

Management Report
for
Intermediate School District No. 917
Rosemount, Minnesota
June 30, 2025



Certified Public Accountants Business Consultants

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To the School Board and Management of
Intermediate School District No. 917
Rosemount, Minnesota

We have prepared this management report in conjunction with our audit of Intermediate School District No. 917's (the District) financial statements for the year ended June 30, 2025. We have organized this report into the following sections:

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

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

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

Respectfully submitted,

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

LB CARLSON, LLP
Minneapolis, Minnesota

November 25, 2025

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AUDIT SUMMARY

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

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND *GOVERNMENT AUDITING STANDARDS*

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

PLANNED SCOPE AND TIMING OF THE AUDIT

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

AUDIT OPINIONS AND FINDINGS

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

- We have issued unmodified opinions on the District's basic financial statements.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year ended June 30, 2025. However, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during fiscal year ended June 30, 2025. This standard changed the recognition and measurement of the compensated absence liability reported by the District, but did not result in a restatement of beginning net position or fund balance.

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

The District has recorded a liability in the Statement of Net Position for compensated absences and severance benefits payable. Management's estimate is based on current rates of pay, unused compensated absence balances, and the likelihood compensated absences will be paid out over the course of employment or at termination.

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

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

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

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

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

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENT

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

DISAGREEMENTS WITH MANAGEMENT

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated November 25, 2025.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

OTHER AUDIT FINDINGS OR ISSUES

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

OTHER MATTERS

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

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

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

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FINANCIAL TRENDS IN PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

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

The table below presents a summary of the formula allowance for the past decade and as approved for the next fiscal year. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts.

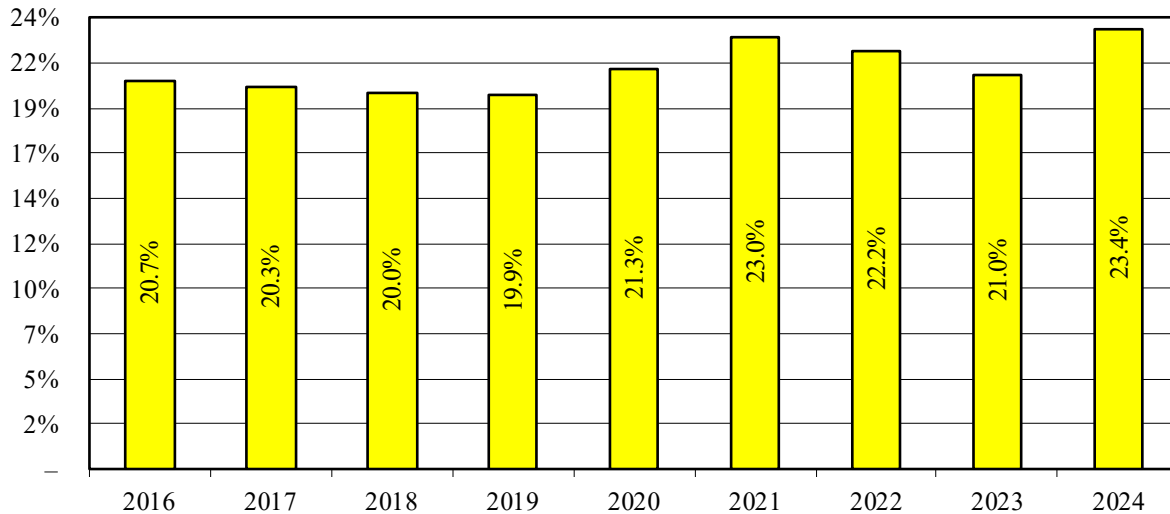
For fiscal 2026 and beyond, the annual formula increase will be adjusted for inflation, using a formula based on the Consumer Price Index-Urban (CPI-U) average inflation rate for the fourth calendar quarter of the immediately prior fiscal year compared to the average for the fourth calendar quarter of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

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

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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

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



Note: State-wide information is not available for fiscal 2025.

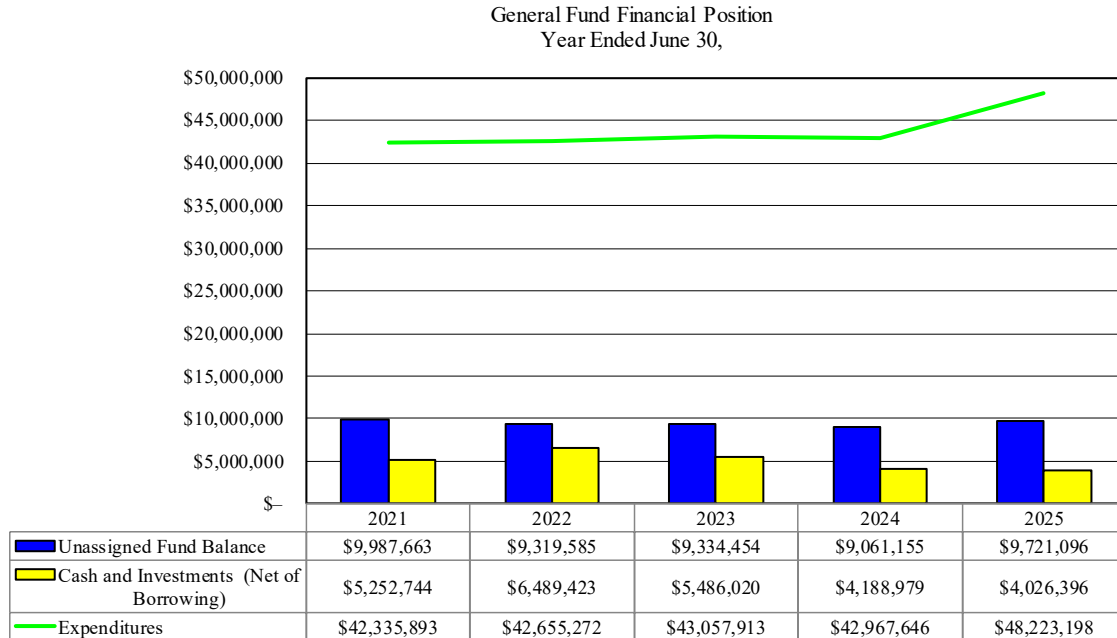
The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt.

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

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

The following graph displays the District's General Fund trends of financial position and changes in the volume of financial activity. Unassigned fund balance and cash balance are two indicators of financial health, while annual expenditures are often used to measure the size of the operation.



The District ended fiscal year 2025 with a General Fund cash and investments balance of \$4,026,396 (net of borrowing and interfund receivables and payables), a decrease of \$162,583 from the previous year. This was mainly due to the increase in amounts due from other school districts and other governments.

Unassigned fund balance at year-end was \$9,721,096, an increase of \$659,941.

The District ended the year with a \$468,286 increase in total General Fund balance. This increase was \$1,088,245 is higher than the \$619,959 decrease anticipated in the District's revised budget. The reason for the variance is mainly due to the District experiencing better than expected results in the Special Education Account and Secondary Education Account totaling \$614,364 and \$479,781, respectively. The net change in fund balance was higher than anticipated due to better than projected special education state source revenue when compared to projected program expenditures. Also, Secondary Education Account expenditures were lower than budgeted by \$755,498, mainly in supplies, materials, and purchased services.

The following table presents the components of the General Fund balance for the past five years:

	Year Ended June 30,				
	2021	2022	2023	2024	2025
Nonspendable fund balances	\$ 109,429	\$ 123,369	\$ 119,347	\$ 181,921	\$ 22,510
Restricted fund balances	105,925	50,573	50,581	277,385	62,909
Assigned fund balances	134,029	708,921	575,075	159,724	341,956
Unassigned	9,987,663	9,319,585	9,334,454	9,061,155	9,721,096
Total fund balances	<u>\$ 10,337,046</u>	<u>\$ 10,202,448</u>	<u>\$ 10,079,457</u>	<u>\$ 9,680,185</u>	<u>\$ 10,148,471</u>
Unassigned fund balances as a percentage of expenditures	<u>23.6%</u>	<u>21.8%</u>	<u>21.7%</u>	<u>21.1%</u>	<u>20.2%</u>
Cash and temporary investments (net of borrowing)	<u>\$ 5,252,744</u>	<u>\$ 6,489,423</u>	<u>\$ 5,486,020</u>	<u>\$ 4,188,979</u>	<u>\$ 4,026,396</u>

The table above reflects the total General Fund unassigned fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

Fund balance as a percentage of expenditures is one key measure in assessing the financial health of the District. Maintaining an adequate fund balance is particularly important because of the limited availability of borrowing for the District and the need for the General Fund to be self-sustaining in its cash flow needs.

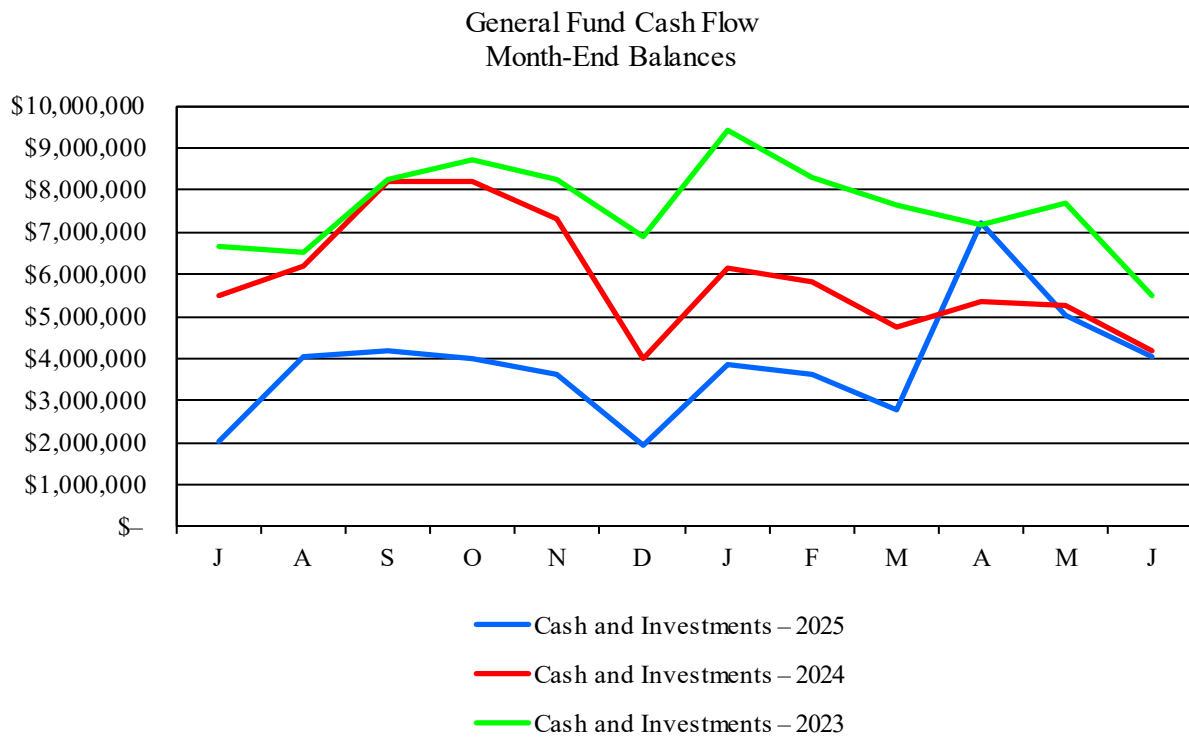
Fund Balance Policy

The fund balance remains healthy when compared to the level of district expenditures. The District's plan, based on the current fund balance policy, is to maintain a minimum unassigned General Fund balance of 15.0 percent of the annual budget. At June 30, 2025, the District has exceeded that policy, with an unassigned fund balance as a percentage of 2025 expenditures of 20.2 percent.

The District's fund balance provides opportunities to incur one-time capital expenditures to mitigate the amount of long-term facilities maintenance levy that the District requests on behalf of the member districts. The District continues to monitor its fund balances closely.

GENERAL FUND CASH FLOW

The level of cash and investments varies considerably during the year, due to the timing of various revenues and expenditures. The following graph summarizes the level of cash and investments, including cash and investments held by trustee (net of short-term cash flow borrowing) over the past three years:



The graph above shows the peaks and valleys of the General Fund cash and investments balance (net of borrowing and interfund balances) on a monthly basis. The swing between its high and low month-end cash balances was about \$5.3 million for fiscal 2025.

GENERAL FUND OPERATIONS AND FINANCIAL POSITION BY ACCOUNT

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

Secondary Education Account

	Year Ended June 30,				
	2021	2022	2023	2024	2025
Revenue and other financing sources	\$ 4,211,547	\$ 4,187,256	\$ 3,667,682	\$ 3,756,184	\$ 3,531,824
Expenditures	4,258,342	3,969,331	3,836,880	4,308,947	3,811,779
Net change in fund balances	(46,795)	217,925	(169,198)	(552,763)	(279,955)
Fund balances					
Beginning of year	3,605,409	3,558,614	3,776,539	3,607,341	3,054,578
End of year	<u>\$ 3,558,614</u>	<u>\$ 3,776,539</u>	<u>\$ 3,607,341</u>	<u>\$ 3,054,578</u>	<u>\$ 2,774,623</u>

This account experienced a net decrease in fund balance of \$279,955 during fiscal 2025. This compares to a budgeted decrease of \$759,736. Revenues and other financing sources were under budget by \$275,717, mainly in tuition. Expenditures ended the year lower than budget by \$755,498, mainly in supplies and materials of \$390,655 and purchased services of \$201,288.

Total revenues and other financing sources in the Secondary Education Account of the General Fund totaled \$3,531,824 in fiscal 2025, a decrease of \$224,360 from the previous year, due to a decrease in tuition related to changes in programs and rates. Expenditures in this account decreased \$497,168, mainly in salaries and employee benefits related to changes in programming and grant funding.

Special Education Account

	Year Ended June 30,				
	2021	2022	2023	2024	2025
Revenue and other financing sources	\$ 37,774,644	\$ 37,734,212	\$ 38,417,883	\$ 38,034,229	\$ 44,433,606
Expenditures and other financing uses	37,529,096	38,092,565	38,363,523	37,881,911	43,685,064
Net change in fund balances	245,548	(358,353)	54,360	152,318	748,542
Fund balances					
Beginning of year	6,476,733	6,722,281	6,363,928	6,418,288	6,570,606
End of year	<u>\$ 6,722,281</u>	<u>\$ 6,363,928</u>	<u>\$ 6,418,288</u>	<u>\$ 6,570,606</u>	<u>\$ 7,319,148</u>

This account experienced a net increase in fund balance of \$748,542 during fiscal 2025, which compares to a budgeted increase in fund balance of \$134,178 for the year. Special education revenue was \$1,734,448 lower than budget and the related expenditures were also lower than budgeted amounts by \$2,336,431. This was mainly in purchased services as the District hired less education support professionals than expected.

Special Education Account revenues and other financing sources increased \$6,399,377 in fiscal 2025. The District experienced an increase in state sources, from improved general education funding and additional state aid for special education received in fiscal 2025. Other local sources also increased related to increases in local grant activity in the current year. Expenditures and other financing uses increased \$5,803,153, mainly in employee salaries and benefits from increased staffing levels. Purchased services also increased related to grant activity in the current year.

OTHER FUNDS OF THE DISTRICT

Food Service Special Revenue Fund

Expenditures exceeded revenues by \$30,830 for the year. In order to eliminate the potential deficit in the Food Service Special Revenue Fund, the School Board approved a transfer of \$18,184 from the General Fund.

Internal Service Funds

The internal service funds are considered proprietary funds and are used to account for health and dental insurance offered by the District to its employees as a self-insured plan and post-employment employee benefits.

The following table presents comparative operating results for the District's internal service funds over the past five fiscal years:

	Year Ended June 30,				
	2021	2022	2023	2024	2025
Revenue	\$ 5,791,672	\$ 5,478,147	\$ 5,373,355	\$ 5,181,679	\$ 5,323,954
Expenses	<u>4,742,075</u>	<u>4,693,634</u>	<u>4,245,114</u>	<u>4,359,072</u>	<u>4,571,748</u>
Change in net position	1,049,597	784,513	1,128,241	822,607	752,206
Net position					
Beginning of year	<u>2,866,065</u>	<u>3,915,662</u>	<u>4,700,175</u>	<u>5,828,416</u>	<u>6,651,023</u>
End of year	<u>\$ 3,915,662</u>	<u>\$ 4,700,175</u>	<u>\$ 5,828,416</u>	<u>\$ 6,651,023</u>	<u>\$ 7,403,229</u>

These funds had revenues over expenses of \$752,206 during fiscal 2025. This occurred mostly as a result of the District's internal service fund for self-insured medical insurance, which had operating income of \$419,711 and investment earnings of \$224,328. Revenues were greater than fiscal 2024, mainly in the self-insured medical insurance plan, due to an increase in the number of employee participants and increased rates. Expenses increased due to changes in claims incurred.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's financial statements include fund-based information that focuses on budgetary compliance, and the sufficiency of the District's current assets to finance its current liabilities. The governmental reporting model also requires the inclusion of two government-wide financial statements designed to present a clear picture of the District as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering educational services, including capital assets and long-term liabilities.

Theoretically, net position represents district resources available for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, this statement divides net position into three components: net investment in capital assets, restricted, and unrestricted. The following table presents a summarized reconciliation of the District's governmental fund balances to net position, and the separate components of net position for the last two years:

	As of June 30,		Change
	2024	2025	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 9,697,011	\$ 10,152,651	\$ 455,640
Total capital assets, net of depreciation/amortization	14,673,362	13,725,889	(947,473)
Total long-term debt	(12,612,010)	(11,646,566)	965,444
Net pension-related liabilities	(24,563,303)	(23,119,898)	1,443,405
Internal service funds balance	6,651,023	7,403,229	752,206
Other items	(592,516)	(535,897)	56,619
Total net position – governmental activities	<u>\$ (6,746,433)</u>	<u>\$ (4,020,592)</u>	<u>\$ 2,725,841</u>
Net position			
Net investment in capital assets	\$ 2,109,275	\$ 2,117,053	\$ 7,778
Restricted	243,479	11,997	(231,482)
Unrestricted	<u>(9,099,187)</u>	<u>(6,149,642)</u>	<u>2,949,545</u>
Total net position	<u>\$ (6,746,433)</u>	<u>\$ (4,020,592)</u>	<u>\$ 2,725,841</u>

Some of the District's fund balances translate into restricted net position by virtue of external restrictions (statutory restrictions) or by the nature of the fund they are in (e.g., Food Service Special Revenue Fund balance can only be spent for food service program costs). The unrestricted net position category consists mainly of the General Fund unrestricted fund balances, offset against noncapital long-term obligations, such as severance payable, compensated absences, OPEB, and pension liabilities.

Total net position increased by \$2,725,841 in fiscal 2025. The change in restricted net position was due to a decrease in amounts restricted for basic skills programs. The District's unrestricted net position increased by \$2,949,545, mainly due to increased equity position in the District's General Fund and Internal Service Fund and changes in funding levels of the Public Employees Retirement Association and the Teachers Retirement Association pension obligations.

ACCOUNTING AND AUDITING UPDATES

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

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

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

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

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

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

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

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

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

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

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

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

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

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