be appointed the official representative for Independent School District No. _____, _____, Minnesota empowering him/her to spend their Federal Flow-Through Individuals with Disabilities Education Act (IDEA) Part B Section 611 (Fund 01); Individuals with Disabilities Education Act (IDEA) Part B Section 619 – Preschool Grant for Children with Disabilities (Fund 01); Individuals with Disabilities Education Act (IDEA) Part C – Ages Birth through 2 (Fund 01), Individuals with Disabilities Education Act (IDEA) Part B Section 611 Discretionary Low Incidence (Fund 01); Program funds cooperatively with other schools through the Joint Powers Agency of the Area Special Education Cooperative, 1505 Central Avenue NW, East Grand Forks, Minnesota 56721.

In the presence of:

Board Witness

By _____
Board Chair

Board Witness

By _____
Board Clerk

I hereby certify that I am the duly elected and qualified Clerk of Independent School District No. _____ and the keeper of the records of said school district, that the foregoing is a true and correct copy of the resolution duly adopted at a meeting of the School Board thereof at _____, Minnesota, on the _____ day of _____, 2024, and that the same is now in force.

IN WITNESS WHEREOF, I have hereunto affixed my name as Clerk of Independent School District No. _____ this _____ day of _____, 2024.

Clerk

**INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
ROSTER OF SCHOOL OFFICIALS – UNAUDITED
JUNE 30, 2024

Jim Ferden	Chairperson
Tyler Brekken	Vice-Chairperson
Sarah Strom	Clerk
Brad Sander	Treasurer
Jackie Huschle	Director
Megan Rock	Director
Davin Swanson	Director
Randy Bruer (Through June 30)	Superintendent
Aaron Cook (As of July 1)	Superintendent

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Independent School District No. 2609
Erskine, 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 Independent School District No. 2609, as of and for the year ended June 30, 2024, 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 Independent School District No. 2609, as of June 30, 2024, and the respective changes in financial position 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 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement 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 judgement 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 judgement, 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, budgetary comparison information, schedules, and notes as listed in the table of contents as required supplementary information 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining statements, schedule of changes in fund balance and compliance table as listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, schedule of changes in fund balances, and 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 roster of school officials 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

A handwritten signature in black ink that reads "Brady Martz". The signature is written in a cursive, flowing style.

**BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA**

October 22, 2024

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

This section of Independent School District No. 2609's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the 2023-2024 fiscal year include the following:

- Net position increased \$343,542 over the prior year from current year operations.
- Overall, actual revenues in the Statement of Activities were \$8,418,438 and expenses were \$8,074,896.
- General Fund expenses and other financing uses exceeded General Fund revenues and other financing sources by \$184,653.

Overview of the Financial Statements

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
 - The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's general fund budget for the year, and supplementary information that is presented for additional analysis.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. 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 district-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, liabilities and deferred inflows/outflows of resources – is one way to measure the District's financial health or *position*.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are shown in one category:

- *Governmental activities:* All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. 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 establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues.

The District has one kind of fund:

- **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 funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Financial Analysis of the District as a Whole

Net Position

The District's combined net position was \$7,051,890 on June 30, 2024 (see details in Table A-1).

Table A-1
Statement of Net Position

	2024	2023	Total Percentage Change
Current and Other Assets	\$ 5,704,341	\$ 5,975,833	(4.54) %
Capital Assets	12,125,532	12,605,083	(3.80)
Total Assets	<u>17,829,873</u>	<u>18,580,916</u>	<u>(4.04)</u>
 Deferred Outflows of Resources	 <u>1,073,334</u>	 <u>1,358,775</u>	 <u>(21.01)</u>
 Long-term Liabilities	 8,260,022	 9,178,511	 (10.01)
Other Liabilities	<u>1,677,761</u>	<u>1,897,154</u>	<u>(11.56)</u>
Total Liabilities	<u>9,937,783</u>	<u>11,075,665</u>	<u>(10.27)</u>
 Deferred Inflows of Resources	 <u>1,913,534</u>	 <u>2,155,678</u>	 <u>(11.23)</u>
 Net Position			
Net Investment in Capital Assets	7,492,962	7,160,961	4.64
Restricted	1,324,630	1,484,166	(10.75)
Unrestricted	<u>(1,765,702)</u>	<u>(1,936,779)</u>	<u>(8.83)</u>
Total Net Position	<u>\$ 7,051,890</u>	<u>\$ 6,708,348</u>	<u>5.12 %</u>

Change in Net Position

A summary of the revenues and expenses is presented in Table A-2.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Table A-2 presents the change in net position of the District.

Table A-2
Change in Net Position

	2024	2023	Total Percentage Change
REVENUES			
Program Revenues			
Charges for Services	\$ 183,194	\$ 213,230	(14.09)
Operating Grants and Contributions	1,937,973	1,817,139	6.65
General Revenues			
Property Taxes	1,321,234	1,249,950	5.70
Unrestricted State Aid	4,498,985	4,087,605	10.06
Other Sources	477,052	376,666	26.65
Total Revenues	<u>8,418,438</u>	<u>7,744,590</u>	<u>8.70</u>
EXPENSES			
Administration	488,153	468,676	4.16
District Support	233,786	200,969	16.33
Elementary and Secondary			
Regular Instruction	3,571,364	2,897,003	23.28
Vocational Instruction	367,486	280,332	31.09
Exceptional Instruction	1,196,500	1,100,044	8.77
Community Education/Service	123,513	113,262	9.05
Instructional Support	219,673	102,905	113.47
Pupil Support	886,185	769,264	15.20
Buildings and Equipment	806,532	844,021	(4.44)
Fixed Costs	6,350	26,752	(76.26)
Interest and Fiscal Charges on Long-Term Debt and Lease	175,354	212,166	(17.35)
Total Expenses	<u>8,074,896</u>	<u>7,015,394</u>	<u>15.10</u>
Change in Net Position	343,542	729,196	(52.89)
Net Position - Beginning	<u>6,708,348</u>	<u>5,979,152</u>	<u>12.20</u>
Net Position - Ending	<u>\$ 7,051,890</u>	<u>\$ 6,708,348</u>	<u>5.12</u>

The District's total revenues were \$8,418,438 for the year ended June 30, 2024. Property taxes and unrestricted state aid payments accounted for 69.14 percent of total revenue for the year.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

The total cost of all programs and services was \$8,074,896. The District's expenses are predominantly related to educating and caring for students. The purely administrative activities of the District accounted for just 6.05 percent of total costs.

The net cost of governmental activities is their total costs less program revenues applicable to each category. Table A-3 presents these net costs:

Table A-3
Net Cost of Governmental Activities

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Administration	\$ 488,153	\$ (488,153)	\$ 468,676	\$ (468,676)
District Support	233,786	(233,786)	200,969	(200,969)
Elementary and Secondary				
Regular Instruction	3,571,364	(3,142,885)	2,897,003	(2,449,522)
Vocational Instruction	367,486	(363,816)	280,332	(280,169)
Exceptional Instruction	1,196,500	(305,084)	1,100,044	(418,855)
Community Education/Service	123,513	(36,998)	113,262	(48,326)
Instructional Support	219,673	(87,298)	102,905	(39,634)
Pupil Support	886,185	(420,115)	769,264	(48,957)
Buildings and Equipment	806,532	(693,890)	844,021	(790,999)
Fixed Costs	6,350	(6,350)	26,752	(26,752)
Interest on Long-Term Debt and Lease Liabilities	175,354	(175,354)	212,166	(212,166)
Total	<u>\$ 8,074,896</u>	<u>\$ (5,953,729)</u>	<u>\$ 7,015,394</u>	<u>\$ (4,985,025)</u>

Financial Analysis of the District's Funds

Fund Balance

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined ending fund balance of \$3,294,399. The fund balance had a net decrease of \$175,408 from the June 30, 2023 fund balance.

Revenues and other financing sources for the District's governmental funds were \$8,400,025 while total expenditures and other financing uses were \$8,575,433.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Revenues and Expenditures

A summary of the revenues and expenditures reported on the governmental fund financial statements appears in Table A-4 below:

Table A-4
Revenues, Other Financing Sources, and Expenditures – Governmental Funds

2024

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing (Uses) Sources</u>	<u>Fund Balance Increase (Decrease)</u>
General Fund	\$ 6,987,615	\$ 7,181,510	\$ 9,242	\$ (184,653)
Food Service Fund	408,041	405,522	-	2,519
Community Service Fund	119,661	123,513	-	(3,852)
Debt Service Fund	875,466	864,888	-	10,578
Total	<u>\$ 8,390,783</u>	<u>\$ 8,575,433</u>	<u>\$ 9,242</u>	<u>\$ (175,408)</u>

2023

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing (Uses) Sources</u>	<u>Fund Balance Increase (Decrease)</u>
General Fund	\$ 6,389,838	\$ 7,371,782	\$ 335,569	\$ (646,375)
Food Service Fund	334,776	346,105	-	(11,329)
Community Service Fund	122,940	113,263	-	9,677
Debt Service Fund	880,870	939,876	(4,075,000)	(4,134,006)
Total	<u>\$ 7,728,424</u>	<u>\$ 8,771,026</u>	<u>\$ (3,739,431)</u>	<u>\$ (4,782,033)</u>

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget. The School Board approved and adopted the budget two times through the year. The original budget anticipated an increase in the fund balance of \$191,110 at year end, while the final budget anticipated an increase in the fund balance of \$74,318. Significant changes between the original budget and final budget in revenues included Other Local and County Revenues increasing by \$169,600, and Revenue from State Sources increasing by \$350,739. Significant changes in expenditures included Exceptional Instruction increasing by \$164,243 and Elementary and Secondary Regular Instruction increasing by \$160,690.

Although the District's final budget for the general fund anticipated expenditures and other financing uses would exceed revenues and other financing sources by \$74,318, the actual results show expenditures and other financing uses exceed revenues and other financing sources by \$184,653.

- Revenues were \$99,188 less than projections.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

- The actual expenditures were \$169,025 above the budgeted figure due to \$187,320 more in elementary and secondary regular instruction expenditures and \$73,940 more capital outlay due to parking lot improvements.

The General Fund ended with a fund balance of \$2,754,724 which was a decrease of \$258,971 from the final budgeted amount.

Overview of Funds

General Fund

The General Fund represents the majority of the District's financial activities. A brief summary of General Fund revenues and expenditures will be explained below.

The most significant revenue source for the District is from state sources which include general education funding and special education funding. Revenue from state sources consists of 79 percent of the total General Fund revenues for 2023-24 compared to 74 percent in 2022-23. Federal grant revenue consists of 2.9 percent of total revenues for 2023-24 compared to 9.5 percent in 2022-23. General property taxes account for 9 percent of the total General Fund revenues for 2023-24 compared to 9 percent in 2022-23. The remaining revenue sources consists of local and county revenues (8 percent for 2023-24 and 7 percent for 2022-23), and sale/other conversion of assets (1.0 percent and 0.1 percent in 2023-24 and 2022-23, respectively).

General Fund Expenditures for 2023-2024 were spent on the following categories:

- Salaries and related benefits make up the highest portion of expenditures at 76 percent in 2023-24. The total percentage was 69 percent in 2022-23.
- 3.7 percent of expenditures in 2023-24 (12.1 percent in 2022-23) were spent on capital related items.

The District has a Troutman Trust Fund. \$500,000 that was willed to the School District is kept in a trust fund administered by the First National Bank of McIntosh. The interest from the principal amount has either remained in the trust fund or been used to fund technology updates. The District spent \$0 out of this fund in 2023-24. The District has used the funds in a manner consistent with accountability standards.

Food Service Fund

This fund accounts for all expenses of the National School Lunch and Breakfast programs. The District continued to offer free and reduced lunches, as required by law. The percentage of students who qualified for free/reduced lunches was 55% of total enrollment for 2023-24. The Food Service Account maintained a positive year-end balance and did not require a transfer.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Community Service Fund

The Community Service Fund includes expenses & revenues of educational and recreational programs that are not part of the "regular" K-12 and special education programs:

- Early Childhood Family Education (ECFE) & School Readiness
- Programs for Adults
- Programs for Youth
- Classes & Recreational programs

The Community Service Fund showed a positive restricted fund balance of \$299,324 at June 30, 2024. For School Readiness, the District had a decrease in the fund balance and ended with a fund balance of (\$8,831). The School Readiness program cannot operate on state aid payments only so fees are collected from families to offset the cost of additional program costs. The ECFE fund balance was \$80,539 at June 30, 2024.

Debt Service Fund

The principal and interest payments on the District's voter-approved building bonds are tracked within the Debt Service Fund. The Debt Service Fund Balance increased by \$10,578. The District's Levy authority is determined by the principal and interest payments on the building bonds for each year.

Ongoing Review and Changes:

- The School District should continue to monitor increasing costs of transportation, electricity, and other utilities and its relationship to increasing budget expenses, despite the limited control it has over these costs.
- The School District continues to write applications for E-rate services for month-to-month services. Application to this federal program is mandatory for public schools. Our membership in NW Links helps in offsetting telecommunication expenses.
- The District continues to monitor the results of the energy savings projects that have been completed to create a safe, secure and conducive learning environment.
- Due to reduced enrollment numbers and Covid funding ending, the District will be deficit spending in FY 2025; depending on future of legislative actions

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2024, the District had \$12,125,532 invested in capital assets. Table A-5 shows balances as of June 30, 2024 and 2023. During fiscal year 2024, the District placed in service various building improvements and a new vehicle. Refer to note 3 for more information.

Table A-5
Capital Assets (Net of Depreciation and Amortization) at June 30,

	<u>2024</u>	<u>2023</u>
Non-Depreciable Capital Assets:		
Land	\$ 20,000	\$ 20,000
Depreciable Capital Assets:		
Land Improvements	1,732,489	1,693,414
Buses	283,777	354,381
Buildings	9,621,486	9,974,515
Right to Use Leased Assets	166,664	-
Equipment	424,442	490,873
Total Capital Assets, Net of Depreciation and Amortization	<u>\$ 12,248,858</u>	<u>\$ 12,533,183</u>

Long-Term Liabilities

At year end, the District had \$9,106,645 of long-term liabilities. This consisted of bonds payable of \$4,569,000, premium on bonds payable of \$16,796, lease payable of \$46,775, net pension liability of \$3,983,353, other postemployment benefit liability of \$313,887, and severance payable of \$176,835. Note 6 to the financial statements presents details and payment provisions of these items.

Factors Bearing on the District's Future

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

More pressure is being put on the district with special services needed for students. Open enrollment brings more learning needs to the district from Transportation to staffing. While meeting the needs of individual students is important to the District, doing so with limited resources declining will be a challenge.

As accountability standards increase from federal and state agencies, the District needs to review applicable regulations to ensure that we remain in compliance. Funding comes from various agencies and departments (special education, state and federal grants, LCTS, etc.) More accountability requiring systems, accurate records and reports are taking place. It is anticipated that more audits will take place in the future (special education reimbursement, federal grants, transportation, LCTS, Title, Community Service, E-rate, MARSS compliance, STARS compliance, Assurance Standards, Contracted Services, etc.). As the total revenue from the federal government increases beyond \$500,000, the District has an increased likelihood of program audits.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

As the Minnesota Department of Education makes licensing standards more restrictive, the District may find it more difficult to hire fully certified instructors for less than full-time positions. We expect this to increase in all areas of licensure, including paraprofessionals, bus drivers, and food service.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administration Offices, Independent School District No. 2609, 23130 345th Street SE, Erskine, MN 56535

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS

Current Assets

Cash and Investments	\$ 4,216,564
Property Taxes Receivable	885,295
Due from Department of Education	541,001
Other Accounts Receivable	35,339
Prepaid Expenses	22,274
Inventory	3,868
Total Current Assets	<u>5,704,341</u>

Non-Depreciable Capital Assets:

Land	20,000
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Depreciable Capital Assets:

Land Improvements	2,369,385
Buses	1,063,279
Buildings	15,988,108
Right to use Leased Assets	105,001
Equipment	1,323,783
Less Accumulated Depreciation and Amortization	<u>(8,744,024)</u>
Total Capital Assets, Net of Depreciation and Amortization	<u>12,125,532</u>

Total Non-Current Assets	<u>12,125,532</u>
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TOTAL ASSETS	<u>17,829,873</u>
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DEFERRED OUTFLOWS OF RESOURCES

Cost Sharing Defined Benefit Pension Plan - PERA	272,148
Cost Sharing Defined Benefit Pension Plan - TRA	779,754
Other Postemployment Benefit	<u>21,432</u>

TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,073,334</u>
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LIABILITIES

Accounts Payable	78,243
Due to Other Governments	40,000
Accrued Payroll	346,409
Payroll Deductions	334,314
Interest Payable	32,172
Current Portion of Long-Term Liabilities	<u>846,623</u>
Total Current Liabilities	<u>1,677,761</u>

Long-Term Liabilities

Severance Payable	176,835
Leases Payable	46,775
Bonds Payable	4,585,795
Net Pension Liability	3,983,353
Other Post-Employment Liability	313,887
Less Current Portion	<u>(846,623)</u>
Total Long-Term Liabilities	<u>8,260,022</u>

TOTAL LIABILITIES	<u>9,937,783</u>
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See Notes to the Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
STATEMENT OF NET POSITION - CONTINUED
JUNE 30, 2024

DEFERRED INFLOWS OF RESOURCES	
Cost Sharing Defined Benefit Pension Plan - PERA	275,839
Cost Sharing Defined Benefit Pension Plan - TRA	50,164
Other Post Employment Benefit	47,425
Property Taxes Levied - Subs. Years	<u>1,540,106</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,913,534</u>
NET POSITION	
Net Investment in Capital	7,492,962
Restricted for:	
Literacy Incentive Aid	19,435
Long-Term Facilities Maintenance	8,715
Operating Capital	30,108
Safe Schools	22,318
Student Support Personnel Aid	40,000
Medical Assistance	17,997
Student Activities	100,704
Scholarships	21,032
Food Service	15,436
Community Education	200,672
ECFE	80,539
Community Service	18,113
Debt Service	197,376
Troutman Funds	552,185
Unrestricted	<u>(1,765,702)</u>
TOTAL NET POSITION	<u><u>\$ 7,051,890</u></u>

See Notes to the Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
GOVERNMENTAL ACTIVITIES				
Administration	\$ 488,153	\$ -	\$ -	\$ (488,153)
District Support	233,786	-	-	(233,786)
Elementary and Secondary				
Regular Instruction	3,571,364	116,676	311,803	(3,142,885)
Vocational Instruction	367,486	70	3,600	(363,816)
Exceptional Instruction	1,196,500	-	891,416	(305,084)
Community Education/Service	123,513	28,324	58,191	(36,998)
Instructional Support	219,673	-	132,375	(87,298)
Pupil Support	886,185	38,124	427,946	(420,115)
Buildings and Equipment	806,532	-	112,642	(693,890)
Fixed Costs	6,350	-	-	(6,350)
Interest and Fiscal Charges on Long-Term Debt	175,354	-	-	(175,354)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 8,074,896	\$ 183,194	\$ 1,937,973	(5,953,729)

GENERAL REVENUES

Taxes	
Property Taxes, Levied for General Purposes	640,023
Property Taxes, Levied for Community Education	32,254
Property Taxes, Levied for Debt Service	648,957
Unrestricted State Aid	4,498,985
Unrestricted Investment Earnings	138,723
Other General Revenue	338,329
TOTAL GENERAL REVENUES	6,297,271
Change in Net Position	343,542
Net Position - Beginning	6,708,348
Net Position - Ending	<u>\$ 7,051,890</u>

See Notes to the Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 3,302,738	\$ 577,168	\$ 336,658	\$ 4,216,564
Current Property Taxes Receivable	326,585	512,096	18,531	857,212
Delinquent Property Taxes Receivable	11,236	16,220	627	28,083
Due From Department of Education	507,981	22,796	10,224	541,001
Other Accounts Receivable	35,339	-	-	35,339
Prepaid Items	10,687	11,587	-	22,274
Inventory	-	-	3,868	3,868
TOTAL ASSETS	<u>\$ 4,194,566</u>	<u>\$ 1,139,867</u>	<u>\$ 369,908</u>	<u>\$ 5,704,341</u>
LIABILITIES				
Accounts Payable	\$ 73,787	\$ -	\$ 4,456	\$ 78,243
Due To Other Governments	40,000	-	-	40,000
Accrued Payroll	338,013	-	8,396	346,409
Severance Payable	42,787	-	-	42,787
Payroll Deductions	334,314	-	-	334,314
TOTAL LIABILITIES	<u>828,901</u>	<u>-</u>	<u>12,852</u>	<u>841,753</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Delinquent Taxes	11,236	16,220	627	28,083
Property Taxes Levied - Subs. Years	599,705	898,732	41,669	1,540,106
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>610,941</u>	<u>914,952</u>	<u>42,296</u>	<u>1,568,189</u>
FUND BALANCES				
Nonspendable	10,687	11,587	3,868	26,142
Restricted	812,494	213,328	310,892	1,336,714
Committed	100,000	-	-	100,000
Assigned	160,414	-	-	160,414
Unassigned	1,671,129	-	-	1,671,129
TOTAL FUND BALANCES	<u>2,754,724</u>	<u>224,915</u>	<u>314,760</u>	<u>3,294,399</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,194,566</u>	<u>\$ 1,139,867</u>	<u>\$ 369,908</u>	<u>\$ 5,704,341</u>

See Notes to the Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balances - governmental funds	\$ 3,294,399
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Cost of capital assets	20,869,556
Less: accumulated depreciation and amortization	(8,744,024)

Net deferred outflows/(inflows) of resources relating to the cost sharing defined benefit plans and other postemployment benefit in the governmental activities are not financial resources and, therefore, are not reported as deferred outflows (inflows) of resources in the governmental funds.

Deferred Inflows of Resources	(373,428)
Deferred Outflows of Resources	1,073,334

Long-term liabilities, including special assessments, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.

Severance Payable	(134,048)
Lease Payable	(46,775)
Bonds Payable	(4,569,000)
Bond Premium	(16,796)
Net Pension Liability	(3,983,353)
Other Postemployment Benefit Liability	(313,887)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.

28,084

Interest payable is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.

(32,172)

Net position of governmental activities	\$ <u><u>7,051,890</u></u>
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See Notes to the Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Local Property Tax Levies	\$ 637,733	\$ 647,507	\$ 32,259	\$ 1,317,499
Other Local and County Revenues	529,489	-	49,070	578,559
Revenue From State Sources	5,549,073	227,959	173,487	5,950,519
Revenue From Federal Sources	199,330	-	234,762	434,092
Sale/Other Conversion of Asset	71,990	-	38,124	110,114
TOTAL REVENUES	<u>6,987,615</u>	<u>875,466</u>	<u>527,702</u>	<u>8,390,783</u>
EXPENDITURES				
Current:				
Administration	488,153	-	-	488,153
District Support	231,181	-	-	231,181
Elementary and Secondary				
Regular Instruction	3,329,736	-	-	3,329,736
Vocational Instruction	381,286	-	-	381,286
Exceptional Instruction	1,196,500	-	-	1,196,500
Community Education/Service	-	-	123,513	123,513
Instructional Support	166,590	-	-	166,590
Pupil Support	401,821	-	405,522	807,343
Buildings and Equipment	613,877	-	-	613,877
Fixed Costs	71,283	-	-	71,283
Capital Outlay	268,090	-	-	268,090
Debt Service:				
Principal Retirement	28,752	780,000	-	808,752
Interest on Long-Term Debt	4,241	84,538	-	88,779
Other Fiscal Charges	-	350	-	350
TOTAL EXPENDITURES	<u>7,181,510</u>	<u>864,888</u>	<u>529,035</u>	<u>8,575,433</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(193,895)</u>	<u>10,578</u>	<u>(1,333)</u>	<u>(184,650)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital asset	9,242	-	-	9,242
TOTAL OTHER FINANCING SOURCES (USES)	<u>9,242</u>	<u>-</u>	<u>-</u>	<u>9,242</u>
Net Change in Fund Balance	(184,653)	10,578	(1,333)	(175,408)
Fund Balances - Beginning	2,939,377	214,337	316,093	3,469,807
Fund Balances - Ending	<u>\$ 2,754,724</u>	<u>\$ 224,915</u>	<u>\$ 314,760</u>	<u>\$ 3,294,399</u>

See Notes to the Basic Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Total net change in fund balances - governmental funds	\$ (175,408)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlays	189,355
Depreciation and Amortization expense	(668,905)

Change in net pension liability	104,931
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Change in deferred outflows and inflows of resources related to the net pension liability	68,173
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Change in deferred outflows and inflows of resources related to other postemployment liability.	(2,945)
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Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	780,000
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Amortization of premium on bonds payable	2,799
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In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid.)

Other postemployment benefits	(7,081)
Lease payable	28,751
Severance payable	16,803

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	3,736
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

	3,333
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Change in net position of governmental activities	\$ 343,542
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See Notes to the Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 2609 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

Component units are legally separated 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 dependent upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

C. Basic Financial Statement Presentation

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

The Statement of Activities demonstrates the degrees to which the direct expenses of given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function.

As a general rule, the effect of interfund activity has been eliminated from the District-wide financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

Separate fund financial statements are provided for governmental funds. All individual governmental funds are reported in separate columns in the fund financial statements.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The District-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 or related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for advance amounts recognized in accordance with a statutory "tax shift". Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

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:

Revenue Recognition – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and accounting principles generally accepted in the United States of America. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within one year.

Recording of Expenditures – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

Description of Funds

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

Governmental Funds

General Fund (Major Fund) – Accounts for all financial resources and transactions except those required to be accounted for in other funds including pupil transportation and capital outlay activities, which were previously (prior to July 1, 1996) accounted for in separate special revenue funds.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

Special Revenue Funds – Accounts for proceeds of specific revenue sources (other than permanent fund and major capital projects) that are legally restricted to expenditures for specified purposes. The District's special revenue funds and their purposes are as follows:

Food Service – Accounts for all activities associated with the preparation and serving of regular and incidental meals, lunches or snacks in connection with school activities.

Community Service – Accounts for the resources designated for programs other than those for elementary and secondary students.

Debt Service Fund (Major Fund) – Accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

E. Specific Account Information

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.

Fair Value Measurements – The Organization accounts for all assets and liabilities that are being measured and reported on a fair value basis in accordance with GAAP. GAAP defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements.

When fair value measurements are required, various data is used in determining those values. This statement requires that assets and liabilities that are carried at fair value must be classified and disclosed in the following levels based on the nature of the data used.

- | | |
|----------|---|
| Level 1: | Quoted market prices in active markets for identical assets or liabilities. |
| Level 2: | Observable market-based inputs or unobservable inputs that are corroborated by market data. |
| Level 3: | Unobservable inputs that are not corroborated by market data. |

Short-term, highly liquid debt instruments (including commercial paper, bankers acceptances, and U.S. Treasury and agency obligations) purchased with a remaining maturity of one year or less are reported at amortized cost. Other investments are reported at fair value.

Taxes Receivable – Taxes receivable represents taxes levied in 2023, which are not payable until 2024, net of the amount received before June 30.

Property Taxes – Property tax levies are certified to the County Auditor in December of each year for collection from taxpayers in May and October (November for farm property) of the following year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on property on the following January 1. The county generally remits taxes to the District at periodic intervals as the taxes are collected.

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

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as unavailable revenue (property taxes levied for subsequent years).

The majority of the revenue in the General Fund is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between property taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift."

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred in the fund based financial statements because it is not known to be available to finance the operations of the District in the current year.

Inventory – Inventory is recorded using the consumption method of accounting and consists of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method. Surplus commodities are stated at standardized costs, as determined by the Department of Agriculture.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

Capital Assets – Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District maintains a threshold level of \$3,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the District-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, 5 to 15 years for equipment, and 8 years for buses.

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

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

Leases - The determination of whether an arrangement contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the District has control of the right to use asset. Control includes the right to obtain present service capacity and the right to determine the nature and manner of use of the underlying asset, as specified in the contract.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

Leases with an initial lease term of more than 12 months, or that contain an option to purchase that the District is reasonably certain to exercise, are recognized based on the present value of lease payments over the lease term discounted using the interest rate implicit in the lease. In cases where the implicit rate is not readily determinable, the District uses its incremental borrowing rate based on the information available at the lease commencement date. The District has made an accounting policy election to use a risk free rate based on US Treasury T-bill rate as of the lease commencement. The District accounts for lease agreements with lease and nonlease components together as a single lease component for all underlying classes of assets.

The District continues to record rent expense for short term leases on a straight-line basis over the lease term. Short term leases have a term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the District is reasonably certain to exercise.

The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

The District's lease agreements do not include any material residual value guarantees or restrictive covenants.

Vacation Payable – It is the District's policy to permit employees to accumulate earned but unused vacation. All vacation pay is accrued when incurred in the District-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations – In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Existing bonded debt is reported at the face value of remaining indebtedness. For any new indebtedness that may be issued in the future, bond premiums and discounts will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable will be reported net of the applicable bond premium or discount. Bond issuance costs will be expensed as incurred.

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

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

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

merger of the Minneapolis Teachers Retirement Fund Association into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association in 2015.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resource (expense/expenditure) until then. The District has two items reported on the statement of net position as *cost sharing defined benefit pension plan* and *other postemployment benefits*, which represents actuarial differences within the PERA and TRA pension plans as well as amounts paid to the plans after the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three types of items, one of which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue – delinquent taxes*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. *Property taxes levied – subs. years*, is reported as a deferred inflow of resources for both the Balance Sheet – Governmental Funds and the Statement of Net Position as these amounts represent property tax revenue levied for a subsequent period. The District also has one item reported on the statement of net position as *cost sharing defined benefit pension plan*, which represents actuarial differences within the PERA and TRA pension plans. See Note 4 for more details.

Net Position – Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's financial statements. Net investment in capital assets, consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted Net Position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted Net Position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Net Position Flow Assumption – Sometimes the government will fund outlays for a particular purpose for both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance – 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 inventory and prepaid items.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions and administered by the Minnesota Department of Education.

Committed – consists of internally imposed constraints. These constraints are established by Resolution of the Board of Education.

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the District's intended use. These constraints are established by the Board of Education and/or management. Pursuant to Board Resolution, the District's superintendent and fiscal officer are authorized to establish assignments of fund balance.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in the other funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to first use restricted resources, and 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.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

The District maintains a cash account at its depository bank. Investments are carried at fair value. The District considers Certificates of Deposit to be cash.

As of June 30, 2024, the District had the following investments:

<u>Investment</u>	<u>Fair Value (Level 1)</u>
Minnesota School District Liquid Asset Fund Plus	\$ 2,488,782
Mn Trust	497
	<u>\$ 2,489,279</u>

The Minnesota School District Liquid Asset Fund Plus (MSDLAF) and the MnTrust are common law trusts organized and existing under the laws of the State of Minnesota, in accordance with the provisions of the Minnesota Joint Powers Act. The general objective of the Fund is to provide a high yield for the participants while maintaining liquidity and preserving capital by investing only in instruments authorized by Minnesota Statutes, which govern the temporary investment of

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

School District monies. In addition, the fixed rate/fixed term portion of the program is also structured with safety of principal as the major objective.

The Minnesota School District Liquid Asset Fund (MSDLAF) and the MnTrust are external investment pools not registered with the Securities Exchange Commission (SEC) that follow the same regulatory rules of the SEC under 2a7. The District's investment in the MSDLAF and MnTrust 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.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District may invest idle funds as authorized in Minnesota Statutes, as follows:

- a) Direct obligations or obligations guaranteed by the United States or its agencies.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
- c) General obligations of the State of Minnesota or any of its municipalities.
- d) Bankers Acceptance of United States banks eligible for purchases by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- g) Future contracts sold under authority of Minnesota Statutes 471.56, Subd. 5.

The Minnesota School District Liquid Asset Fund Plus is rated AAAM by Standard & Poor's, while the MnTrust is rated Aaa by Moody's Investors Services.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

Custodial Credit Risk - Deposits

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the District's Board, all of which are members of the Federal Reserve System. The District does not have a policy for custodial credit risk.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

Minnesota Statutes require that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

At June 30, 2024, the carrying amount of the District's deposits was \$1,727,285 and the bank balance was \$1,805,616. The bank balance was covered by Federal Depository Insurance and by collateral held by the District's agent in the District's name.

Custodial Credit Risk - Investments

The investment in the Minnesota School District Liquid Asset Fund Plus and the MnTrust are not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement 40.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Governmental Activities:				
Non-Depreciable or Amortizable Capital Assets:				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Total Non-Depreciable or Amortizable Capital Assets	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Depreciable and Amortizable Capital Assets:				
Land Improvements	2,227,515	141,870	-	2,369,385
Buses	1,063,279	-	-	1,063,279
Buildings	15,960,088	28,020	-	15,988,108
Equipment	1,304,318	19,465	-	1,323,783
Right to Use Leased Assets	105,001	-	-	105,001
Total Depreciable and Amortizable Capital Assets	<u>20,660,201</u>	<u>189,355</u>	<u>-</u>	<u>20,849,556</u>
Less Accumulated Depreciation and Amortization				
Land Improvements	(534,101)	(102,795)	-	(636,896)
Buses	(708,898)	(70,604)	-	(779,502)
Buildings	(5,985,573)	(381,049)	-	(6,366,622)
Equipment	(813,445)	(85,896)	-	(899,341)
Right to Use Leased Assets	(33,102)	(28,561)	-	(61,663)
Total Accumulated Depreciation and Amortization	<u>(8,075,119)</u>	<u>(668,905)</u>	<u>-</u>	<u>(8,744,024)</u>
Net Depreciable and Amortizable Capital Assets	<u>12,585,082</u>	<u>(479,550)</u>	<u>-</u>	<u>12,105,532</u>
Net Capital Assets for Governmental Activities	<u>\$12,605,082</u>	<u>\$ (479,550)</u>	<u>\$ -</u>	<u>\$ 12,125,532</u>

In the governmental activities section of the statement of activities, depreciation and amortization expense was charged to the following governmental functions:

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District Support	\$ 456
Vocational Education Instruction	2,650
Regular Instruction	425,274
Pupil Support	76,974
Buildings and Equipment	163,551
	<u>\$ 668,905</u>

The District leases a copy machine at its school location in Erskine, Minnesota. The term of the lease is for a period of 60 months, commencing in March 2022 and terminating in February 2027, with a monthly payment of \$840. The District leases a scoreboard at its school. The term of the lease is for a period of 3 years, commencing June of 2022 and terminating June 2025 with an annual payment of \$21,997.

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE

Substantially, all employees of the District are required by State law to belong to pension plans administered by Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA), all of which are administered on a statewide basis.

Disclosures relating to these plans follow:

Public Employees Retirement Association

A. Plan Description

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

1. General Employees Retirement Plan

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

B. Benefits Provided

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

1. General Employees Plan Benefits

General Employees plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent of average salary for all years of service. For members hired prior to July

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1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

In 2023, the legislature allocated funding for a one-time lump-sum payment to recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. General Employees Plan Contributions

Coordinated Plan Members were required to contribute 6.50 percent of the annual covered salary in fiscal year 2024; the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2024, were \$89,097. The District's contributions were equal to the required contributions for each year as set by state statute.

D. General Employees Plan Pension Costs

At June 30, 2024, the District reported a liability of \$771,681 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 Contributions of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$21,302.

The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2023, the District's proportionate share was 0.0138% at the end of the measurement period and 0.0132% for the beginning of the period.

District's proportionate share of the net pension liability	\$ 771,681
State of Minnesota's proportionate share of the net pension liability associated with the District	<u>21,302</u>
Total	<u>\$ 792,983</u>

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For the year ended June 30, 2024, the District recognized pension expense of \$127,165 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$96 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At June 30, 2024, the District reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 25,078	\$ 5,316
Changes in actuarial assumptions	124,708	211,512
Net collective difference between projected and actual investment earnings	-	42,330
Changes in proportion	33,265	16,681
Contributions paid to PERA subsequent to the measurement date	89,097	-
Total	<u>\$ 272,148</u>	<u>\$ 275,839</u>

The \$89,097 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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Pension Expense Amount
2025	\$ 20,647
2026	(119,475)
2027	22,780
2028	(16,740)

E. Long-Term Expected Return on Investments

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%

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F. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent. Benefit increases after retirement are assumed to be 1.25 percent.

Salary growth assumptions range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service and 6.0 percent per year thereafter.

Mortality rates are based on the Pub-2010 General Employee Mortality Table.

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

The following changes in actuarial assumptions and plan provisions occurred in 2023:

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

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, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0 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 General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the School's proportionate share of the net pension liability would be if it were calculated

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using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Sensitivity Analysis - NPL at Different Discount Rates:	\$ 1,365,165	\$ 771,681	\$ 283,517

I. Pension Plan Fiduciary Net Position

Detailed information about each pension 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.

Teachers Retirement Association

A. Plan Description

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

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

B. Benefits Provided

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

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

Tier I Benefits

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

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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) 3 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 for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

Tier II Benefits

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

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

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

C. Contribution Rate

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal years ended June 30, 2022, June 30, 2023, and June 30, 2024, were:

	June 30, 2022		June 30, 2023		June 30, 2024	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
Basic	11.00%	12.34%	11.00%	12.55%	11.25%	12.75%
Coordinated	7.50%	8.34%	7.50%	8.55%	7.75%	8.75%

The following is a reconciliation of employer contributions in TRA's fiscal year 2023 ACFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations.

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	<i>in thousands</i>
Employer contributions reported in TRA's ACFR	
Statement of Changes in Fiduciary Net Position	\$ 508,764
Employer contributions not related to future contribution efforts	(87)
TRA's contributions not included in allocation	(643)
Total employer contributions	508,034
Total non-employer contributions	35,587
Employer contributions reported in Schedule of Employer and Non-Employer Allocations	\$ 543,621

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

D. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	
Valuation Date	July 1, 2023
Measurement Date	June 30, 2023
Experience Study	June 28, 2019 (demographic and economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage Growth Rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected Salary Increase	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Cost of Living Adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.
Mortality Assumption	
Pre-retirement	RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
Post-retirement	RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
Post-disability	RP-2014 disabled retiree mortality table, without adjustment.

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

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

Asset Class	Target Allocation	Long-Term Expected Real
		Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Private Markets	25.0%	5.90%
Fixed Income	25.0%	0.75%
Total	100.0%	

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2024 is 6 years. The *Difference Between Expected and Actual Experience, Changes of Assumptions, and Changes in Proportion* use the amortization period of six years in the schedule presented. The amortization period for *Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments* is over a period of five years as required by GASB 68.

Changes in Actuarial Assumptions Since the 2023 Valuation:

The 2023 Tax Finance and Policy Bill, effective July 1, 2025:

- The employer contribution rate will increase from 8.75 percent to 9.5 percent on July 1, 2025.
- The employee contribution rate will increase from 7.75 percent to 8 percent on July 1, 2025.
- The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academics will increase to reflect the 0.75 percent employer contribution rate increase.

The 2024 Omnibus Pensions and Retirement Bill:

- The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024.
- TRA's amortization date will remain the same at 2048.

E. Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The discount rate used to measure the TPL at the Prior Measurement Date was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2023 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net

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position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

F. Net Pension Liability

On June 30, 2024, Independent School District No. 2609 reported a liability of \$3,211,671 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Independent School District No. 2609's proportion of the net pension liability was based on Independent School District No. 2609's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. The District's proportionate share was 0.0389% at the end of the measurement period and 0.0380% for the beginning of the year.

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

District's proportionate share of net pension liability	\$	3,211,671
State's proportionate share of the net pension liability associated with the District	\$	224,839

For the year ended June 30, 2024, the District recognized pension expense of \$5,560. It also recognized \$31,659 in pension expense for the support provided by direct aid.

On June 30, 2024, Independent School District No. 2609 had deferred 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 experience	\$ 30,568	\$ 45,944
Changes in actuarial assumptions	359,706	
Difference between projected and actual investment earnings		4,220
Changes in proportion	162,137	
Contributions paid to TRA subsequent to the measurement date	227,342	-
Total	<u>\$ 779,753</u>	<u>\$ 50,164</u>

\$227,342 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to TRA pensions will be recognized in pension expense as follows:

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Year ending June 30:	Pension Expense Amount
2025	\$ 95,105
2026	35,294
2027	382,287
2028	(16,784)
2029	6,345

G. Pension Liability Sensitivity

The following presents the net pension liability of TRA calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Sensitivity Analysis - NPL at Different Discount	\$ 5,122,379	\$ 3,211,671	\$ 1,647,524

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

H. Pension Plan Fiduciary Net Position

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

The District recognized total pension expense of \$132,725 for all of the pension plans in which it participates.

NOTE 5 EMPLOYEE BENEFIT PLAN 403(B)

Employees are eligible to participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to all District employees, permits them to defer a portion of their salary until future years. All District employees are eligible to participate in the plan upon hire. Employees may defer up to the annual elective deferral limit set by the Internal Revenue Service, \$22,500 per year for 2024. The District will match the employees' deferral up to a maximum per year based on years of experience. The District's contribution for the year ended June 30, 2024 was \$52,350.

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NOTE 6 LONG-TERM LIABILITIES

The long-term debt obligations outstanding at year-end and changes in long-term debt are summarized as follows:

Summary of Long-Term Debt

	Balance 06/30/23	Additions	Retired	Balance 06/30/24	Amounts Due in 24-25
Bonds Payable	\$ 5,349,000	\$ -	\$ 780,000	\$ 4,569,000	\$ 771,000
Premium on Bonds Payable	19,595	-	2,799	16,796	2,799
Leases	75,527	-	28,752	46,775	30,037
Severance Payable	150,850	25,985	-	176,835	42,787
Totals	<u>\$ 5,594,972</u>	<u>\$ 25,985</u>	<u>\$ 811,551</u>	<u>\$ 4,809,406</u>	<u>\$ 846,623</u>

The District's interest expense for the year ended June 30, 2024 was \$88,779.

Severance benefits and leases are generally liquidated by the District's general fund.

Bonds Payable

The General Obligation School Building Bonds are summarized as follows:

Date of Issue	Net Interest Rates	Maturity Dates	Original Amount	Current Year Retired	Balance 6/30/24	Amounts Due in 24-25	
						Principal	Interest
3/1/2014	0.75 to 3.35%	2/1/2029	\$ 560,000.0	\$ 40,000.0	\$ 205,000.0	\$ 40,000.0	\$ 6,588.0
5/1/2019	4%	2/1/2030	665,000	60,000	430,000	65,000	17,200
10/1/2020	0.61 to 2.05%	2/1/2034	4,280,000	680,000	3,600,000	470,000	53,002
6/29/2023	3.45%	1/25/2025	334,000	-	334,000	196,000	8,142
			<u>\$ 5,839,000</u>	<u>\$ 780,000</u>	<u>\$ 4,569,000</u>	<u>\$ 771,000</u>	<u>\$ 84,932</u>

Bond Refunding

The District issued \$4,280,000 Revenue Bond Series 2020 on October 1, 2020. The bonds were issued to advance refund the \$4,985,000 Revenue Bond Series 2014 until the call date which occurred on February 1, 2023.

The annual requirements to amortize all bonds outstanding as of June 30, 2024, including interest payments are as follows:

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Year ending June 30	Principal	Interest	Total
2025	\$ 784,182	\$ 84,050	\$ 868,232
2026	699,818	70,858	770,676
2027	425,000	61,012	486,012
2028	435,000	53,124	488,124
2029	440,000	44,334	484,334
2030-2034	1,785,000	102,719	1,887,719
Total	<u>\$ 4,569,000</u>	<u>\$ 416,097</u>	<u>\$ 4,985,097</u>

Lease Agreement

The District leases a copy machine at its school location in Erskine, Minnesota. The term of the lease is for a period of 60 months, commencing in March 2022 and terminating in February 2027, with a monthly payment of \$840. The District leases a scoreboard at its school. The term of the lease is for a period of 3 years, commencing June of 2022 and terminating June 2025 with an annual payment of \$21,997.

Following is a schedule by years of future minimum payments required under the lease:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Payments</u>
2025	\$ 30,037	\$ 1,925	\$ 31,962
2026	9,383	582	9,965
2027	7,355	123	7,478
Total Future Payments	<u>\$ 46,775</u>	<u>\$ 2,630</u>	<u>\$ 49,405</u>

NOTE 7 FUND BALANCE

A. Minimum Fund Balance Policy

The Board of Education has formally adopted a fund balance policy for the General Fund. The policy establishes a year-end target fund balance of 20 percent of the District's General Fund operating budget in the General Fund unassigned fund balance.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

B. Classifications

At June 30, 2024, a summary of governmental fund balance classifications is as follows:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Nonspendable for:				
Prepaid Items	\$ 10,687	\$ 11,587	\$ -	\$ 22,274
Inventory	-	-	3,868	3,868
Total Nonspendable	<u>\$ 10,687</u>	<u>\$ -</u>	<u>\$ 3,868</u>	<u>\$ 26,142</u>
Restricted for:				
Restricted/Reserved for				
Long-Term Facilities Maintenance	\$ 8,715	\$ -	\$ -	\$ 8,715
Literacy Incentive Aid	19,435	-	-	19,435
Operating Capital	30,108	-	-	30,108
Safe Schools	22,318	-	-	22,318
Student Support Personnel Aid	40,000	-	-	40,000
Medical Assistance	17,997	-	-	17,997
Student Activities	100,704	-	-	100,704
Scholarships	21,032	-	-	21,032
ECFE	-	-	80,539	80,539
Community Education	-	-	200,672	200,672
Community Service	-	-	18,113	18,113
Food Service	-	-	11,568	11,568
Debt Service	-	213,328	-	213,328
Troutman Funds	552,185	-	-	552,185
Total Restricted	<u>\$ 812,494</u>	<u>\$ 213,328</u>	<u>\$ 310,892</u>	<u>\$ 1,336,714</u>
Committed for:				
Severance Pay	\$ 100,000	\$ -	\$ -	\$ 100,000
Total Committed	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Assigned for:				
Purchase Commitments	\$ 70,501	\$ -	\$ -	\$ 70,501
Football Fieldhouse	25,678	-	-	25,678
Athletic Department	23,558	-	-	23,558
Snustad Funds	40,124	-	-	40,124
Total Assigned	<u>\$ 160,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,414</u>

NOTE 8 SEVERANCE PAY

The District has a severance pay plan for employees. The plan calls for employees to be paid for unused portions of their sick leave upon termination of employment. The severance plan applies to employees age 55 and over with a cap of 90 unused sick days. At June 30, 2024, the estimated liability under these plans was \$176,835.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

NOTE 9 OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The District's Plan is a single-employer defined benefit healthcare plan to eligible retirees and their spouses. The authority and requirement to provide these benefits is established in Minnesota Statutes Section 471.61, Subd. 2b. The benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through the District's collective bargaining agreements with employee groups. In as much as the Plan has no assets, reporting another employee benefit trust fund in the accompanying financial statements is not required nor was a separate or stand-alone report issued.

Benefit Provided – The District allows eligible individuals who have separated from employment to remain on the healthcare plan with no subsidized benefit from the District. An eligible individual is an active employee who has access to the healthcare plan and all retirees who have elected to continue coverage on the District's medical plan after retiring. The District provides no subsidized benefit for retiring individuals while allowing individuals to remain on the plan until the retiree reaches Medicare age. The District requires a three-year service requirement for all non-TRA employees who began employment on or before July 1, 2010. After July 1, 2010, the service requirement is five years. All teachers have a service requirement of three years.

Employees Covered by Benefit Terms – At July 1, 2024, the valuation date of the total OPEB liability, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	-
Active employees	68
	68

Total OPEB Liability

At June 30, 2024, the District reported a liability of \$313,887 for the defined benefit healthcare plan. The total OPEB liability was measured as of July 1, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of July 1, 2024.

Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Rates vary by service and contract group
Discount rate	3.9%
Healthcare cost trend	6.50% decreasing to 5.00% over 6 years, then 4.00% over the next 48 years.

The discount rate was based on the 20-year AA rated municipal bond yield.

The valuation uses mortality rates based the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers with MP-2020 Generational Improvement Scale.)

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Amortization of deferred resource flows are based on the average expected remaining service on a closed basis for differences between expected and actual experience and assumption changes.

In the July 1, 2023 actuarial valuation, the entry age, level percentage of pay actuarial cost method was used.

Retirees and their spouses contribute to the healthcare plan according to their benefit received at retirement. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy for which the District has historically funded on a pay-as-you-go basis. All of the active employees who have access to healthcare and all retirees who have elected to continue coverage on the employer's medical plan after retirement have been included in this valuation.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 306,806
Changes for the year:	
Service cost	24,662
Interest	6,925
Assumption Changes	(27,655)
Changes of benefit terms	-
Differences between expected and actual experience	6,579
Changes in assumptions or other inputs	-
Benefit payments	(3,430)
Net Changes	7,081
Balance at June 30, 2024	<u>\$ 313,887</u>

Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability as of June 30, 2024, calculated using the discount rate of 3.9%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.9 percent) or 1-percentage-point higher (4.9 percent) than the current rate:

1% Decrease (2.9%)	Discount Rate (3.9%)	1% Increase (4.9%)
\$ 334,007	\$ 313,887	\$ 294,110

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

The following presents the total OPEB liability as of June 30, 2024, calculated using the healthcare cost trend rate of 6.50% grading to 5.00% over six years, then to 4.00% over the next 48 years, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

1% Decrease (5.50% decreasing to 4.0%)	Current Discount Rate (6.50% decreasing to 5.0%)	1% Increase (7.50% decreasing to 6.0%)
\$ 279,252	\$ 313,887	\$ 353,911

OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of \$10,026. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,639	\$ 21,242
Changes in actuarial assumptions	11,844	26,183
Contributions paid to OPEB subsequent to the measurement date	3,949	-
Total	<u>\$ 21,432</u>	<u>\$ 47,425</u>

At June 30, 2024, the District reported a deferred outflow of resources of \$3,949 which consist of the employer implicit subsidy contribution subsequent to the measurement date. This contribution will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	OPEB Expense Amount
2025	\$ (17,608)
2026	(1,651)
2027	(1,651)
2028	(3,011)
2029	(3,011)
2030	(3,010)

NOTE 10 COMMITMENTS AND CONTINGENCIES

The District receives significant financial assistance from numerous federal, state and local governmental agencies in the form of grants and aids. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

agreements and is subject to audit by grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2024.

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and workers compensation. The District purchases commercial insurance coverage for such risks.

The District has joined together with other school districts in Minnesota in the Northwest Service Cooperative's Minimum Premium Funding Plan (Plan). The Plan is a public entity risk pool established as a health insurance purchasing pool for its members. The agreement for the formation of the Plan provides that the Plan will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$300,000. The pool and its members purchase reinsurance, currently with a \$300,000 specific stop loss attachment point and 110% aggregate stop loss attachment point. If the assets of the Plan were to be exhausted, members would not be responsible for the Plan's liabilities. The Northwest Service Cooperative retains the risk of the Plan's liabilities.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 12 SNUSTAD DONATION

The District received a donation from the Arthur I. and Jane B. Snustad Education Fund of \$2,000,000. The Northwest Minnesota Foundation (NMF) holds the title and manages the funds. The earnings on the full donation are available for use each year. The District received revenues of \$36,948 from the Snustad Fund in 2023-24. These funds are assigned for scholarships and other school designated purposes.

NOTE 13 NEW PRONOUNCEMENTS

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The statement is effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*, requires entities to disclose critical information about their exposure to risks due to certain concentrations or limitations that could lead to financial distress or operational challenges. This statement is effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*, revises the requirements for management's discussion and analysis with the goal of making it more readable and understandable, requires unusual or infrequent items to be presented separately, defines operating and nonoperating revenues, includes a new section for noncapital subsidies for proprietary funds' statement of revenues, expenses and changes in net position, removes the

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

option to disclose major component information in the notes and requires them to be shown individually or in combine financial statements following the fund financial statements and requires budgetary comparisons to be presented as RSI with new columns for variances between original-to-final budget and final budget-to-actual results. This statement is effective for fiscal years beginning after June 15, 2025.

Management has not yet determined the effect these Statements will have on the District's financial statements.

NOTE 14 SUBSEQUENT EVENTS

No significant events occurred subsequent to the District's year end. Subsequent events have been evaluated through October 22, 2024, which is the date these financial statements were available to be issued.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original	Final	Actual	Over (Under) Final Budget
REVENUES				
Local Property Tax Levies	\$ 722,556	\$ 717,526	\$ 637,733	\$ (79,793)
Other Local and County Revenues	286,844	456,444	529,489	73,045
Revenue From State Sources	5,332,060	5,682,799	5,549,073	(133,726)
Revenue From Federal Sources	154,684	164,034	199,330	35,296
Sale/Other Conversion of Asset	66,000	66,000	71,990	5,990
TOTAL REVENUES	<u>6,562,144</u>	<u>7,086,803</u>	<u>6,987,615</u>	<u>(99,188)</u>
EXPENDITURES				
Current:				
Administration	463,549	483,678	488,153	4,475
District Support	237,235	237,386	231,181	(6,205)
Elementary and Secondary				
Regular Instruction	2,936,617	3,097,307	3,329,736	232,429
Vocational Instruction	325,369	345,436	381,286	35,850
Exceptional Instruction	1,151,840	1,316,083	1,196,500	(119,583)
Instructional Support	117,777	147,447	166,590	19,143
Pupil Support	360,597	417,001	401,821	(15,180)
Buildings & Equipment	577,150	637,000	613,877	(23,123)
Fixed Costs	83,000	102,000	71,283	(30,717)
Capital Outlay	104,900	194,150	268,090	73,940
Debt Service:				
Principal Retirement	-	20,289	28,752	8,463
Interest on Long-Term Debt	13,000	14,708	4,241	(10,467)
TOTAL EXPENDITURES	<u>6,371,034</u>	<u>7,012,485</u>	<u>7,181,510</u>	<u>169,025</u>
Excess (Deficiency) of Revenues Over Expenditures	191,110	74,318	(193,895)	(268,213)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Asset	-	-	9,242	9,242
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>9,242</u>	<u>9,242</u>
Net Change in Fund Balance	191,110	74,318	(184,653)	(258,971)
Fund Balances - Beginning	<u>2,939,377</u>	<u>2,939,377</u>	<u>2,939,377</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,130,487</u>	<u>\$ 3,013,695</u>	<u>\$ 2,754,724</u>	<u>\$ (258,971)</u>

See Notes to the Required Supplementary Information

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
LAST 10 YEARS

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 24,662	\$ 26,785	\$ 26,005	\$ 25,219	\$ 24,484	\$ 26,622	\$ 25,879
Interest	6,925	6,414	8,377	7,488	10,687	10,212	9,712
Assumption Changes	(27,655)	-	23,691	-	(14,884)	-	-
Differences Between Expected and Actual Experience	6,579	-	(15,531)	-	(80,878)	-	-
Benefit Payments	<u>(3,430)</u>	<u>(10,012)</u>	<u>(6,233)</u>	<u>(3,435)</u>	<u>(20,235)</u>	<u>(23,142)</u>	<u>(20,210)</u>
Net Change in Total OPEB Liability	7,081	23,187	36,309	29,272	(80,826)	13,692	15,381
Total OPEB Liability - Beginning	<u>306,806</u>	<u>283,619</u>	<u>247,310</u>	<u>218,038</u>	<u>298,864</u>	<u>285,172</u>	<u>269,791</u>
Total OPEB Liability - Ending	<u><u>\$ 313,887</u></u>	<u><u>\$ 306,806</u></u>	<u><u>\$ 283,619</u></u>	<u><u>\$ 247,310</u></u>	<u><u>\$ 218,038</u></u>	<u><u>\$ 298,864</u></u>	<u><u>\$ 285,172</u></u>
Covered Employee Payroll	\$3,229,419.0	\$3,229,945.0	\$3,135,869.0	\$2,962,021.0	\$2,875,749.0	\$2,809,429.0	\$2,727,601.0
Total OPEB Liability as a Percentage of Covered Payroll	9.7%	9.5%	9.0%	8.3%	7.6%	10.6%	10.5%

The District implemented GASB No.75 for fiscal year ended June, 30, 2018. Information for the prior years is not available.

See Notes to the Required Supplementary Information

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO PERA/TRA RETIREMENT FUNDS
LAST 10 YEARS

Fiscal Year Ended June 30	Pension Plan	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	PERA	\$ 49,571	\$ 49,571	\$ -	\$ 660,949	7.50%
2016	PERA	54,376	54,376	-	725,007	7.50%
2017	PERA	54,376	54,376	-	725,007	7.50%
2018	PERA	68,208	68,208	-	907,764	7.51%
2019	PERA	68,899	68,899	-	912,837	7.55%
2020	PERA	71,917	71,917	-	954,529	7.53%
2021	PERA	74,513	74,513	-	989,389	7.53%
2022	PERA	73,650	73,650	-	987,048	7.46%
2023	PERA	81,102	81,102	-	1,081,348	7.50%
2024	PERA	88,552	88,552	-	1,203,180	7.36%
2015	TRA	125,429	125,429	-	1,791,850	7.00%
2016	TRA	142,386	142,386	-	1,898,486	7.50%
2017	TRA	147,641	147,641	-	1,968,542	7.50%
2018	TRA	148,320	148,320	-	1,973,490	7.52%
2019	TRA	160,762	160,762	-	2,075,152	7.75%
2020	TRA	172,408	172,408	-	2,095,502	8.23%
2021	TRA	184,711	184,711	-	2,182,001	8.47%
2022	TRA	198,301	198,301	-	2,284,752	8.68%
2023	TRA	213,652	213,652	-	2,488,706	8.58%
2024	TRA	227,349	227,349	-	2,942,617	7.73%

The amounts presented for each fiscal year were determined as of the District's year end which is June 30.

See Notes to the Required Supplementary Information

INDEPENDENT SCHOOL DISTRICT NO. 2609

ERSKINE, MINNESOTA

**SCHEDULE OF DISTRICT'S AND NON-EMPLOYER PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 YEARS**

For the Fiscal Year Ended June 30	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset) (a)	State of Minnesota's Proportionate Share of the Net Pension Liability (if Applicable) (b)	Proportionate Share of the Net Pension Liability and State of Minnesota's Share of the Net Pension Liability (if Applicable) (a+b)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014 PERA	0.0125%	\$ 587,187	\$ -	\$ 587,187	\$ 653,401	89.9%	78.75%
2015 PERA	0.0113%	585,625	-	585,625	660,949	88.6%	78.19%
2016 PERA	0.0117%	949,985	-	949,985	725,007	131.0%	68.90%
2017 PERA	0.0118%	753,304	9,445	762,749	725,007	103.9%	75.90%
2018 PERA	0.0133%	737,829	24,314	762,143	907,764	81.3%	79.53%
2019 PERA	0.0128%	707,683	21,999	729,682	912,837	77.5%	80.23%
2020 PERA	0.0134%	803,391	24,750	828,141	954,529	84.2%	79.06%
2021 PERA	0.0138%	589,322	17,970	607,292	989,389	59.6%	87.00%
2022 PERA	0.0132%	1,045,444	30,679	1,076,123	987,048	105.9%	76.67%
2023 PERA	0.0138%	771,681	21,302	792,983	1,081,348	71.4%	83.10%
2014 TRA	0.0407%	1,875,427	132,045	2,007,472	1,858,663	100.9%	81.50%
2015 TRA	0.0353%	2,183,654	267,644	2,451,298	1,791,850	121.9%	76.80%
2016 TRA	0.0359%	8,563,007	859,428	9,422,435	1,898,486	451.0%	44.88%
2017 TRA	0.0362%	7,226,177	698,543	7,924,720	1,968,542	367.1%	51.57%
2018 TRA	0.0355%	2,229,226	209,299	2,438,525	1,973,490	113.0%	78.07%
2019 TRA	0.0361%	2,301,022	203,661	2,504,683	2,049,689	112.3%	78.07%
2020 TRA	0.0371%	2,740,998	229,652	2,970,650	2,156,932	127.1%	75.48%
2021 TRA	0.0374%	1,636,736	138,196	1,774,932	2,240,739	73.0%	86.63%
2022 TRA	0.0380%	3,042,839	225,554	3,268,393	2,488,706	122.3%	76.17%
2023 TRA	0.0389%	3,211,671	224,839	3,436,510	2,471,095	130.0%	76.42%

The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability which is June 30 of the previous fiscal year.

See Notes to the Required Supplementary Information

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1 BUDGETARY COMPARISON

Budgets are prepared for District funds on the same basis and using the same accounting practices as are used to account and prepare financial reports for the funds. Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. All appropriations lapse at year-end. Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is not utilized in the governmental funds of the District.

The budget is adopted through the passage of a resolution. Administration can authorize the transfer of budgeted amounts within any fund. Any revisions that alter the total expenditures of any fund must be approved by the governing board. The legal level of budgetary control is the fund level. The annual appropriated budget is not legally binding on the District unless the District has a deficit fund balance which exceeds 2.5% of expenditures.

For the year ended June 30, 2024, expenditures were more than appropriations in the general fund by \$169,025.

NOTE 2 DEFINED BENEFIT PLANS

PERA

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

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 to 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, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in lump sum for calendar year 2024 by March 31, 2024.

TRA

Changes in Actuarial Assumptions since the 2023 Valuation:

The 2023 Tax Finance and Policy Bill, effective July 1, 2025:

- The employer contribution rate will increase from 8.75 to 9.5 percent on July 1, 2025.
- The employee contribution rate will increase from 7.75 to 8 percent on July 1, 2025.
- The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academics will increase to reflect the 0.75 percent employer contribution rate increase.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED
JUNE 30, 2024

The 2024 Omnibus Pensions and Retirement Bill:

- The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024.
- TRA's amortization date will remain the same at 2048.

NOTE 3 OTHER POSTEMPLOYMENT BENEFITS

Changes since prior valuation:

- The health care trend rates and mortality tables were updated.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.10% to 3.90%

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>Special Revenue Funds</u>		Total
	Food Service Fund	Community Service Fund	Nonmajor Governmental Funds
ASSETS			
Cash and Investments	\$ 11,463	\$ 325,195	\$ 336,658
Current Property Taxes Receivable	-	18,531	18,531
Delinquent Property Taxes Receivable	-	627	627
Due From Department of Education	7,459	2,765	10,224
Inventory	3,868	-	3,868
TOTAL ASSETS	<u>\$ 22,790</u>	<u>\$ 347,118</u>	<u>\$ 369,908</u>
LIABILITIES			
Accounts Payable	\$ 4,456	\$ -	\$ 4,456
Accrued Payroll	2,898	5,498	8,396
TOTAL LIABILITIES	<u>7,354</u>	<u>5,498</u>	<u>12,852</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Delinquent Taxes	-	627	627
Property Taxes Levied - Subs. Years	-	41,669	41,669
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>42,296</u>	<u>42,296</u>
FUND BALANCES			
Fund Balance:			
Nonspendable	3,868	-	3,868
Restricted	11,568	299,324	310,892
TOTAL FUND BALANCES	<u>15,436</u>	<u>299,324</u>	<u>314,760</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 22,790</u>	<u>\$ 347,118</u>	<u>\$ 369,908</u>

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds		Total
	Food Service Fund	Community Service Fund	Nonmajor Governmental Funds
REVENUES			
Local Property Tax Levies	\$ -	\$ 32,259	\$ 32,259
Other Local and County Revenues	-	49,070	49,070
Revenue From State Sources	145,862	27,625	173,487
Revenue From Federal Sources	224,055	10,707	234,762
Sale/Other Conversion of Asset	<u>38,124</u>	<u>-</u>	<u>38,124</u>
 TOTAL REVENUES	 <u>408,041</u>	 <u>119,661</u>	 <u>527,702</u>
EXPENDITURES			
Current			
Community Education/Services	-	123,513	123,513
Pupil Support	<u>405,522</u>	<u>-</u>	<u>405,522</u>
 TOTAL EXPENDITURES	 <u>405,522</u>	 <u>123,513</u>	 <u>529,035</u>
 Net Change in Fund Balances	 2,519	 (3,852)	 (1,333)
 Fund Balances - Beginning	 <u>12,917</u>	 <u>303,176</u>	 <u>316,093</u>
 Fund Balances - Ending	 <u>\$ 15,436</u>	 <u>\$ 299,324</u>	 <u>\$ 314,760</u>

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
SCHEDULE OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2024

	Balance Beginning of Year	Revenues	Expenditures	Transfers	Sale of Asset	Issuance of Lease/ Debt	UFARS Balance End of Year	Reclass- ifications	Financial Statement Balance End of Year
General Fund									
Nonspendable for:									
Prepaid Expenses	\$ 38,936	\$ -	\$ -	\$ (28,249)	\$ -	\$ -	\$ 10,687	\$ -	\$ 10,687
Restricted for:									
Staff Development	1,214	68,665	69,879	-	-	-	-	-	-
Literacy Incentive Aid	-	23,710	4,275	-	-	-	19,435	-	19,435
Long-Term Facilities Maint.	171,169	31,138	193,592	-	-	-	8,715	-	8,715
Operating Capital	89,009	112,231	171,132	-	-	-	30,108	-	30,108
Safe Schools	22,722	14,537	14,941	-	-	-	22,318	-	22,318
Student Support Pers. Aid	-	40,000	-	-	-	-	40,000	-	40,000
Medical Assistance	20,257	-	2,260	-	-	-	17,997	-	17,997
Student Activities	94,577	99,194	93,067	-	-	-	100,704	-	100,704
Scholarships	27,032	-	6,000	-	-	-	21,032	-	21,032
Troutman Funds	548,491	3,694	-	-	-	-	552,185	-	552,185
Committed for:									
Severance Pay	100,000	-	-	-	-	-	100,000	-	100,000
Assigned for:									
Purchase Commitments	70,501	-	-	-	-	-	70,501	-	70,501
Football Fieldhouse	-	32,324	6,646	-	-	-	25,678	-	25,678
Student Council	2,360	8,132	10,932	-	-	-	(440)	440	-
Athletic Department	23,829	36,666	36,937	-	-	-	23,558	-	23,558
Family Service	1,956	2,667	4,070	-	-	-	553	-	553
Snustad Funds	54,938	36,948	51,762	-	-	-	40,124	-	40,124
Unassigned	1,672,386	6,477,709	6,516,017	28,249	9,242	-	1,671,569	(440)	1,671,129
Food Service Fund									
Nonspendable	5,539	-	-	(1,671)	-	-	3,868	-	3,868
Restricted	7,378	408,041	405,522	1,671	-	-	11,568	-	11,568
Community Service Fund									
Restricted for:									
Community Education	225,250	45,256	69,834	-	-	-	200,672	-	200,672
ECFE	58,293	25,648	3,402	-	-	-	80,539	-	80,539
School Readiness	(4,646)	35,385	39,570	-	-	-	(8,831)	8,831	-
Community Service	24,279	13,372	10,707	-	-	-	26,944	(8,831)	18,113
Debt Service Fund									
Nonspendable	-	-	-	11,587	-	-	11,587	-	11,587
Restricted	214,337	875,466	864,888	(11,587)	-	-	213,328	-	213,328
Total	\$ 3,469,807	\$ 8,390,783	\$ 8,575,433	\$ -	\$ 9,242	\$ -	\$ 3,294,399	\$ -	\$ 3,294,399

INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

To the Board of Education
Independent School District No. 2609
Erskine, Minnesota

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 2609 as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 22, 2024.

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 of the *Minnesota Legal Compliance Audit Guide for School Districts* promulgated by the State auditor pursuant to Minn. Stat. § 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 the 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 communication is not suitable for any other purpose.



BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA

October 22, 2024

**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 Education
Independent School District No. 2609
Erskine, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Independent School District No. 2609, Erskine, Minnesota as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 22, 2024.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002 that we consider to be significant deficiencies.

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*.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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



BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA

October 22, 2024

**INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

2024-001 Finding

Criteria

Generally, a system of internal control contemplates separation of duties that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Condition

Lack of sufficient segregation of duties.

Cause

Size and budget constraints limiting the number of personnel within the accounting department.

Effect

The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Recommendation

The areas should be reviewed periodically and consideration given to improving the segregation of duties.

Views of Responsible Officials and Planned Corrective Actions

The District agrees with the recommendation and will review on an annual basis.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

2024-002 Finding

Criteria

An appropriate system of internal controls requires the District to prepare financial statements in compliance with accounting principles generally accepted in the United States of America.

Condition

The District's auditors prepare periodic financial information for internal use that meets the needs of management and the Board of Education. However, the District currently does not prepare financial statements, including accompanying note disclosures, as required by accounting principles generally accepted in the United States of America. The District has elected to have the auditors assist in the preparation of the financial statements and notes.

Cause

The District elected to not allocate resources for the preparation of financial statements.

Effect

There is an increased risk of material misstatement to the District's financial statements.

Recommendation

We recommend the District consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures and consider preparing them in the future. As a compensating control, the entity should establish an internal control policy to document the annual review of the financial statements and schedules and to review a financial statement disclosure checklist.

Views of Responsible Officials and Planned Corrective Actions

The District agrees with the recommendation and will review on an annual basis.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2024

2024-001 Finding

1. Correcting Plan

The District has the following procedures to mitigate the risk:

- 1) Review and approval of journal entries by superintendent.
- 2) Board approves checks.
- 3) Superintendent periodically reviews bank statement before turning it over to the business office for reconciliation.

2. Explanation of Disagreement with the Audit Findings

There is essentially no disagreement with the finding.

3. Official Responsible for Insuring CAP

The Superintendent, Aaron Cook, is responsible for carrying out the corrective action plan.

4. Planned Completion Date for CAP

When it becomes economically feasible, the District will hire additional personnel in the accounting department to improve segregation of duties. As such, the completion date is ongoing.

5. Plan to Monitor Completion of CAP

The Superintendent will monitor completion of the CAP, with reports to the Board of Education, on an annual basis.

2024-002 Finding

1. Correcting Plan

School District personnel will establish a policy to document review of financial statements and notes.

2. Explanation of Disagreement with the Audit Findings

There is essentially no disagreement with the finding.

3. Official Responsible for Insuring CAP

The Superintendent, Aaron Cook, is responsible for carrying out the corrective action plan.

4. Planned Completion Date for CAP

School district personnel will attend training annually. The District will approve an internal control policy to document the review of the financial statements within the next 90 days. The journal entries identified will be implemented over a four-year time period.

5. Plan to Monitor Completion of CAP

The superintendent will monitor completion of the CAP, with reports to the Board of Education, on an annual basis.

INDEPENDENT SCHOOL DISTRICT NO. 2609
ERSKINE, MINNESOTA
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE
FOR THE YEAR ENDED JUNE 30, 2024

	Audit	UFARS	Variance		Audit	UFARS	Variance
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$ 6,987,615	\$ 6,987,613	\$ 2	Total Revenue	-	-	-
Total Expenditures	7,181,510	7,181,510	-	Total Expenditures	-	-	-
Non Spendable				Non Spendable			
460 Non Spendable Fund Balance	10,687	10,688	(1)	460 Non Spendable Fund Balance	-	-	-
Restricted/Reserved				Restricted/Reserved			
401 Student Activities	100,704	100,703	1	407 Capital Projects Levy	-	-	-
402 Scholarships	21,032	21,033	(1)	413 Projects Funded by COP	-	-	-
403 Staff Development	-	-	-	467 LTFM	-	-	-
407 Capital Projects Levy	-	-	-	Restricted			
408 Cooperative Revenue	-	-	-	464 Restricted Fund Balance	-	-	-
412 Literacy Incentive Aid	19,435	19,435	-	Unassigned			
414 Operating Debt	-	-	-	463 Unassigned Fund Balance	-	-	-
416 Levy Reduction	-	-	-				
417 Taconite Building Maintenance	-	-	-	Reconciliation of Building Construction	-	-	-
420 American Indian Ed Aid	-	-	-				
424 Operating Capital	30,108	30,105	3	07 DEBT SERVICE			
426 \$25 Taconite	-	-	-	Total Revenue	875,466	875,462	4
427 Disabled Accessibility	-	-	-	Total Expenditures	864,888	864,888	-
428 Learning & Development	-	-	-	Non Spendable			
434 Area Learning Center	-	-	-	460 Non Spendable Fund Balance	11,587	11,587	-
435 Contracted Alt. Programs	-	-	-	Restricted/Reserved			
436 State Approved Alt. Program	-	-	-	425 Bond Refundings	-	-	-
438 Gifted & Talented	-	-	-	433 Max Effort Loan	-	-	-
439 English Learner	-	-	-	451 QZAB Payments	-	-	-
440 Teacher Development & Eval	-	-	-	467 LTFM	-	-	-
441 Basic Skills Programs	-	-	-	Restricted			
443 School Library Aid	-	-	-	464 Restricted Fund Balance	213,328	213,328	-
448 Achievement and Integration	-	-	-	Unassigned			
449 Safe Schools Levy	22,318	22,316	2	463 Unassigned Fund Balance	-	-	-
451 QZAB Payments	-	-	-	Reconciliation of Debt Service	1,965,269	1,965,265	4
452 OPEB Liab Not In Trust	-	-	-				
453 Unfnded Sev & Retirement Levy	-	-	-	08 TRUST			
459 Basic Skills Ext Time	-	-	-	Total Revenue	-	-	-
467 LTFM	8,715	8,716	(1)	Total Expenditures	-	-	-
471 Student Support Personnel	40,000	40,000	-	Unassigned			
472 Medical Assistance	17,997	17,997	-	401 Student Activities	-	-	-
Restricted				402 Scholarships	-	-	-
464 Restricted Fund Balance	552,185	552,184	1	422 Net Assets	-	-	-
475 Title VII - Impact Aid	-	-	-	Reconciliation of Trust	-	-	-
476 PILT	-	-	-				
Committed				18 CUSTODIAL FUND			
418 Committed for Separation	100,000	100,000	-	Total Revenue	-	-	-
461 Committed Fund Balance	-	-	-	Total Expenditures	-	-	-
Assigned				401 Student Activities	-	-	-
462 Assigned Fund Balance	159,974	159,974	-	402 Scholarships	-	-	-
Unassigned				448 Achievement & Integration	-	-	-
422 Unassigned Fund Balance	1,671,569	1,671,571	(2)	464 Restricted Fund Balance	-	-	-
Reconciliation of General	16,923,849	16,923,845	4				
02 FOOD SERVICE				20 INTERNAL SERVICE			
Total Revenue	408,041	408,041	-	Total Revenue	-	-	-
Total Expenditures	405,522	405,522	-	Total Expenditures	-	-	-
Non Spendable				Unassigned			
460 Non Spendable Fund Balance	3,868	3,868	-	422 Net Assets	-	-	-
Restricted/Reserved:				Reconciliation of Internal Service	-	-	-
452 OPEB Liab Not In Trust	-	-	-				
Restricted				25 OPEB REVOCABLE TRUST FUND			
464 Restricted Fund Balance	11,568	11,567	1	Total Revenue	-	-	-
Unassigned				Total Expenditures	-	-	-
463 Unassigned Fund Balance	-	-	-	Unassigned			
Reconciliation of Food Service	828,999	828,998	1	422 Net Assets	-	-	-
04 COMMUNITY SERVICE				Reconciliation of OPEB Revocable Trust	-	-	-
Total Revenue	119,661	119,662	(1)	45 OPEB IRREVOCABLE TRUST FUND			
Total Expenditures	123,513	123,513	-	Total Revenue	-	-	-
Non Spendable				Total Expenditures	-	-	-
460 Non Spendable Fund Balance	-	-	-	Unassigned			
Restricted/Reserved				422 Net Assets	-	-	-
426 \$25 Taconite	-	-	-	Reconciliation of OPEB Irrevocable Trust	-	-	-
431 Community Education	200,672	200,671	1				
432 E.C.F.E.	80,539	80,536	3	47 OPEB DEBT SERVICE FUND			
440 Teacher Development & Eval	-	-	-	Total Revenue	-	-	-
444 School Readiness	(8,831)	(8,830)	(1)	Total Expenditures	-	-	-
447 Adult Basic Education	-	-	-	460 Non Spendable Fund Balance	-	-	-
452 OPEB Liab Not In Trust	-	-	-	Restricted			
Restricted				425 Bond Refundings	-	-	-
464 Restricted Fund Balance	26,944	26,949	(5)	464 Restricted Fund Balance	-	-	-
Unassigned				Unassigned			
463 Unassigned Fund Balance	-	-	-	463 Unassigned Fund Balance	-	-	-
Reconciliation of Community Service	542,498	542,501	(3)	Reconciliation of OPEB Debt Service	-	-	-

SPORTS MEDICINE SERVICES AGREEMENT

THIS SPORTS MEDICINE SERVICES AGREEMENT (“Agreement”) is entered into as of November 1, 2024 or the date of the last parties’ signature below, whichever is later (the “Effective Date”) and is by and between Essentia Health Sports Medicine on behalf of itself and its affiliates (“Essentia Health”) and Win-E-Mac school district (“School”).

RECITALS

WHEREAS, Essentia Health is a nonprofit health system dedicated to the promotion of health and welfare and provides health care services, including sports medicine services, in and around the community where School is located; and

WHEREAS, School conducts various athletic events and activities for eligible student participants (individually, a “Student” and, collectively, the “Students”), and desires to contract with Essentia Health for sponsorship and services relating to the same; and

NOW, THEREFORE, in consideration of the mutual promises hereinafter recited, the parties agree as follows:

AGREEMENT

1. *Essentia Health Responsibilities.*

- 1.1 Sports Medicine Services. Essentia Health shall provide physical therapist(s)/certified athletic trainer(s) to School to perform any rehabilitation, taping, evaluations, or other related athletic training services to Students for home games, training room coverage, home tournament coverage for any level, practice coverage, first aid and emergency care, treatment of injuries (subject to physician supervision and modality limitations), injury assessment (including making appropriate recommendations for medical evaluation and treatment as warranted by the circumstances), injury reporting, and other related athletic training services as mutually agreed between the parties (collectively, the “Services”).
- 1.2 Standards. The Services shall be provided in accordance with all applicable statutes, regulations, and accrediting bodies. Essentia Health shall determine and select the individual(s) assigned to provide Services to School; provided, however, that School may, in its sole discretion, request Essentia Health remove an individual providing Services hereunder, in which case Essentia Health shall use its best efforts to substitute another qualified athletic trainer.

2. ***Insurance.*** School agrees to maintain throughout the Term of the Agreement, at its sole cost and expense, insurance coverage in sufficient amounts to cover the work being performed by School pursuant to the Agreement. Such coverage must cover all of School’s obligations hereunder, including, but not limited to, Commercial General Liability Insurance covering products and completed operations, property damage, bodily injury and personal & advertising injury on an “occurrence” basis with limits no less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate; Professional Liability (Errors and Omissions) Insurance, with limits no less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate; and applicable statutory limits for Workers’ Compensation. By requiring insurance, neither party represents that coverage and limits

will necessarily be adequate to protect the other party, and such coverage and limits shall not be deemed as a limitation on a party's liability in connection with the Agreement.

3. ***Indemnification.*** To the extent permissible under law, School will defend, indemnify and hold harmless Essentia Health and its agents, officers, and employees from and against any and all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from (1) School's negligent or wrongful actions or omissions relating to or arising from this Agreement, or (2) the negligent or wrongful actions or omissions of School's sub-contractors, anyone directly or indirectly employed or contracted by School, or anyone for whose actions or omissions School may be liable.

4. ***Term and Termination.*** The term of this Agreement is one (1) year(s), effective as of the Effective Date (the "Term"). Notwithstanding the stated Term, this Agreement may be terminated as follows:

- 4.1 By Essentia at any time upon not less than thirty (30) days' prior written notice;
- 4.2 By either party at any time in the event that the other party is in material breach of any provision of this Agreement and the breaching party has not cured the breach within thirty (30) days of receipt of notice from the non-breaching party;
- 4.3 By either party at any time in the event that (i) the business of either party is terminated or suspended, (ii) a petition for bankruptcy is filed by or against either party, (ii) a receiver is appointed on account of either party's insolvency, or (iv) any assignment is made of either party's business for the benefit of its creditors; or
- 4.4 By Essentia Health, immediately upon notice to School if, in Essentia Health's sole discretion, termination is necessary to preserve the quality of patient services or to protect the health, safety, or welfare of patients, employees, or other persons.

5.

6. ***School Responsibilities.***

- 6.1 Duties. School agrees to provide the following to facilitate the effective provision of Services by Essentia Health:
 - 6.1.1 providing all necessary basic medical supplies required to furnish the Services;
 - 6.1.2 facilitating communication with Essentia Health in connection with the provision of Services;

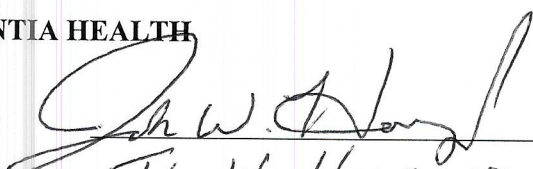
Marketing. In consideration for the Services described herein, School agrees to provide Essentia Health with the marketing and advertisement opportunities be coordinated with School in advance. All such marketing activities are subject to School's prior approval, which shall not be unreasonably withheld.

IN WITNESS WHEREOF, the parties have executed this Agreement as set forth below.

ESSENTIA HEALTH

SCHOOL

By:



By:

Print Name:

John W. Hargrud

Print Name:

Title

Director

Title

Date

11-18-2024

Date