School Board Workshop:	**November 9, 2026**
Subject:	Quarterly Cash and Investment Report October 31, 2026
Presenter:	**Ryan L. Tangen, Director Finance and Operations**

SUGGESTED SCHOOL BOARD ACTION:

For Board Review Only.

DESCRIPTION:

The attachments contain information about the estimated cash and investment position of the district as of October 31, 2026 and the OPEB Trust as of September 30, 2026.

Cash and Investments Portfolio

The district's estimated cash and investment balance as of October 31, 2026, is $33,028,242. For comparison, the estimated balances on October 31, 2025, and October 31, 2024, were $31,532,349 and $30,198,766, respectively. The current portfolio consists of 5.0% in collateralized/FDIC-insured certificates of deposit, 5.5% US Treasury or Governmental Agencies, and 89.5% in liquid accounts. This report provides a detailed breakdown of investments by type and the brokerage firms used for these investments.

Projected Cash and Investments Balances 2026-27

This graph displays the projected cash and investment balances at the end of each month for all funds, excluding the OPEB Trust and HRA Trust. The red portion at the top of each bar represents funds held in daily liquid accounts, while the blue portion at the bottom shows estimated investments.

Our portfolio strategy is to invest funds as far out as permitted by statutes and aligned with our cash flow requirements. Due to the timing of revenue receipts and payment obligations, cash balances at month-end are often higher than at other points during the month. Most revenue is received on the 15th and 30th of each month, while several significant payments occur at different times. This timing gap necessitates maintaining a sufficient portion of the portfolio in liquid deposits.

Persistent inflation prompted the Federal Reserve to increase the federal funds rate by 0.25%, followed by a decision to hold rates steady at its most recent meeting. The yield

curve remains relatively flat to inverted, offering limited incentive to extend investments into longer maturities. Given these conditions, the district continues to prioritize liquidity while selectively investing in longer maturities when opportunities arise to secure competitive returns without compromising cash flow needs.

Projected Monthly Balances Operating vs. Non-Operating 2026-27

This graph illustrates the projected monthly balances for operating and debt funds during the 2026-27 fiscal year. Operating fund balances typically peak at the end of August or September, as final state aid payments from the prior fiscal year are received by late September. Debt fund balances peak in December, following the receipt of the calendar year's property tax collections in advance of the January debt service payments. The debt fund balance also increases again in May and June as additional tax settlements are received in preparation for the July debt service payments. The balance also climbs as we receive the May and June property tax settlements in time to make the June summer payroll.

Multiyear Monthly Cash Flow Projection

This graph presents the estimated monthly cash balances for all funds across fiscal years 2012-13 and 2022-23 through 2026-27. The monthly cash flow pattern has remained fairly consistent from year to year, indicating financial stability. 2026-27 is following the same pattern as in past years but is projected to end lower due to fund balance utilization. Fiscal year 2012-13 is included in the comparison because it represents the last time the state withheld district funds to cover their own financial issues.

Overall, the district is projected to maintain a strong financial position throughout the year.

OPEB Trust Quarterly Report

The "Old National Wealth Management (formally Bremer Bank) OPEB Trust Summary" is a graph of the semi-annual balances for prior years and monthly balances for the current year in the OPEB Trust held and managed by Old National Wealth Management's trust services department. The trust was opened in October 2009 with a balance of $10,692,177. The balance in the trust as of September 30, 2026, was $15,564,911 for a net increase of $4,872,734 or 45.57% since its inception. This balance reflects net transfers out of $9,912,296 from the trust to cover retiree obligations for fiscal years 2012-13 through 2025-26. The investment value has fluctuated with the market.

The two pie charts in the bottom right illustrate the portfolio's asset allocation and the values across categories. We are within board policy limits for all allocations. We will

continue to monitor the allocations to make sure we continue to stay in compliance with the established board policies.

The "Future OPEB and Compensated Absences Liabilities" summarizes the funding level for retiree benefit liabilities and compensated absences estimates as of September 30, 2026. We completed our most recent actuarial study as of July 1, 2026. That study estimated our actuarial accrued liability or OPEB liability to be $12,861,246 ($531,130 increase from July 1, 2025) and the compensated absences liability at $995,624 ($79,381 increase from July 1, 2025) for total retirement benefits and compensated absences liability of $13,856,870 as of July 1, 2026. The combined liability increased by $610,511 or 4.61% from July 1, 2025, to July 1, 2026. The liability is reviewed annually with a full study every two years.

To offset those liabilities, the district has a balance in the OPEB trust of $15,564,911 and a committed fund balance of $3,472,369 to fund the district's severance and compensated absences obligations. The combined balance of the two sources is $19,037,550. When netted against the total estimate of OPEB and compensated absences liabilities of $13,856,870, we are showing a projected surplus over the next 30-year period which is estimated at $5,791,480. The district has negotiated measures to help control OPEB liabilities going forward for many employee groups and also worked to provide caps for compensated absences. We will continue to look for ways to minimize the OPEB liability and to continue to increase the amount of revenue to offset those retiree obligations.

ATTACHMENTS:

- Cash and Investments Portfolio 10.31.26
- Projected Cash and Investment Balances 2026-27
- Projected Monthly Balances Operating vs. Non-Operating 2026-27
- Multiyear Monthly Cash Flow Projection 10.31.26
- OPEB Trust Quarterly Report 9.30.26