INTERMEDIATE SCHOOL DISTRICT NO. 917
ROSEMOUNT, MINNESOTA

Financial Statements and
Supplementary Information

Year Ended
June 30, 2025

Certified Public Accountants Business Consultants

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INTERMEDIATE SCHOOL DISTRICT NO. 917

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INTRODUCTORY SECTION

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INTERMEDIATE SCHOOL DISTRICT NO. 917

School Board and Administration
as of June 30, 2025

SCHOOL BOARD

Board of Directors	Member District	Position on Board
Tom Bennett	ISD No. 271	Chairperson
Cindy Nordstrom	ISD No. 199	Vice Chairperson
Byron Schwab	ISD No. 197	Treasurer
Lisa Ehleringer	ISD No. 195	Clerk
Kim Baker	ISD No. 194	Board Member
Lesley Chester	ISD No. 191	Board Member
Hannah Simmons	ISD No. 192	Board Member
Monica Weber	SSD No. 6	Board Member
Mark Zuzek	ISD No. 200	Board Member

ADMINISTRATION

Michael Favor	Superintendent
Mark Johns	Director of Finance
Melissa Schaller	Executive Director of Student Services

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FINANCIAL SECTION

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<u>INDEPENDENT AUDITOR'S REPORT</u>

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

(continued)

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

(continued)

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

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

PRIOR YEAR COMPARATIVE INFORMATION

Malloy, Montague, Karnowski, Radosevich & Co., P.A. previously audited the District's 2024 financial statements, and expressed unmodified audit opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information in their report dated December 4, 2024. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

November 25, 2025

This section of Intermediate School District No. 917's (the District) annual financial statements presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the other components of the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2025 by $4,020,592 (net position deficit). The District's total net position increased by $2,725,841 during the fiscal year ended June 30, 2025.

- The District's total General Fund balance at June 30, 2025 is $10,148,471, an increase of $468,286 over the prior year.

- The District's governmental funds Balance Sheet reflects a $9,721,096 unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Independent Auditor's Report;

- Management's discussion and analysis;

- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;

- Required supplementary information; and

- Combining and individual fund statements and schedules, which are presented as supplementary information.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as the condition of school buildings and other facilities.

In the government-wide financial statements the District's activities are all shown in one category titled "governmental activities." These activities, including secondary vocational and special education instruction, administration, and food services, are primarily financed with tuition charges and state aids.

FUND FINANCIAL STATEMENTS

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

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America.

The District maintains the following kinds of funds:

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

Proprietary Funds – Internal service fund services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. These services have been included with governmental activities in the government-wide financial statements. The District currently has three internal service funds, including funds for accounting for post-employment employee benefits, and medical self-insurance and dental self-insurance plans.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1
Summary Statement of Net Position
as of June 30, 2025 and 2024

	2025	2024
Assets		
Current and other assets	$ 24,458,453	$ 23,199,486
Capital assets, net of accumulated depreciation/amortization	13,725,889	14,673,362
Total assets	$ 38,184,342	$ 37,872,848
Deferred outflows of resources		
Pension plan deferments	$ 5,994,543	$ 7,654,077
OPEB plan deferments	269,784	137,297
Deferred charge on refunding	201,832	224,257
Total deferred outflows of resources	$ 6,466,159	$ 8,015,631
Liabilities		
Current and other liabilities	$ 4,800,823	$ 4,711,340
Long-term liabilities, including due within one year	33,534,978	43,154,208
Total liabilities	$ 38,335,801	$ 47,865,548
Deferred inflows of resources		
Pension plan deferments	$ 9,763,908	$ 4,057,611
OPEB plan deferments	571,384	711,753
Total deferred inflows of resources	$ 10,335,292	$ 4,769,364
Net position		
Net investment in capital assets	$ 2,117,053	$ 2,109,275
Restricted for food service	4,180	16,826
Restricted for other purposes	7,817	226,653
Unrestricted	(6,149,642)	(9,099,187)
Total net position	$ (4,020,592)	$ (6,746,433)

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

The District's total net position at June 30, 2025 was $2,725,841 more than the prior year, mainly due to the positive operating results of the District's General Fund and internal service funds, and the change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans, which also contributed to the change in deferred outflows of resources, long-term liabilities, and deferred inflows of resources.

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

Table 2
Summary Statement of Activities
for the Years Ended June 30, 2025 and 2024

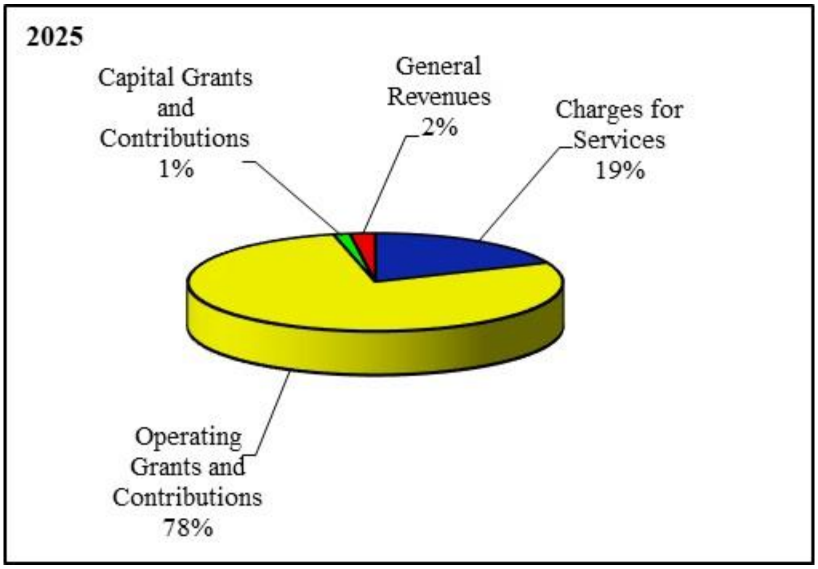
	2025	2024
Revenues		
Program revenues		
Charges for services	$ 9,222,846	$ 9,144,988
Operating grants and contributions	38,578,143	32,377,559
Capital grants and contributions	697,100	715,325
General revenues		
General grants and aids	555,401	–
Other	53,805	350,248
Gain on sale of capital assets	–	19,651
Investment earnings	610,798	705,116
Total revenues	49,718,093	43,312,887
Expenses		
Administrative and support services	2,781,553	2,731,139
Secondary vocational/DCALS	3,522,802	4,001,575
Special education programs	39,807,291	34,860,017
Food service	236,877	208,468
Interest and fiscal charges on debt	643,729	694,200
Total expenses	46,992,252	42,495,399
Change in net position	2,725,841	817,488
Net position – beginning	(6,746,433)	(7,563,921)
Net position – ending	$ (4,020,592)	$ (6,746,433)

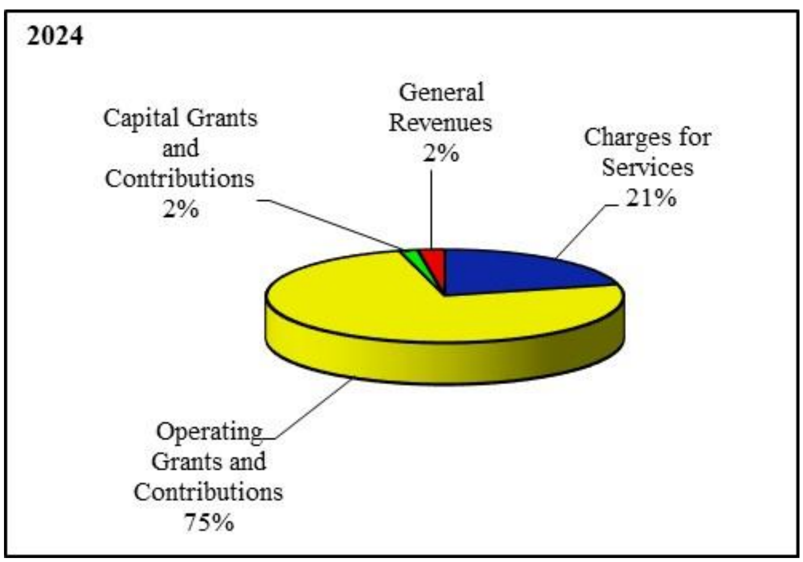
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal. The increase in special education program expenses is the result of increased salary and benefit costs related to increased staffing levels and program activity. The increase in operating grants and contributions was mainly in the special education program of $5,766,622 from increasing program activity and state aid funding. The increase in general grants and aids relates to increased state aid contributions toward pension-related obligations.

The District's expenses are predominantly related to educating students. In fiscal 2024–2025, 92 percent of the District's expenses were devoted to this purpose. The administrative and support services activity of the District accounted for 6 percent of total expenses for the year. It should be noted that the District allocated $2,752,034 in administrative and support services expenses to the secondary vocational/DCALS (Dakota County Alternative Learning) and special education programs in fiscal 2025.

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

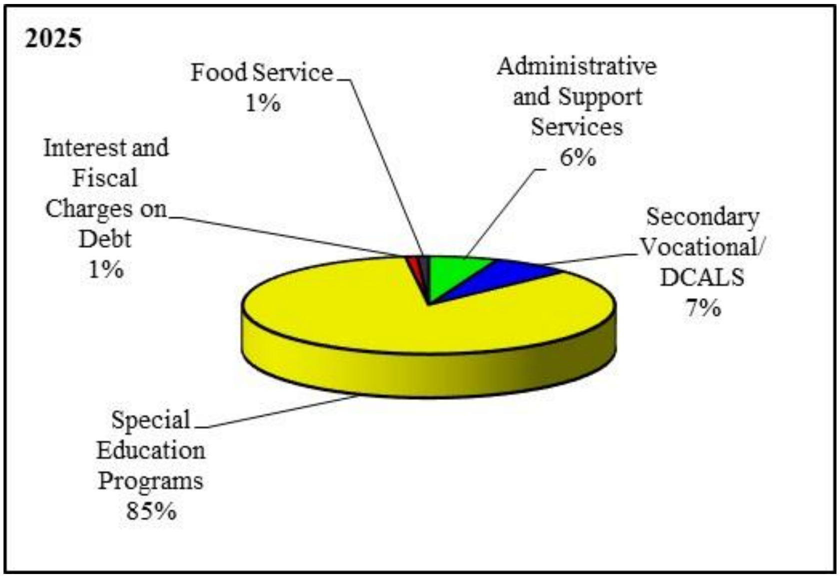
Figure A – Sources of Revenue for Fiscal Years 2025 and 2024

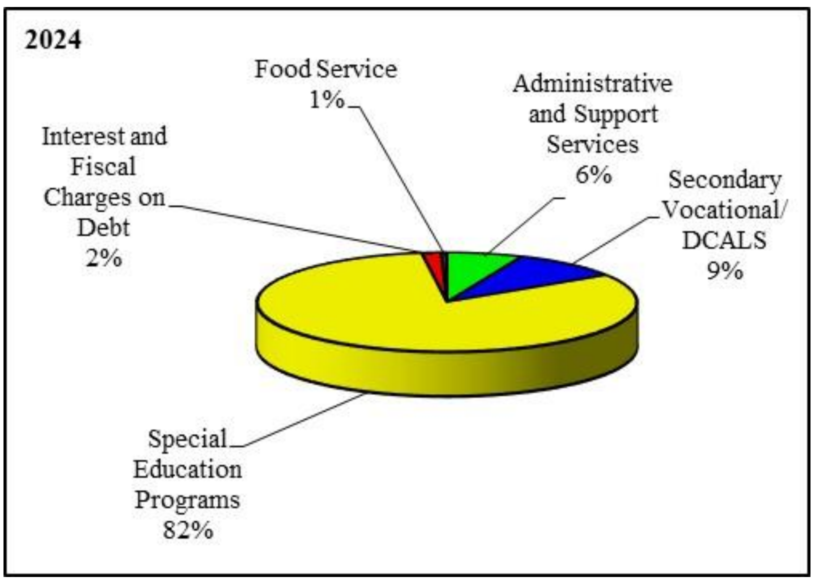




The largest share of the District's revenue is received from the state, including the aid formulas and most of the operating grants. Special education tuition billing has been processed through the Minnesota Department of Education (MDE). Based on the special education services and costs reported to the MDE, the District generates both state special education aid and MDE-generated tuition billing revenue. Because these dollars flow through the state, they are classified as operating grants and contributions rather than charges for services.

Figure B – Expenses for Fiscal Years 2025 and 2024





The District's expenses are predominately related to educating students. Programs (or functions), such as secondary vocational/DCALS and special education programs are directly related to classroom instruction, while the rest of the programs support instruction and other necessary costs to operate the District.

Table 3
Net Cost of Governmental Activities
for the Years Ended June 30, 2025 and 2024

	2025		2024	
	Total Cost of Services	Net (Expense) Revenue From Services	Total Cost of Services	Net (Expense) Revenue From Services
Governmental activities				
Administrative and support services	$ 2,781,553	$ 166,962	$ 2,731,139	$ (49,011)
Secondary vocational/DCALS	3,522,802	216,980	4,001,575	(58,044)
Special education programs	39,807,291	1,796,454	34,860,017	553,364
Food service	236,877	(30,830)	208,468	(9,636)
Interest and fiscal charges on debt	643,729	(643,729)	694,200	(694,200)
Total	$ 46,992,252	$ 1,505,837	$ 42,495,399	$ (257,527)

The overall net (expense) revenue from services was $1,763,364 more than fiscal 2024, mainly due to the improved operating results of the General Fund and changes in the PERA and the TRA multiple-employer defined benefit pension plans mentioned earlier.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Table 4 shows the change in total fund balances of each of the District's governmental funds:

Table 4
Governmental Fund Balances
as of June 30, 2025 and 2024

	2025	2024	Change	Total Percent Change
Major fund				
General	$ 10,148,471	$ 9,680,185	$ 468,286	4.8%
Nonmajor fund				
Food Service Special Revenue	4,180	16,826	(12,646)	(75.2%)
Total governmental funds	$ 10,152,651	$ 9,697,011	$ 455,640	4.7%

As previously discussed, the focus of the District's governmental funds is to provide information on near-term inflows and outflows of resources, and balances of spendable resources. Such information is useful in assessing the District's financial position. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use, as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's School Board.

ENROLLMENT

Table 5
Average Daily Membership (ADM) Served
Last Five Fiscal Years

	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025
Secondary vocational resource programs	72.33	75.05	74.00	63.40	50.70
DCALS programs	339.60	287.38	221.00	169.00	132.10
Special education resource programs	512.04	429.06	368.00	379.40	412.70

Funding for Minnesota school districts is largely driven by enrollment. In the current economic environment, member districts are striving to keep students at their sites whenever possible. Overall, the District's secondary vocational resource programs experienced a decline, which is due to member districts attempting to keep students at their sites and also expanding their own vocational programing. The DCALS program also continued to experience a decline in enrollment from the previous fiscal year.

Special education resource programs experienced an increase in enrollment as the macro trend of students with special education needs continues to increase. Enrollment increases in programs for Students with Unique Needs (SUN), Therapeutic Education Alternative (TEA), and Transitional Education Service Alternative (TESA) offset the closing of the Options and the Alternative for Communication, Education and Socialization (PACES) program. Labor shortages resulting in unfilled teaching positions and paraprofessionals jobs to support student education continues to be the primary limiting factor to enrollment growth in special education.

For fiscal year 2025–2026, enrollments are higher in the special education and DCALS programs and lower in secondary vocational.

GENERAL FUND

The General Fund is used by the District to record the primary operations of providing education services to students enrolled in intermediate school district programs. Capital and major maintenance projects are also included in the General Fund.

Table 6
Financial Position – General Fund
Last Five Fiscal Years

	2021	2022	2023	2024	2025
Unassigned fund balance	$ 9,987,663	$ 9,319,585	$ 9,334,454	$ 9,061,155	$ 9,721,096
Percent increase (decrease)	1.4%	(6.7%)	0.2%	(2.9%)	7.3%
Expenditures	$ 42,335,893	$ 42,655,272	$ 43,057,913	$ 42,967,646	$ 48,223,198
Percent increase (decrease)	1.3%	0.8%	0.9%	(0.2%)	12.2%
Unassigned fund balance as a percentage of expenditures	23.6%	21.8%	21.7%	21.1%	20.2%

The District ended the year with a $468,286 increase in the General Fund balance. Unassigned General Fund balance increased $659,941.

The total increase of $468,286 is $1,088,245 higher than the $619,959 decline anticipated in the District's revised budget. The reason for the variance is due to the District experiencing better than expected results in the Special Education Account and Secondary Education Account by $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 revenues when compared to projected program expenditures. In the Secondary Education Account, expenditures were lower than budgeted by $755,498, mainly in supplies, materials, and purchased services.

Table 7 presents a summary of General Fund revenue:

Table 7
General Fund Revenue
for the Years Ended June 30, 2025 and 2024

	2025	2024	Change
Local sources			
Tuition	$ 9,151,754	$ 9,124,487	$ 27,267
Investment earnings	363,821	283,858	79,963
Other	1,103,644	602,405	501,239
State sources	37,771,290	32,025,446	5,745,844
Federal sources	318,955	520,631	(201,676)
Total General Fund revenues	$ 48,709,464	$ 42,556,827	$ 6,152,637

Total General Fund revenues increased $6,152,637, or 14.5 percent, in fiscal 2025, as compared to the previous year. Overall, the changes in revenues can be attributed to an increase in states sources. State sources increases were directly from improved general education funding and additional state aid received for special education in fiscal 2025. The increase in other local sources relates to increased local grant activity in the current year.

Table 8 presents a summary of General Fund expenditures:

Table 8
General Fund Expenditures
for the Years Ended June 30, 2025 and 2024

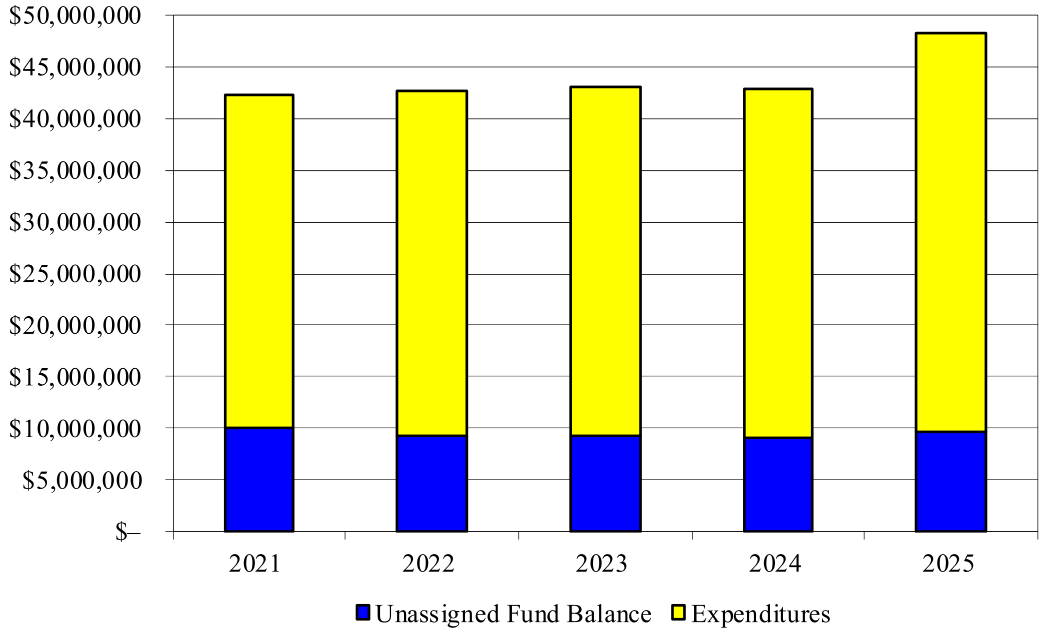
	2025	2024	Change
Salaries	$ 28,991,505	$ 25,277,144	$ 3,714,361
Employee benefits	10,065,219	9,088,624	976,595
Purchased services	5,976,296	5,390,575	585,721
Supplies and materials	1,071,920	923,695	148,225
Other expenditures	148,371	167,316	(18,945)
Capital expenditures	367,470	529,510	(162,040)
Debt service	1,602,417	1,590,782	11,635
Total General Fund expenditures	$ 48,223,198	$ 42,967,646	$ 5,255,552

Total General Fund expenditures increased $5,255,552, or 12.2 percent, from the previous year. Overall, the changes in expenditures can be attributed to the District increased staffing levels, mainly in special education. This resulted in increases in salaries and benefits, which make up the bulk of expenditure increases from the prior year. Increases in purchased services were mainly from increased grant activity in the current year.

In summary, 2024–2025 General Fund revenues and other financing sources exceeded General Fund expenditures and other financing uses by $468,286. As a result, total fund balance increased to $10,148,471 at June 30, 2025. After deducting nonspendable, restricted, and assigned funds, the unassigned fund balance increased from $9,061,155 at June 30, 2024, to $9,721,096 at June 30, 2025.

The following graph shows the General Fund unassigned fund balance as compared to expenditures:

Figure C
General Fund
Unassigned Fund Balance as Compared to Expenditures
Last Five Fiscal Years



The graph above is the single best measure of overall financial health. The unassigned fund balance of $9.7 million at June 30, 2025, represents 20.2 percent of annual expenditures, or almost 2.4 months of school year operations.

The fund balances of an intermediate school district are key to its financial success, as the cash flow advance options available to intermediate school districts are more restrictive to access, compared to an independent school district.

The continued maintenance of fund balance is essential for the District to minimize the impact that cash flow borrowing would have to member districts that would have to back any debt incurred by the District. With the current metering system and limited cash flow borrowing options available, the District believes it is necessary to maintain a minimum fund balance of 15.0 percent of annual budget to assure financial stability. In addition, 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 member districts. The District continues to monitor its fund balances closely.

General Fund Budgetary Highlights

Table 9 summarizes the General Fund budget to actual comparison:

Table 9
General Fund
Budget
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue and other financing sources	$ 51,897,694	$ 50,735,240	$ 48,709,668	$ (2,025,572)
Expenditures and other financing uses	$ 52,025,802	$ 51,355,199	$ 48,241,382	$ (3,113,817)

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District might amend that budget for known changes in circumstances such as enrollment levels, grant funding, and employee contract settlements.

The District made revisions to the budget during the budget process in January. The District derives the majority of its revenue from tuition fees to member districts and state sources from the special education tuition billing system.

The District's revenues and other financing sources were lower than budgeted amounts by 4.0 percent. The District's anticipated revenues for special education state aids are determined by actual expenditures incurred, which came in under budget by $2,325,100 in this area.

The District's expenditures and other financing uses were less than budgeted amounts by 6.1 percent. Overall, expenditures were under budget by $3.1 million. Special education account expenditures were lower than budgeted $2,336,431. This was mainly in purchased services as the District hired less education support professionals as expected. Program costs within the Secondary Education Account were also lower than budget by $755,498, mainly for purchased services and supplies and materials.

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 in the current year.

INTERNAL SERVICE FUNDS

The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District has three internal service funds. The District's internal service funds include financing for post-employment severance benefits and OPEB, and self-insurance of the employee medical and dental insurance programs. The medical self-insurance program experienced a $644,039 increase in net position, due to insurance premiums and investment earnings outpacing increased claims.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 10 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation and amortization expense for fiscal years ended June 30, 2025 and 2024:

Table 10
Capital Assets
as of June 30, 2025 and 2024

	2025	2024	Change
Land	$ 655,000	$ 655,000	$ –
Buildings	12,065,695	11,751,695	314,000
Buildings – leased	8,249,811	8,249,811	–
Furniture and equipment	3,249,838	3,263,577	(13,739)
Less accumulated depreciation and amortization	(10,494,455)	(9,246,721)	(1,247,734)
Total	$ 13,725,889	$ 14,673,362	$ (947,473)
Depreciation and amortization expense	$ 1,269,359	$ 1,255,293	$ 14,066

Long-Term Liabilities

Table 11 illustrates the components of the District's long-term liabilities, together with changes from the prior year:

Table 11
Outstanding Long-Term Liabilities
as of June 30, 2025 and 2024

	2025	2024	Change
Certificates of participation	$ 5,660,000	$ 5,990,000	$ (330,000)
Unamortized premium/discount	164,102	176,334	(12,232)
Lease liabilities	5,986,566	6,622,010	(635,444)
Severance benefits payable	293,347	327,676	(34,329)
Compensated absences payable	496,439	559,814	(63,375)
Total OPEB liability	1,583,991	1,318,605	265,386
Net pension liability	19,350,533	28,159,769	(8,809,236)
Total	$ 33,534,978	$ 43,154,208	$ (9,619,230)

The decrease in the net pension liability for the District is due to the change in the District's proportionate share of the state-wide PERA and TRA pension plan liabilities. The decrease in lease liabilities is related to annual payments made on the District's building leases.

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

The **Vision** – The District models an innovative culture with diverse pathways serving students and families through equitable practices with highly trained staff.

The **Mission** – In partnership with member districts, the District provides high quality, equitable, and specialized programming to meet the needs of all students.

The **Core Values** of the District are collaboration, empathy, innovation, stewardship, communication, integrity, personalization, equity, and diversity.

The Vision, Mission, and Core Values of the District strongly inform budgetary decisions.

The District is charged by Minnesota Statutes to provide low incidence special education and secondary vocational technical education services to its member districts. In addition, the statutes indicate that intermediate districts should also provide its members with such other services that they require. Therefore, the District continually evaluates current service offerings and reviews additional areas of potential service to its member districts.

Current support services include:

- Provide robust offerings in Federal Setting III and Federal Setting IV Special Education programing.

- The DCALS program provides programming for high school level students in an Alternative Learning Center (ALC) for all surrounding districts. ALC is offered at the Dakota County Technical College (DCTC) and at DCALS North in West St. Paul. Providing ALC services at the DCTC site allows for program extension into Career Technical Education (CTE) programs, concurrent enrollment options in the DCTC course offerings, and a well-developed career pathway model in several careers. The DCALS North site offers a convenient location in the northern part of the District that has public transportation access for students.

- The CTE program provides hands-on experience with curriculum, materials, and equipment that meet industry standards to prepare high school students for post-secondary learning and/or the workforce.

- Organize and facilitate regional networking meetings for superintendents, secondary principals, special education directors, and finance directors.

- Collaborate with both public and private support service providers to meet the needs of member districts and to increase the capacity of our communities to meet the diverse needs of children and families.

- Collaborate with the Association of Metropolitan School Districts (AMSD), Minnesota Association of School Administrators (MASA), Minnesota Administrators for Special Education (MASE), Minnesota School Boards Association (MSBA), and Association of Educational Service Agencies (AESA) to advocate for legislative action to assist in the provision of district services.

- Collaborate with the other three intermediate school districts (287, 288, and 916) to advocate for legislative action to assist the District in meeting the needs of the unique students served by the intermediate school districts. We also collaborate on communicating about the mission and the services provided by the intermediate school districts.

- Provide special education services, both direct and indirect, to the member districts through the provision of itinerant services including for audiology, deaf/hard of hearing, blind or visually impaired, physical health disabilities, and physical therapy.

Additional potential collaborative support services include:

- We will continue to strengthen our CTE programs, pathways, and alignment through District work as well as the work of our Dakota County Perkins Consortium. To support our member and consortium districts, the District is taking the lead on efforts as the fiscal host and coordinator of the Dakota County Perkins Consortium.

- The trend of individual students having increased special education service needs continues. To help meet our staffing needs, the District is actively working to contract employees. Additionally, the District is working with an agency to hire special education teachers utilizing the H1B visa. Further, the District is planning to engage in a relationship with another company to hire teachers utilizing the J1 visa process.

- In an effort to diversify our educator workforce, provide professional pathways for district staff, recruit new staff members, and build on the expertise of our current staff, members of our district leadership team and instructional staff are actively collaborating with the Department of Labor and Industry, the other three Minnesota intermediate school districts (287, 288, and 916), and Minnesota State University – Mankato, in the first K–12 Teacher Apprenticeship Program in Minnesota. This program includes job-embedded learning with experienced teachers (journey workers) and related instruction (from higher education professionals) to provide paraprofessionals (apprentices) with the knowledge, skills, and experiences to earn their teacher licensure in Emotional/Behavioral Disorders (EBD) and/or Autism Spectrum Disorders (ASD). The District is in the second cohort of the program with plans to begin a third cohort in the summer of 2026.

Existing circumstances that could significantly affect the District's financial health in the future:

- The District has appropriate fund balances to provide adequate opportunities to adapt to uncontrolled changes in revenue sources for the short-term (two or three years). The special education funding system is being managed in different ways by member districts. This drives each district to make different decisions about which services they provide on their own and which services they procure from the District. We need to remain relevant, responsible, and responsive to the ever-changing needs of the member districts.

- As general education revenue for many of our member districts may likely retract, we are aware that the cost efficiency of our special educational models will become a more significant concern.

- We are concerned that with the higher resignation rate, and the challenges of retention of certified teachers and noncertified employees, the District will be challenged to fill all positions. As a district, we may need to consider potential incentives to hire qualified personnel.

- CTE programs are in a precarious position. As member districts operate differently due to increasing fiscal concerns, our student enrollment continues to decline. It will be a significant economic struggle to retain the current course offerings in our CTE programs.

- The MDE has convened a Blue Ribbon Commission on Special Education (the Commission) to advise and assist the Legislature and Governor in transforming special education services. The purpose of the Commission is to develop and present to the Legislature and the Governor an action plan for transforming special education services, while maintaining free appropriate public education for students with disabilities by October 1, 2026. In addition, the commissioner of education must review available research to determine Minnesotans' values, preferences, opinions, and perceptions related to special education services and other issues that may be before the Commission, such as trends in identification rates, special education spending, and special education enrollment, and must present the findings to the Commission. The recommendations of this Commission could impact funding for special education.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

These financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about these statements, or need additional financial information, contact the Business Office, Intermediate School District No. 917, 1300 145th Street East, Rosemount, Minnesota 55068-2999.

BASIC FINANCIAL STATEMENTS

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INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	Governmental Activities	
	2025	2024
Assets		
Cash and temporary investments	$ 14,000,999	$ 13,409,279
Receivables		
Accounts and interest	219,361	124,252
Due from other governmental units	10,160,491	9,431,821
Inventory	250	332
Prepaid items	22,260	183,070
Restricted assets – temporarily restricted		
Cash and investments held by trustee	55,092	50,732
Capital assets		
Not depreciated	655,000	655,000
Depreciated, net of accumulated depreciation/amortization	13,070,889	14,018,362
Total capital assets, net of accumulated depreciation/amortization	13,725,889	14,673,362
Total assets	38,184,342	37,872,848
Deferred outflows of resources		
Pension plan deferments	5,994,543	7,654,077
OPEB plan deferments	269,784	137,297
Deferred charge on refunding	201,832	224,257
Total deferred outflows of resources	6,466,159	8,015,631
Total assets and deferred outflows of resources	$ 44,650,501	$ 45,888,479
Liabilities		
Salaries and compensated absences payable	$ 3,311,813	$ 3,023,912
Accounts and contracts payable	550,114	476,226
Accrued interest payable	77,188	80,625
Due to other governmental units	799,138	1,057,411
Unearned revenue	62,570	73,166
Long-term liabilities		
Due within one year	1,223,415	1,184,802
Due in more than one year	32,311,563	41,969,406
Total long-term liabilities	33,534,978	43,154,208
Total liabilities	38,335,801	47,865,548
Deferred inflows of resources		
Pension plan deferments	9,763,908	4,057,611
OPEB plan deferments	571,384	711,753
Total deferred inflows of resources	10,335,292	4,769,364
Net position		
Net investment in capital assets	2,117,053	2,109,275
Restricted for food service	4,180	16,826
Restricted for other purposes	7,817	226,653
Unrestricted	(6,149,642)	(9,099,187)
Total net position	(4,020,592)	(6,746,433)
Total liabilities, deferred inflows of resources, and net position	$ 44,650,501	$ 45,888,479

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

	2025				
			Program Revenues		
Functions/Programs	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities					
Administrative and support services	$ 2,781,553	$ (2,752,034)	$ –	$ 166,881	$ 29,600
Secondary vocational/DCALS	3,522,802	214,995	2,199,805	1,231,472	523,500
Special education programs	39,807,291	2,537,039	7,023,491	36,973,293	144,000
Food service	236,877	–	(450)	206,497	–
Interest and fiscal charges on debt	643,729	–	–	–	–
Total governmental activities	$ 46,992,252	$ –	$ 9,222,846	$ 38,578,143	$ 697,100

General revenues
General grants and aids
Other general revenues
Gain on sale of capital assets
Investment earnings
Total general revenues

Change in net position

Net position – beginning

Net position – ending

	2024
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
$ 166,962	$ (49,011)
216,980	(58,044)
1,796,454	553,364
(30,830)	(9,636)
(643,729)	(694,200)
1,505,837	(257,527)
555,401	–
53,805	350,248
–	19,651
610,798	705,116
1,220,004	1,075,015
2,725,841	817,488
(6,746,433)	(7,563,921)
$ (4,020,592)	$ (6,746,433)

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

	General Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds 2025	Total Governmental Funds 2024
Assets				
Cash and temporary investments	$ 4,022,736	$ –	$ 4,022,736	$ 4,192,648
Cash and investments held by trustee	55,092	–	55,092	50,732
Receivables				
Accounts and interest	193,336	10,121	203,457	26,273
Due from other governmental units	10,160,491	–	10,160,491	9,431,821
Due from other funds	3,660	–	3,660	–
Inventory	250	–	250	332
Prepaid items	22,260	–	22,260	183,070
Total assets	$ 14,457,825	$ 10,121	$ 14,467,946	$ 13,884,876
Liabilities				
Salaries and compensated absences payable	$ 3,311,813	$ –	$ 3,311,813	$ 3,023,912
Accounts and contracts payable	189,857	–	189,857	96,245
Due to other governmental units	796,857	2,281	799,138	1,055,717
Due to other funds	–	3,660	3,660	–
Unearned revenue	10,827	–	10,827	11,991
Total liabilities	4,309,354	5,941	4,315,295	4,187,865
Fund balances				
Nonspendable	22,510	–	22,510	183,402
Restricted	62,909	4,180	67,089	292,730
Assigned	341,956	–	341,956	159,724
Unassigned	9,721,096	–	9,721,096	9,061,155
Total fund balances	10,148,471	4,180	10,152,651	9,697,011
Total liabilities and fund balances	$ 14,457,825	$ 10,121	$ 14,467,946	$ 13,884,876

Reconciliation of the Balance Sheet to the Statement of Net Position Governmental Funds as of June 30, 2025 (With Partial Comparative Information as of June 30, 2024)

	2025	2024
Total fund balances – governmental funds	$ 10,152,651	$ 9,697,011
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	24,220,344	23,920,083
Accumulated depreciation and amortization	(10,494,455)	(9,246,721)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
Certificates of participation payable	(5,660,000)	(5,990,000)
Lease liabilities	(5,986,566)	(6,622,010)
Compensated absences payable	(496,439)	(559,814)
Net pension liability	(19,350,533)	(28,159,769)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(77,188)	(80,625)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	5,994,543	7,654,077
Deferred inflows of resources – pension plan deferments	(9,763,908)	(4,057,611)
Deferred outflows of resources – deferred charge on refunding	201,832	224,257
Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.	(164,102)	(176,334)
The internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	7,403,229	6,651,023
Total net position – governmental activities	$ (4,020,592)	$ (6,746,433)

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	General Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds 2025	Total Governmental Funds 2024
Revenue				
Local sources				
Tuition	$ 9,151,754	$ –	$ 9,151,754	$ 9,124,487
Investment earnings	363,821	–	363,821	283,858
Other (refunds)	1,103,644	(450)	1,103,194	602,437
State sources	37,771,290	41,104	37,812,394	32,058,067
Federal sources	318,955	165,393	484,348	686,810
Total revenue	48,709,464	206,047	48,915,511	42,755,659
Expenditures				
Current				
Administrative and support services	196,680	–	196,680	246,590
Secondary vocational/DCALS	3,821,793	–	3,821,793	4,329,954
Special education programs	42,602,308	–	42,602,308	36,800,320
Food service	–	236,877	236,877	208,338
Debt service				
Principal	965,444	–	965,444	903,390
Interest and fiscal charges	636,973	–	636,973	687,392
Total expenditures	48,223,198	236,877	48,460,075	43,175,984
Excess (deficiency) of revenue over expenditures	486,266	(30,830)	455,436	(420,325)
Other financing sources (uses)				
Sale of assets	204	–	204	19,651
Insurance recovery	–	–	–	18,228
Transfers in	–	18,184	18,184	26,332
Transfers (out)	(18,184)	–	(18,184)	(26,332)
Total other financing sources (uses)	(17,980)	18,184	204	37,879
Net change in fund balances	468,286	(12,646)	455,640	(382,446)
Fund balances				
Beginning of year	9,680,185	16,826	9,697,011	10,079,457
End of year	$ 10,148,471	$ 4,180	$ 10,152,651	$ 9,697,011

See notes to basic financial statements

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

	2025	2024
Total net change in fund balances – governmental funds	$ 455,640	$ (382,446)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation or amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	326,723	507,524
Depreciation and amortization expense	(1,269,359)	(1,255,293)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
Certificates of participation payable	330,000	325,000
Lease liabilities	635,444	578,390
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	3,437	3,385
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	12,232	12,232
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	8,809,236	3,299,045
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.	(4,837)	–
The internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.	752,206	822,607
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Compensated absences payable	63,375	(77,370)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(1,659,534)	(3,713,733)
Deferred inflows of resources – pension plan deferments	(5,706,297)	720,572
Deferred outflows of resources – deferred charge on refunding	(22,425)	(22,425)
Change in net position – governmental activities	$ 2,725,841	$ 817,488

See notes to basic financial statements

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INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenue				
Local sources				
Tuition	$ 10,266,859	$ 9,162,084	$ 9,151,754	$ (10,330)
Investment earnings	306,000	306,000	363,821	57,821
Other	1,010,241	1,009,628	1,103,644	94,016
State sources	40,084,372	39,864,257	37,771,290	(2,092,967)
Federal sources	230,222	393,067	318,955	(74,112)
Total revenue	51,897,694	50,735,036	48,709,464	(2,025,572)
Expenditures				
Current				
Administrative and support services	216,822	202,865	196,680	(6,185)
Secondary vocational/DCALS	4,724,455	4,585,158	3,821,793	(763,365)
Special education programs	45,449,804	44,926,909	42,602,308	(2,324,601)
Debt service				
Principal	967,182	964,186	965,444	1,258
Interest and fiscal charges	636,974	645,516	636,973	(8,543)
Total expenditures	51,995,237	51,324,634	48,223,198	(3,101,436)
Excess (deficiency) of revenue over expenditures	(97,543)	(589,598)	486,266	1,075,864
Other financing sources (uses)				
Sale of assets	–	204	204	–
Transfers (out)	(30,565)	(30,565)	(18,184)	12,381
Total other financing sources (uses)	(30,565)	(30,361)	(17,980)	12,381
Net change in fund balances	$ (128,108)	$ (619,959)	468,286	$ 1,088,245
Fund balances				
Beginning of year			9,680,185	
End of year			$ 10,148,471	

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Net Position
Proprietary Funds
Internal Service Funds
as of June 30, 2025
(With Partial Comparative Actual Amounts as of June 30, 2024)

	2025	2024
Assets		
Current assets		
Cash and temporary investments	$ 9,978,263	$ 9,216,631
Receivables		
Accounts and interest	15,904	97,979
Total assets	9,994,167	9,314,610
Deferred outflows of resources		
OPEB plan deferments	269,784	137,297
Liabilities		
Current liabilities		
Accounts and contracts payable	360,257	379,981
Due to other governmental units	–	1,694
Total OPEB liability – due within one year	157,601	112,220
Severance benefits payable – due within one year	35,080	80,971
Unearned revenue	51,743	61,175
Total current liabilities	604,681	636,041
Long-term liabilities		
Total OPEB liability – due in more than one year	1,426,390	1,206,385
Severance benefits payable – due in more than one year	258,267	246,705
Total long-term liabilities	1,684,657	1,453,090
Total liabilities	2,289,338	2,089,131
Deferred inflows of resources		
OPEB plan deferments	571,384	711,753
Net position		
Unrestricted	$ 7,403,229	$ 6,651,023

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025	2024
Operating revenue		
Charges for services		
Contributions from governmental funds	$ 5,076,977	$ 4,760,421
Operating expenses		
Other post-employment benefits (net)	80,739	(42,772)
Severance benefits (net)	(7,365)	57,995
Medical benefit claims	4,008,198	3,839,717
Dental benefit claims	490,176	504,132
Total operating expenses	4,571,748	4,359,072
Operating income	505,229	401,349
Nonoperating revenue		
Investment earnings	246,977	421,258
Change in net position	752,206	822,607
Net position		
Beginning of year	6,651,023	5,828,416
End of year	$ 7,403,229	$ 6,651,023

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025	2024
Cash flows from operating activities		
Contributions from governmental funds	$ 5,149,620	$ 4,660,967
Other post-employment benefit payments	(88,209)	(15,000)
Severance payments	(26,964)	(29,406)
Payments for medical claims	(4,029,519)	(3,755,814)
Payments for dental claims	(490,273)	(513,742)
Net cash flows from operating activities	514,655	347,005
Cash flows from investing activities		
Investment income received	246,977	421,258
Net increase in cash and cash equivalents	761,632	768,263
Cash and temporary investments		
Beginning of year	9,216,631	8,448,368
End of year	$ 9,978,263	$ 9,216,631
Reconciliation of operating income to net cash flows from operating activities		
Operating income	$ 505,229	$ 401,349
Adjustments to reconcile operating income to net cash flows from operating activities		
Changes in assets and liabilities		
Accounts and interest receivable	82,075	(95,158)
OPEB plan deferments	(272,856)	(208,382)
Accounts and contracts payable	(19,724)	74,291
Due to other governmental units	(1,694)	2
Severance benefits payable	(34,329)	28,589
Total OPEB liability	265,386	150,610
Unearned revenue	(9,432)	(4,296)
Net cash flows from operating activities	$ 514,655	$ 347,005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Intermediate School District No. 917 (the District) is an instrumentality of the state of Minnesota established to provide participating school districts with vocational, technical, and special education services. The District is governed by a joint School Board composed of appointed members from each participating school district. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

C. Minnesota State Colleges and Universities

On July 1, 1995, Minnesota technical colleges, community colleges, and state universities were merged under the control of Minnesota State Colleges and Universities (MnSCU). Therefore, the funds and assets of the District associated with Dakota County Technical College's (DCTC) operations were remanded to the state system. The District continues to serve secondary, vocational, and kindergarten through Grade 12 special education students. Under terms of an agreement with DCTC, the District has access to certain facilities and equipment of DCTC. The District pays DCTC its share of building maintenance and costs of other services based on space, usage, personnel, and budget percentages. The District provides business office services to DCTC, and is reimbursed for related actual costs based on personnel, usage, and budget percentages.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues and an allocation of indirect administrative and support service expenses. 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. Other internally directed revenues are reported as general revenues.

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

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

E. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregate information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

The internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal service funds are the District's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Other revenue is considered available if collected within 60 days. Debt proceeds are reported as other financing sources.

2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds. In the General Fund, capital expenditures are included within the applicable functional areas.

Description of Funds

The existence of the various district funds has been established by the 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:

Major Governmental Funds

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The District maintains separate accounts within the General Fund for secondary education, secondary resale, special education, special education resale, capital expenditure, student activities, and service allocation costs to be reimbursed by others.

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to account for the District's child nutrition program.

Proprietary Funds

Internal Service Funds – The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District has three internal service funds. The District's internal service funds include financing for post-employment severance benefits and other post-employment benefits (OPEB), and self-insurance for the employee medical and dental insurance programs.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information

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

G. Cash and Temporary Investments

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

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the General Fund, the capital lease escrow account is used to hold assets held for future debt payments. Interest earned on these investments was allocated directly to those accounts.

Investments are generally stated at fair value, except for investments in external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less may also be reported at amortized cost. Investment income is accrued at the Balance Sheet date.

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

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

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

H. Receivables

When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. No allowances have been recorded.

I. Inventories

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Prepaid Items

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

K. Capital Assets

Capital assets that purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Leased capital assets are recorded based on the measurement of payments applicable to the lease term. The District defines capital assets as those with an initial, individual cost of $5,000 or more, which benefit more than one fiscal year. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if the cost of the assets exceeds $50,000 for non-federally funded expenditures. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for buildings and 5 to 15 years for furniture and equipment. Leased assets are amortized over the term of the lease or over the useful life of the applicable asset class previously described, if future ownership is anticipated. Land is not depreciated.

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

L. Long-Term Obligations

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on these criteria, the types of leave that quality for liability recognition for compensated absences include vacation, sick, and personal leave.

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

The District's policy permits certain employees to accumulate earned but unused sick leave. Generally, all sick leave lapses when employees leave employment of the District and, upon separation from service, no monetary obligation exists. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences. Unused sick leave also enters into the calculation of severance benefits (as outlined below) for some employees upon termination.

The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded as incurred in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

N. Severance Benefits

The District provides lump sum severance pay to eligible employees in accordance with provisions in certain collectively bargained contracts. Members of certain employee groups may become eligible to receive lump sum severance pay benefits. Eligibility for these benefits is based on years of service and/or minimum age requirements. The amount of the severance or retirement benefit is calculated by converting a portion of unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary. Severance pay is accrued in the applicable internal service fund.

O. State-Wide Pension Plans

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Unearned Revenue

Unearned revenue consists of collections in advance of premiums charged in the internal service funds.

Q. Risk Management

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in the current year.

2. **Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plan.

   The District makes premium payments to the internal service funds on behalf of program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

   District claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported. Because actual claim liabilities depend on complex factors, such as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not necessarily result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balance of dental claim liabilities for the last two years were as follows:

Fiscal Year Ended June 30,	Beginning of Fiscal Year Liability	Charges and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2024	$ 50,946	$ 504,132	$ 513,742	$ 41,336
2025	$ 41,336	$ 490,176	$ 490,273	$ 41,239

Changes in the balance of health claim liabilities for the last two years were as follows:

Fiscal Year Ended June 30,	Beginning of Fiscal Year Liability	Charges and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2024	$ 254,744	$ 3,839,715	$ 3,755,816	$ 338,643
2025	$ 338,643	$ 4,009,894	$ 4,029,519	$ 319,018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Deferred Outflows/Inflows of Resources

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

The District reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide and internal service fund Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes of assumptions, change in proportion, the difference between projected and actual earnings on pension plan investments, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

The District also reports a deferred outflow of resources related to the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

S. Statement of Cash Flows

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

T. 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 and disclosures during the reporting period. Actual results could differ from those estimates.

U. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements, such as a bond indenture. Restricted assets are reported only in the government-wide financial statements. In the governmental funds, cash and investments that are restricted are reported as cash and investments held by trustee.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Net Position

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation/amortization, reduced by any outstanding debt attributable to acquire capital assets.

- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- **Unrestricted Net Position** – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

W. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.

- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board resolution, the District's superintendent and executive director of business services are authorized to establish assignments of fund balance.

- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

X. Prior Period Comparative Financial Information/Reclassification

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

Y. Interfund Transactions and Transfers

The General Fund transferred $18,184 to the Food Service Special Revenue Fund to finance current year operating deficits.

The General Fund has a receivable of $3,660 at year-end due from the Food Service Special Revenue Fund to finance cash flow of that fund.

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

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the School Board, including checking accounts, savings accounts, and nonnegotiable certificates of deposit.

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

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

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

At year-end, the carrying amount of the District's deposits was $751,525, while the balance on the bank records was $1,669,820. At June 30, 2025, all deposits were insured or collateralized by securities held by the District's agent in the District's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

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

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

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

Concentration Risk – This is the risk associated with investing a significant portion of the District's investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District's investment policies do not address concentration risk.

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Summary

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

Investment Type	Credit Risk Rating	Credit Risk Agency	Fair Value Measurements Using	Interest Risk – Maturity Duration in Years	Total
Investment pools/mutual funds					
Minnesota School District					
Liquid Asset Fund					
Liquid Class	AAA	S&P	Amortized Cost	N/A	$ 11,297
MAX Class	AAA	S&P	Amortized Cost	N/A	13,238,177
First American Treasury					
Obligations Fund Class D	AAA	S&P	Level 1	N/A	55,092
					13,304,566
Deposits					751,525
Total cash and investments					$ 14,056,091

N/A – Not Applicable

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

Cash and temporary investments – Statement of Net Position	$ 14,000,999
Cash and investments held by trustee – Statement of Net Position	55,092
Total cash and investments	$ 14,056,091

The Minnesota School District Liquid Asset Fund (MSDLAF) is regulated by Minnesota Statutes and is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC. The District's investment in the MSDLAF is measured at the value per share provided by the pool, which is based on an amortized cost method that approximates fair value.

For MSDLAF investments, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the Liquid Class; the redemption notice period is 14 days for the MAX Class, with the exception of direct investments of funds distributed by the state of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24-hour hold on all requests for redemption.

NOTE 3 – CAPITAL ASSETS

Capital assets and accumulated depreciation activity for the year ended June 30, 2025 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated or amortized				
Land	$ 655,000	$ –	$ –	$ 655,000
Capital assets, depreciated or amortized				
Buildings	11,751,695	314,000	–	12,065,695
Buildings – leased	8,249,811	–	–	8,249,811
Furniture and equipment	3,263,577	12,723	(26,462)	3,249,838
Total capital assets, depreciated or amortized	23,265,083	326,723	(26,462)	23,565,344
Less accumulated depreciation and amortization for				
Buildings	(4,896,760)	(323,284)	–	(5,220,044)
Buildings – leased	(2,059,755)	(686,585)	–	(2,746,340)
Furniture and equipment	(2,290,206)	(259,490)	21,625	(2,528,071)
Total accumulated depreciation and amortization	(9,246,721)	(1,269,359)	21,625	(10,494,455)
Net capital assets	14,018,362	(942,636)	(4,837)	13,070,889
Total capital assets, net	$ 14,673,362	$ (942,636)	$ (4,837)	$ 13,725,889

Depreciation/amortization expense for the year ended June 30, 2025 was charged to the following governmental functions:

Administrative and support services	$ 10,749
Secondary vocational/DCALS	11,512
Special education programs	1,247,098
Total depreciation/amortization expense	$ 1,269,359

NOTE 4 – LONG-TERM LIABILITIES

A. Components and Changes in Long-Term Liabilities

The following table describes the changes in long-term liabilities, including amounts due within one year:

	Balance – Beginning of Year	Additions	Retirements	Balance – End of Year	Due Within One Year
Certificates of participation	$ 5,990,000	$ –	$ 330,000	$ 5,660,000	$ 340,000
Unamortized premium/discount	176,334	–	12,232	164,102	–
Lease liabilities	6,622,010	–	635,444	5,986,566	621,233
Severance benefits payable	327,676	35,080	69,409	293,347	35,080
Compensated absences payable	559,814	–	63,375	496,439	69,501
Total OPEB liability	1,318,605	323,967	58,581	1,583,991	157,601
Net pension liability	28,159,769	2,528,426	11,337,662	19,350,533	–
	$ 43,154,208	$ 2,887,473	$ 12,506,703	$ 33,534,978	$ 1,223,415

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

B. Description of Long-Term Liabilities

- **Certificates of Participation Payable** – In November 2016, the District sold $8,085,000 of certificates of participation to finance the construction of additions to the Alliance Center special education facility. These certificates have interest rates that range from 2.0 percent to 3.0 percent, with a final maturity of February 2039. Annual principal and interest payments on these certificates will be paid by the General Fund. Tuition revenue in the General Fund capital expenditure account from member districts specifically for this debt obligation for the duration of the debt obligation are pledged for the payment of principal and interest on these certificates of participation payable.

  Failure by the District to pay any payments under this agreement, or upon the occurrence of and continuation of an event of default, the lender without any further demand or notice, may take one or any combination of the following steps. The lender, with or without terminating the agreement, may declare all payments due or become due during the fiscal year in effect when the default occurs. They may repossess the facility by giving the District written notice to surrender the facility to the lender. The lender will thereafter use its best efforts to sell or lease its interest in the facility or any portion thereof in a commercially reasonable manner in accordance with applicable state laws. The lender may also pursue any other remedy available to require the District to perform any of its obligations in the agreement.

- **Lease Liabilities** – The District has obtained the use of certain equipment and building space through a lease financing agreement. The total amount of underlying lease assets by major classes and the related accumulated amortization is presented in Note 3 of the notes to basic financial statements. Annual principal and interest on these agreements will be paid from the General Fund. The agreement is secured by the original property. The lessor may repossess the property and seek full recovery of the losses upon default. The District currently has the following lease liabilities obligations outstanding:

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Concord Education Center	7.00%	09/01/2018	07/01/2033	$ 4,692,654
Lebanon Education Center	7.00%	08/01/2015	07/01/2030	1,293,912
Total lease liabilities				$ 5,986,566

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

- **Severance Benefits Payable** – Severance benefits are paid by the applicable internal service fund. Annual payments to retire severance benefit liabilities have not been determined and will depend on actual employee turnover.

- **Compensated Absences Payable** – These benefits are not funded until the year of payment. Annual payments to retire compensated absences payable will depend on employee turnover and actual employee absences.

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

  District employees participate in two state-wide, cost-sharing, multiple-employer defined benefit pension plans administered by the PERA and the TRA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2025:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA	$ 3,833,281	$ 1,121,027	$ 3,154,784	$ 76,564
TRA	15,517,252	4,873,516	6,609,124	1,487,163
Total	$ 19,350,533	$ 5,994,543	$ 9,763,908	$ 1,563,727

C. Minimum Debt Payments

Minimum annual principal and interest payments required to retire certificates of participation and lease liabilities are as follows:

Year Ending June 30,	Certificates of Participation Principal	Certificates of Participation Interest	Lease Liabilities Principal	Lease Liabilities Interest
2026	$ 340,000	$ 185,250	$ 621,233	$ 399,228
2027	350,000	175,050	674,728	354,263
2028	360,000	163,675	739,443	304,983
2029	370,000	151,975	809,075	251,017
2030	385,000	139,950	883,984	192,010
2031–2035	2,085,000	493,800	2,258,103	265,222
2036–2039	1,770,000	134,550	–	–
	$ 5,660,000	$ 1,444,250	$ 5,986,566	$ 1,766,723

NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report.

A. Classifications

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

	General Fund	Food Service Special Revenue Fund	Total
Nonspendable			
Inventory	$ 250	$ –	$ 250
Prepaid items	22,260	–	22,260
Total nonspendable	22,510	–	22,510
Restricted for			
Student activities	5,849	–	5,849
Debt service	55,092	–	55,092
Teacher compensation for READ Act	1,968	–	1,968
Food service	–	4,180	4,180
Total restricted	62,909	4,180	67,089
Assigned			
Subsequent year's budgeted deficit	341,956	–	341,956
Unassigned	9,721,096	–	9,721,096
Total	$ 10,148,471	$ 4,180	$ 10,152,651

B. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding maintaining a minimum unassigned fund balance for the General Fund. The policy states the District will strive to maintain a minimum unassigned General Fund balance of 15.0 percent of the annual budget. At June 30, 2025, the unassigned fund balance of the General Fund was 20.2 percent of fiscal 2025 expenditures.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. Minnesota Statutes, Chapter 356 defines each plan's financial reporting requirements.

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

2. Teachers Retirement Association (TRA)

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

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul Public Schools or Minnesota State Colleges and Universities (MnSCU)). Educators first hired by MnSCU may elect either TRA coverage within one year of eligible employment or elect coverage through the Defined Contribution Retirement (DCR) Plan administered by MnSCU. A teacher employed by MnSCU and electing the DCR Plan is not a member of the TRA except for purposes of Social Security coverage.

B. Benefits Provided

1. GERF Benefits

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase.

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

(a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.

(b) Three percent per year early retirement reduction factor for all years under normal retirement age.

(c) Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

Or

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

Tier II Benefits

Members first employed after June 30, 1989, receive only the Tier II benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66. After July 1, 2024, the age will change to not to exceed 65. An early retirement reduction is applied to members retiring before age 66, but will be age 65 after July 1, 2024. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) early retirement reduction rate applied.

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

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employee and employer contributions. Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50 percent for General Plan members. The District's contributions to the GERF for the year ended June 30, 2025, were $731,987. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the rates for employee and employer contributions. Rates for each fiscal year 2025 Coordinated Plan were 7.75 percent for the employee and 8.75 percent for the employer. Basic Plan rates were 11.25 percent for the employee and 12.75 percent for the employer. The District's contributions to the TRA for the plan's fiscal year ended June 30, 2025, were $1,607,821. The District's contributions were equal to the required contributions for each year as set by state statutes.

D. Pension Costs

1. GERF Pension Costs

At June 30, 2025, the District reported a liability of $3,833,281 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled $99,121.

District's proportionate share of the net pension liability	$ 3,833,281
State's proportionate share of the net pension liability associated with the District	99,121
Total	$ 3,932,402

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.1037 percent at the end of the measurement period and 0.1104 percent for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of $73,907 for its proportionate share of the GERF's pension expense. The District also recognized an additional $2,657 as pension expense and grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual $16 million contribution.

During the plan year ended June 30, 2024, the state of Minnesota contributed $170.1 million to the General Employees Fund. The state of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the $170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized $176,366 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the General Employees Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 368,680	$ –
Changes in actuarial assumptions	20,360	1,519,413
Net difference between projected and actual investment earnings on pension plan investments	–	1,176,640
Changes in proportion	–	458,731
District's contributions to the GERF subsequent to the measurement date	731,987	–
Total	$ 1,121,027	$ 3,154,784

The $731,987 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2026	$ (1,576,410)
2027	$ (323,906)
2028	$ (571,630)
2029	$ (293,798)

2. TRA Pension Costs

At June 30, 2025, the District reported a liability of $15,517,252 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.2442 percent at the end of the measurement period and 0.2663 percent for the beginning of the period.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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

District's proportionate share of the net pension liability	$ 15,517,252
State's proportionate share of the net pension liability associated with the District	1,015,002
Total	$ 16,532,254

For the year ended June 30, 2025, the District recognized pension expense of $1,431,368. It also recognized $55,795 as an increase to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2024, the state of Minnesota contributed $176.0 million to the Fund. The state of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the $176.0 million in direct state aid because of this contribution was not considered to meet the definition of a special funding situation. The District recognized $430,199 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 751,942	$ 223,455
Changes in actuarial assumptions	1,828,058	1,850,474
Net difference between projected and actual investment earnings on pension plan investments	–	2,126,399
Changes in proportion	685,695	2,408,796
District's contributions to the TRA subsequent to the measurement date	1,607,821	–
Total	$ 4,873,516	$ 6,609,124

The $1,607,821 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2026	$ (1,125,956)
2027	$ 1,492,251
2028	$ (1,709,108)
2029	$ (1,451,622)
2030	$ (548,994)

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

E. Long-Term Expected Return on Investment

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

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

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

F. Actuarial Methods and Assumptions

1. GERF

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

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

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

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

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

2. TRA

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

Actuarial Assumptions Used in Valuation of Total Pension Liability

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

Mortality Assumptions Used in Valuation of Total Pension Liability

Pre-Retirement	PubT-2010(A) Employee Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Healthy Retirees	PubT-2010(A) Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Beneficiaries	Pub-2010(A) Contingent Survivor Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Disabled Retirees	PubNS-2010 Disabled Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.

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

1. GERF

CHANGES IN PLAN PROVISIONS

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

CHANGES IN ACTUARIAL ASSUMPTIONS

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

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

G. Discount Rate

1. GERF

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

2. TRA

The discount rate used to measure the total pension liability was 7.00 percent. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2024 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6– DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

H. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF discount rate	6.00%	7.00%	8.00%
District's proportionate share of the GERF net pension liability	$ 8,372,502	$ 3,833,281	$ 99,357
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	$ 27,986,325	$ 15,517,252	$ 5,797,723

I. Pension Plan Fiduciary Net Position

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

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

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

A. Plan Descriptions

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

B. Benefits Provided

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

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

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District's contributions in the current year totaled $157,601 as required on a pay-as-you-go basis to finance the current year benefits as described in the previous section. The District has not established a trust fund to finance these OPEB benefits.

D. Membership

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

Retirees and beneficiaries receiving benefits	6
Active plan members	440
Total members	446

E. Total OPEB Liability of the District

The District's total OPEB liability of $1,583,991 at year-end was measured as of July 1, 2024, and was determined by an actuarial valuation with a valuation date of July 1, 2024.

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.10%
20-year municipal bond yield	4.10%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.50% as of July 1, 2024 grading to 5.00% over 6 years, then to 4.00% over the next 48 years
Dental trend rate	4.00%

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

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale. Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information, as well as for consistency with the other economic assumptions.

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

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Beginning balance	$ 1,318,605
Changes for the year	
Service cost	163,356
Interest	56,665
Assumption changes	10,939
Difference between actual and expected experience	93,007
Benefit payments	(58,581)
Total net changes	265,386
Ending balance	$ 1,583,991

H. Changes in Actuarial Assumptions

- The healthcare trend rates were updated.
- The discount rate was changed from 3.90 percent to 4.10 percent.

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

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB discount rate	3.10%	4.10%	5.10%
Total OPEB liability	$ 1,685,829	$ 1,583,991	$ 1,486,658

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

	1% Decrease in Healthcare Cost Trend Rates	Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Medical cost trend rate	5.50% decreasing to 4.00%, then 3.00%	6.50% decreasing to 5.00%, then 4.00%	7.50% decreasing to 6.00%, then 5.00%
Dental trend rate	3.00%	4.00%	5.00%
Total OPEB liability	$ 1,445,065	$ 1,583,991	$ 1,746,748

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

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

The District recognized OPEB expense of $150,131 in the current year, and at year-end reported the following deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	$ 29,511	$ 182,067
Differences between expected and actual economic experience	82,672	389,317
District's contributions subsequent to the measurement date	157,601	–
Total	$ 269,784	$ 571,384

A total of $157,601 reported as deferred outflows of resources related to OPEB resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows and inflows of resources to the OPEB Plan will be recognized in OPEB expense as follows:

Year Ending June 30,	OPEB Expense
2026	$ (123,529)
2027	$ (123,534)
2028	$ (68,526)
2029	$ (71,556)
2030	$ (26,275)
Thereafter	$ (45,781)

NOTE 8 – FLEXIBLE BENEFIT PLAN

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

Before the beginning of the Plan year, which is from January 1 to December 31, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants’ annual contributions to the medical reimbursement portion of the Plan, whether or not such contributions have been made.

Payments of insurance premiums (health and dental) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund.

NOTE 8 – FLEXIBLE BENEFIT PLAN (CONTINUED)

Amounts withheld for medical reimbursement and dependent care are held in the District's cash account. Payments are made by a third party administrator to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the employee. The medical reimbursement and dependent care activity are accounted for in the financial statements in the General Fund.

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

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Revenues

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

B. Legal Contingencies

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

NOTE 10 – DEFICIT NET POSITION

The Post-Employment Employee Benefits Internal Service Fund had a deficit net position at June 30, 2025 of $345,050. This deficit will be funded by future district contributions to this fund.

REQUIRED SUPPLEMENTARY INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2016	06/30/2015	0.0956%	$ 4,954,489	$ –	$ 4,954,489	$ 5,613,356	88.26%	78.20%
06/30/2017	06/30/2016	0.0970%	$ 7,875,919	$ 102,897	$ 7,978,816	$ 6,015,751	130.92%	68.90%
06/30/2018	06/30/2017	0.0970%	$ 6,192,416	$ 77,892	$ 6,270,308	$ 6,251,084	99.06%	75.90%
06/30/2019	06/30/2018	0.1052%	$ 5,836,065	$ 191,344	$ 6,027,409	$ 7,070,948	82.54%	79.50%
06/30/2020	06/30/2019	0.1135%	$ 6,275,161	$ 194,992	$ 6,470,153	$ 8,036,142	78.09%	80.20%
06/30/2021	06/30/2020	0.1253%	$ 7,512,308	$ 231,538	$ 7,743,846	$ 8,933,431	84.09%	79.10%
06/30/2022	06/30/2021	0.1205%	$ 5,145,891	$ 157,170	$ 5,303,061	$ 8,676,826	59.31%	87.00%
06/30/2023	06/30/2022	0.1128%	$ 8,933,798	$ 261,896	$ 9,195,694	$ 8,447,806	105.75%	76.70%
06/30/2024	06/30/2023	0.1104%	$ 6,173,444	$ 170,115	$ 6,343,559	$ 8,778,757	70.32%	83.10%
06/30/2025	06/30/2024	0.1037%	$ 3,833,281	$ 99,121	$ 3,932,402	$ 8,770,025	43.71%	89.08%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2016	$ 451,532	$ 451,532	$ –	$ 6,015,751	7.51%
06/30/2017	$ 469,399	$ 469,399	$ –	$ 6,251,084	7.51%
06/30/2018	$ 530,998	$ 530,998	$ –	$ 7,070,948	7.51%
06/30/2019	$ 603,172	$ 603,172	$ –	$ 8,036,142	7.51%
06/30/2020	$ 670,963	$ 670,963	$ –	$ 8,933,431	7.51%
06/30/2021	$ 650,759	$ 650,759	$ –	$ 8,676,826	7.50%
06/30/2022	$ 633,584	$ 633,584	$ –	$ 8,447,806	7.50%
06/30/2023	$ 658,405	$ 658,405	$ –	$ 8,778,757	7.50%
06/30/2024	$ 658,180	$ 658,180	$ –	$ 8,770,025	7.50%
06/30/2025	$ 731,987	$ 731,987	$ –	$ 9,760,562	7.50%

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

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2016	06/30/2015	0.1954%	$ 12,087,423	$ 1,482,856	$ 13,570,279	$ 9,915,820	121.90%	76.80%
06/30/2017	06/30/2016	0.2064%	$ 49,231,325	$ 4,941,167	$ 54,172,492	$ 10,745,627	458.15%	44.88%
06/30/2018	06/30/2017	0.2149%	$ 42,897,938	$ 4,147,269	$ 47,045,207	$ 11,700,275	366.64%	51.57%
06/30/2019	06/30/2018	0.2282%	$ 14,333,096	$ 1,346,422	$ 15,679,518	$ 12,766,959	112.27%	78.07%
06/30/2020	06/30/2019	0.2487%	$ 15,852,190	$ 1,402,823	$ 17,255,013	$ 14,116,834	112.29%	78.21%
06/30/2021	06/30/2020	0.2641%	$ 19,512,062	$ 1,634,982	$ 21,147,044	$ 15,346,868	127.14%	75.48%
06/30/2022	06/30/2021	0.2853%	$ 12,485,581	$ 1,053,149	$ 13,538,730	$ 17,075,599	73.12%	86.63%
06/30/2023	06/30/2022	0.2813%	$ 22,525,016	$ 1,670,646	$ 24,195,662	$ 17,379,438	129.61%	76.17%
06/30/2024	06/30/2023	0.2663%	$ 21,986,325	$ 1,540,360	$ 23,526,685	$ 16,933,793	129.84%	76.42%
06/30/2025	06/30/2024	0.2442%	$ 15,517,252	$ 1,015,002	$ 16,532,254	$ 16,177,394	95.92%	82.07%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2016	$ 805,427	$ 805,427	$ –	$ 10,745,627	7.50%
06/30/2017	$ 867,629	$ 867,629	$ –	$ 11,700,275	7.42%
06/30/2018	$ 955,252	$ 955,252	$ –	$ 12,766,959	7.48%
06/30/2019	$ 1,088,409	$ 1,088,409	$ –	$ 14,116,834	7.71%
06/30/2020	$ 1,215,570	$ 1,215,570	$ –	$ 15,346,868	7.92%
06/30/2021	$ 1,388,246	$ 1,388,246	$ –	$ 17,075,599	8.13%
06/30/2022	$ 1,449,585	$ 1,449,585	$ –	$ 17,379,438	8.34%
06/30/2023	$ 1,447,755	$ 1,447,755	$ –	$ 16,933,793	8.55%
06/30/2024	$ 1,415,517	$ 1,415,517	$ –	$ 16,177,394	8.75%
06/30/2025	$ 1,607,821	$ 1,607,821	$ –	$ 18,375,082	8.75%

INDEPENDENT SCHOOL DISTRICT NO. 917

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Total
OPEB Liability and Related Ratios
Year Ended June 30, 2025

	Year Ended June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability								
Service cost	$ 172,192	$ 164,578	$ 179,538	$ 203,250	$ 217,343	$ 156,755	$ 159,394	$ 163,356
Interest	50,548	56,111	46,781	48,158	33,945	32,631	49,471	56,665
Assumption changes	–	1,687	27,367	(221,855)	18,536	(111,524)	(6,754)	10,939
Plan changes	–	–	–	72,879	–	4,421	–	–
Difference between expected and actual experience	–	(496,737)	–	(185,782)	–	(280,523)	–	93,007
Benefit payments	(53,728)	(49,298)	(59,430)	(61,583)	(78,048)	(61,383)	(51,501)	(58,581)
Net change in total OPEB liability	169,012	(323,659)	194,256	(144,933)	191,776	(259,623)	150,610	265,386
Total OPEB liability – beginning of year	1,341,166	1,510,178	1,186,519	1,380,775	1,235,842	1,427,618	1,167,995	1,318,605
Total OPEB liability – end of year	$ 1,510,178	$ 1,186,519	$ 1,380,775	$ 1,235,842	$ 1,427,618	$ 1,167,995	$ 1,318,605	$ 1,583,991
Covered-employee payroll	$ 17,301,959	$ 21,687,037	$ 22,337,648	$ 26,723,569	$ 27,525,276	$ 24,945,523	$ 25,693,889	$ 25,303,195
Total OPEB liability as a percentage of covered-employee payroll	8.73%	5.47%	6.18%	4.62%	5.19%	4.68%	5.13%	6.26%

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

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2024 CHANGES IN PLAN PROVISIONS

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

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2023 CHANGES IN PLAN PROVISIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year, with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio, to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2018 CHANGES IN PLAN PROVISIONS (CONTINUED)

- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were updated.
- The discount rate was changed from 3.90 percent to 4.10 percent.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.80 percent to 3.90 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2022 CHANGES IN PLAN PROVISIONS

- The subsidy for the secondary principal was changed to match the assistant directors/principals.
- The assistant directors'/principals' and secondary principal's eligibility to receive a post-employment medical subsidy was updated to age 55 and 10 years of service (15 if hired after 2004) and hired before July 1, 2022. There is no post-employment medical subsidy for employees hired on or after July 1, 2022.
- The change in benefits for assistant directors/principals at July 1, 2004 was removed. The freeze on increases after retirement no longer applies to employees hired after July 1, 2004.
- A subsidized post-employment medical benefit was added for the communications, innovation, and public relations coordinator and human resources coordinator.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The salary increase rates for nonteachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.
- The discount rate was changed from 2.10 percent to 3.80 percent.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.40 percent to 2.10 percent.

2020 CHANGES IN PLAN PROVISIONS

- The teachers' post-employment lump sum benefit payable to a Healthcare Savings Plan was increased from $5,500 to $7,500.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables, healthcare trend rates, salary increase rates, and retiree plan participation percentages for future retirees who are not eligible to receive subsidized benefits were updated.
- The discount rate was changed from 3.10 percent to 2.40 percent.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.50 percent to 3.10 percent.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale, to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40 percent to 3.50 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.00 percent to 3.40 percent.

SUPPLEMENTARY INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025	2024
Assets		
Cash and temporary investments	$ 4,022,736	$ 4,188,979
Cash and investments held by trustee	55,092	50,732
Receivables		
Accounts and interest	193,336	14,122
Due from other school districts	2,562,612	2,126,653
Due from Minnesota Department of Education	7,151,749	7,284,930
Due from other governmental units	446,130	15,551
Due from other funds	3,660	–
Inventory	250	332
Prepaid items	22,260	181,589
Total assets	$ 14,457,825	$ 13,862,888
Liabilities		
Salaries and compensated absences payable	$ 3,311,813	$ 3,023,912
Accounts and contracts payable	189,857	92,551
Due to other school districts	686,093	512,372
Due to other governmental units	110,764	541,877
Unearned revenue	10,827	11,991
Total liabilities	4,309,354	4,182,703
Fund balances		
Nonspendable for inventory	250	332
Nonspendable for prepaid items	22,260	181,589
Restricted for student activities	5,849	864
Restricted for basic skills program	–	225,789
Restricted for teacher compensation for READ Act	1,968	–
Restricted for debt service	55,092	50,732
Assigned for subsequent year’s budgeted deficit	341,956	159,724
Unassigned	9,721,096	9,061,155
Total fund balances	10,148,471	9,680,185
Total liabilities and fund balances	$ 14,457,825	$ 13,862,888

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	$ 9,162,084	$ 9,151,754	$ (10,330)	$ 9,124,487
Investment earnings	306,000	363,821	57,821	283,858
Other	1,009,628	1,103,644	94,016	602,405
State sources	39,864,257	37,771,290	(2,092,967)	32,025,446
Federal sources	393,067	318,955	(74,112)	520,631
Total revenue	50,735,036	48,709,464	(2,025,572)	42,556,827
Expenditures				
Current				
Administrative and support services	202,865	196,680	(6,185)	246,590
Secondary vocational/DCALS	4,585,158	3,821,793	(763,365)	4,329,954
Special education programs	44,926,909	42,602,308	(2,324,601)	36,800,320
Debt service				
Principal	964,186	965,444	1,258	903,390
Interest and fiscal charges	645,516	636,973	(8,543)	687,392
Total expenditures	51,324,634	48,223,198	(3,101,436)	42,967,646
Excess (deficiency) of revenue over expenditures	(589,598)	486,266	1,075,864	(410,819)
Other financing sources (uses)				
Sale of assets	204	204	–	19,651
Insurance recovery	–	–	–	18,228
Transfers (out)	(30,565)	(18,184)	12,381	(26,332)
Total financing sources (uses)	(30,361)	(17,980)	12,381	11,547
Net change in fund balances	$ (619,959)	468,286	$ 1,088,245	(399,272)
Fund balances				
Beginning of year		9,680,185		10,079,457
End of year		$ 10,148,471		$ 9,680,185

General Fund
Combining Balance Sheet by Account
as of June 30, 2025

	Secondary Education	Special Education	Services Allocation
Assets			
Cash and temporary investments (deficit)	$ 5,199,584	$ (1,014,301)	$ (163,555)
Cash and investments held by trustee	–	–	–
Receivables			
Accounts and interest	192,276	503	–
Due from other school districts	763,067	1,625,945	173,600
Due from Minnesota Department of Education	116,097	7,035,652	–
Due from other governmental units	–	445,762	–
Due from other funds	3,660	–	–
Inventory	–	–	–
Prepaid items	649	21,012	599
Total assets	$ 6,275,333	$ 8,114,573	$ 10,644
Liabilities			
Salaries and compensated absences payable	$ 3,311,813	$ –	$ –
Accounts and contracts payable	4,049	175,637	7,731
Due to other school districts	184,576	501,299	218
Due to other governmental units	272	110,349	8
Unearned revenue	–	8,140	2,687
Total liabilities	3,500,710	795,425	10,644
Fund balances (deficit)			
Nonspendable for inventory	–	–	–
Nonspendable for prepaid items	649	21,012	599
Restricted for student activities	–	–	–
Restricted for debt service	–	–	–
Restricted for teacher compensation for READ Act	1,968	–	–
Assigned for subsequent year's budgeted deficit	332,404	–	1,452
Unassigned	2,439,602	7,298,136	(2,051)
Total fund balances	2,774,623	7,319,148	–
Total liabilities and fund balances	$ 6,275,333	$ 8,114,573	$ 10,644

Capital Expenditure	Secondary Resale	Special Education Resale	Student Activities	Total
$ (29,665)	$ 4,301	$ 20,280	$ 6,092	$ 4,022,736
55,092	–	–	–	55,092
–	–	557	–	193,336
–	–	–	–	2,562,612
–	–	–	–	7,151,749
–	–	368	–	446,130
–	–	–	–	3,660
–	–	250	–	250
–	–	–	–	22,260
$ 25,427	$ 4,301	$ 21,455	$ 6,092	$ 14,457,825
$ –	$ –	$ –	$ –	$ 3,311,813
1,500	–	697	243	189,857
–	–	–	–	686,093
–	–	135	–	110,764
–	–	–	–	10,827
1,500	–	832	243	4,309,354
–	–	250	–	250
–	–	–	–	22,260
–	–	–	5,849	5,849
55,092	–	–	–	55,092
–	–	–	–	1,968
2,350	5,750	–	–	341,956
(33,515)	(1,449)	20,373	–	9,721,096
23,927	4,301	20,623	5,849	10,148,471
$ 25,427	$ 4,301	$ 21,455	$ 6,092	$ 14,457,825

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	Secondary Education	Special Education	Services Allocation
Revenue			
Local sources			
Tuition	$ 2,185,616	$ 6,442,638	$ –
Investment earnings	114,225	245,236	–
Other	455,308	628,438	200
State sources	599,396	37,117,294	54,600
Federal sources	177,075	–	141,880
Total revenue	3,531,620	44,433,606	196,680
Expenditures			
Current			
Administrative and support services	–	–	196,680
Secondary vocational/DCALS	3,811,779	–	–
Special education programs	–	42,587,963	–
Debt service			
Principal	–	635,444	–
Interest and fiscal charges	–	443,473	–
Total expenditures	3,811,779	43,666,880	196,680
Excess (deficiency) of revenue over expenditures	(280,159)	766,726	–
Other financing sources (uses)			
Sale of assets	204	–	–
Transfers (out)	–	(18,184)	–
Total other financing sources (uses)	204	(18,184)	–
Net change in fund balances	(279,955)	748,542	–
Fund balances			
Beginning of year	3,054,578	6,570,606	–
End of year	$ 2,774,623	$ 7,319,148	$ –

Capital Expenditure	Secondary Resale	Special Education Resale	Student Activities	Total
$ 523,500	$ –	$ –	$ –	$ 9,151,754
4,360	–	–	–	363,821
–	840	16,222	2,636	1,103,644
–	–	–	–	37,771,290
–	–	–	–	318,955
527,860	840	16,222	2,636	48,709,464
–	–	–	–	196,680
3,900	3,219	–	2,895	3,821,793
–	–	14,345	–	42,602,308
330,000	–	–	–	965,444
193,500	–	–	–	636,973
527,400	3,219	14,345	2,895	48,223,198
460	(2,379)	1,877	(259)	486,266
–	–	–	–	204
–	–	–	–	(18,184)
–	–	–	–	(17,980)
460	(2,379)	1,877	(259)	468,286
23,467	6,680	18,746	6,108	9,680,185
$ 23,927	$ 4,301	$ 20,623	$ 5,849	$ 10,148,471

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	$ 2,368,062	$ 2,185,616	$ (182,446)	$ 2,631,503
Investment earnings	120,000	114,225	(5,775)	127,602
Other	444,135	455,308	11,173	10,298
State sources	627,694	599,396	(28,298)	626,074
Federal sources	247,446	177,075	(70,371)	341,866
Total revenue	3,807,337	3,531,620	(275,717)	3,737,343
Expenditures				
Current				
Secondary vocational/DCALS				
Salaries	2,247,607	2,131,874	(115,733)	2,442,465
Employee benefits	816,196	776,936	(39,260)	905,703
Purchased services	746,259	544,971	(201,288)	623,908
Supplies and materials	508,518	117,863	(390,655)	93,022
Other expenditures	21,368	17,526	(3,842)	17,741
Capital expenditures	8,075	7,614	(461)	33,779
Allocated overhead	219,254	214,995	(4,259)	192,329
Total expenditures	4,567,277	3,811,779	(755,498)	4,308,947
Excess (deficiency) of revenue over expenditures	(759,940)	(280,159)	479,781	(571,604)
Other financing sources				
Sale of assets	204	204	–	18,841
Net change in fund balances	$ (759,736)	(279,955)	$ 479,781	(552,763)
Fund balances				
Beginning of year		3,054,578		3,607,341
End of year		$ 2,774,623		$ 3,054,578

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	$ 6,270,522	$ 6,442,638	$ 172,116	$ 5,966,359
Investment earnings	175,000	245,236	70,236	141,785
Other	540,569	628,438	87,869	554,930
State sources	39,181,963	37,117,294	(2,064,669)	31,350,672
Federal sources	–	–	–	1,445
Total revenue	46,168,054	44,433,606	(1,734,448)	38,015,191
Expenditures				
Current				
Special education programs				
Salaries	25,074,684	24,885,893	(188,791)	21,046,706
Employee benefits	8,628,988	8,731,741	102,753	7,649,733
Purchased services	7,033,234	5,197,810	(1,835,424)	4,551,280
Supplies and materials	1,005,303	779,426	(225,877)	672,802
Other expenditures	140,152	108,481	(31,671)	128,063
Capital expenditures	375,503	347,573	(27,930)	479,059
Allocated overhead	2,659,245	2,537,039	(122,206)	2,263,779
Debt service				
Principal	634,186	635,444	1,258	578,390
Interest and fiscal charges	452,016	443,473	(8,543)	485,767
Total expenditures	46,003,311	43,666,880	(2,336,431)	37,855,579
Excess of revenue over expenditures	164,743	766,726	601,983	159,612
Other financing sources (uses)				
Sale of assets	–	–	–	810
Insurance recovery	–	–	–	18,228
Transfers (out)	(30,565)	(18,184)	12,381	(26,332)
Total other financing sources (uses)	(30,565)	(18,184)	12,381	(7,294)
Net change in fund balances	$ 134,178	748,542	$ 614,364	152,318
Fund balances				
Beginning of year		6,570,606		6,418,288
End of year		$ 7,319,148		$ 6,570,606

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	$ 2,644	$ 200	$ (2,444)	$ 20,570
State sources	54,600	54,600	–	48,700
Federal sources	145,621	141,880	(3,741)	177,320
Total revenue	202,865	196,680	(6,185)	246,590
Expenditures				
Current				
Administrative and support services				
Salaries	1,994,545	1,973,738	(20,807)	1,787,973
Employee benefits	582,323	556,542	(25,781)	533,188
Purchased services	263,998	228,187	(35,811)	209,804
Supplies and materials	191,897	155,648	(36,249)	133,582
Other expenditures	25,300	22,316	(2,984)	21,476
Capital expenditures	23,300	12,283	(11,017)	16,672
Allocated overhead	(2,878,498)	(2,752,034)	126,464	(2,456,105)
Total expenditures	202,865	196,680	(6,185)	246,590
Net change in fund balances	$ –	–	$ –	–
Fund balances				
Beginning of year		–		–
End of year		$ –		$ –

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	$ 523,500	$ 523,500	$ –	$ 526,625
Investment earnings	11,000	4,360	(6,640)	14,471
Total revenue	534,500	527,860	(6,640)	541,096
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	2,400	3,900	1,500	2,401
Debt service				
Principal	330,000	330,000	–	325,000
Interest and fiscal charges	193,500	193,500	–	201,625
Total expenditures	525,900	527,400	1,500	529,026
Net change in fund balances	$ 8,600	460	$ (8,140)	12,070
Fund balances				
Beginning of year		23,467		11,397
End of year		$ 23,927		$ 23,467

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	$ 9,250	$ 840	$ (8,410)	$ 1,082
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	750	–	(750)	2,089
Supplies and materials	8,500	3,219	(5,281)	14,065
Total expenditures	9,250	3,219	(6,031)	16,154
Net change in fund balances	$ –	(2,379)	$ (2,379)	(15,072)
Fund balances				
Beginning of year		6,680		21,752
End of year		$ 4,301		$ 6,680

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	$ 10,100	$ 16,222	$ 6,122	$ 12,685
Expenditures				
Current				
Special education programs				
Supplies and materials	9,800	14,297	4,497	8,865
Other expenditures	–	48	48	33
Total expenditures	9,800	14,345	4,545	8,898
Net change in fund balances	$ 300	1,877	$ 1,577	3,787
Fund balances				
Beginning of year		18,746		14,959
End of year		$ 20,623		$ 18,746

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INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	$ 2,930	$ 2,636	$ (294)	$ 2,840
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	781	1,428	647	1,093
Supplies and materials	5,450	1,467	(3,983)	1,359
Total expenditures	6,231	2,895	(3,336)	2,452
Net change in fund balances	$ (3,301)	(259)	$ 3,042	388
Fund balances				
Beginning of year		6,108		5,720
End of year		$ 5,849		$ 6,108

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2025	2024
Assets		
Cash and temporary investments	$ –	$ 3,669
Receivables		
Accounts and interest	10,121	12,151
Due from other governmental units	–	4,687
Prepaid items	–	1,481
Total assets	$ 10,121	$ 21,988
Liabilities		
Accounts payable	$ –	$ 3,694
Due to other governmental units	2,281	1,468
Due to other funds	3,660	–
Total liabilities	5,941	5,162
Fund balances		
Nonspendable for prepaid items	–	1,481
Restricted for food service	4,180	15,345
Total fund balances	4,180	16,826
Total liabilities and fund balances	$ 10,121	$ 21,988

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

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other – primarily meal sales (refunds)	$ (1,424)	$ (450)	$ 974	$ 32
State sources	39,250	41,104	1,854	32,621
Federal sources	160,933	165,393	4,460	166,179
Total revenue	198,759	206,047	7,288	198,832
Expenditures				
Purchased services	3,650	3,646	(4)	3,705
Supplies and materials	241,525	233,231	(8,294)	204,633
Total expenditures	245,175	236,877	(8,298)	208,338
Excess (deficiency) of revenue over expenditures	(46,416)	(30,830)	15,586	(9,506)
Other financing sources				
Transfers in	46,416	18,184	(28,232)	26,332
Net change in fund balances	$ –	(12,646)	$ (12,646)	16,826
Fund balances				
Beginning of year		16,826		–
End of year		$ 4,180		$ 16,826

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds
Combining Statement of Net Position
as of June 30, 2025
(With Comparative Totals as of June 30, 2024)

	Dental Self-Insurance	Medical Self-Insurance	Post-Employment Employee Benefits
Assets			
Current assets			
Cash and temporary investments	$ 663,295	$ 7,481,080	$ 1,833,888
Receivables			
Accounts and interest	–	15,904	–
Total assets	663,295	7,496,984	1,833,888
Deferred outflows of resources			
OPEB plan deferments	–	–	269,784
Liabilities			
Current liabilities			
Accounts and contracts payable	41,239	319,018	–
Due to other governmental units	–	–	–
Total OPEB liability – due within one year	–	–	157,601
Severance benefits payable – due within one year	–	–	35,080
Unearned revenue	1,922	49,821	–
Total current liabilities	43,161	368,839	192,681
Long-term liabilities			
Total OPEB liability – due in more than one year	–	–	1,426,390
Severance benefits payable – due in more than one year	–	–	258,267
Total long-term liabilities	–	–	1,684,657
Total liabilities	43,161	368,839	1,877,338
Deferred inflows of resources			
OPEB plan deferments	–	–	571,384
Net position			
Unrestricted	$ 620,134	$ 7,128,145	$ (345,050)

Totals	
2025	2024
$ 9,978,263	$ 9,216,631
15,904	97,979
9,994,167	9,314,610
269,784	137,297
360,257	379,981
–	1,694
157,601	112,220
35,080	80,971
51,743	61,175
604,681	636,041
1,426,390	1,206,385
258,267	246,705
1,684,657	1,453,090
2,289,338	2,089,131
571,384	711,753
$ 7,403,229	$ 6,651,023

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	Dental Self-Insurance	Medical Self-Insurance	Post-Employment Employee Benefits
Operating revenue			
Charges for services			
Contributions from governmental funds	$ 477,723	$ 4,427,909	$ 171,345
Operating expenses			
Other post-employment benefits (net)	–	–	80,739
Severance benefits (net)	–	–	(7,365)
Medical benefit claims	–	4,008,198	–
Dental benefit claims	490,176	–	–
Total operating expenses	490,176	4,008,198	73,374
Operating income (loss)	(12,453)	419,711	97,971
Nonoperating revenue			
Investment earnings	22,649	224,328	–
Change in net position	10,196	644,039	97,971
Net position			
Beginning of year	609,938	6,484,106	(443,021)
End of year	$ 620,134	$ 7,128,145	$ (345,050)

Totals	
2025	2024
$ 5,076,977	$ 4,760,421
80,739	(42,772)
(7,365)	57,995
4,008,198	3,839,717
490,176	504,132
4,571,748	4,359,072
505,229	401,349
246,977	421,258
752,206	822,607
6,651,023	5,828,416
$ 7,403,229	$ 6,651,023

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	Dental Self-Insurance	Medical Self-Insurance	Post-Employment Employee Benefits
Cash flows from operating activities			
Contributions from governmental funds	$ 477,665	$ 4,500,610	$ 171,345
Other post-employment benefit payments	–	–	(88,209)
Severance benefits	–	–	(26,964)
Payments for medical claims	–	(4,029,519)	–
Payments for dental claims	(490,273)	–	–
Net cash flows from operating activities	(12,608)	471,091	56,172
Cash flows from investing activities			
Investment income received	22,649	224,328	–
Net change in cash and cash equivalents	10,041	695,419	56,172
Cash and temporary investments			
Beginning of year	653,254	6,785,661	1,777,716
End of year	$ 663,295	$ 7,481,080	$ 1,833,888
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	$ (12,453)	$ 419,711	$ 97,971
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Changes in assets and liabilities			
Accounts and interest receivable	–	82,075	–
OPEB plan deferments	–	–	(272,856)
Accounts and contracts payable	(97)	(19,627)	–
Due to other governmental units	–	(1,694)	–
Compensated absences payable	–	–	(34,329)
Total OPEB liability	–	–	265,386
Unearned revenue	(58)	(9,374)	–
Net cash flows from operating activities	$ (12,608)	$ 471,091	$ 56,172

Totals	
2025	2024
$ 5,149,620	$ 4,660,967
(88,209)	(15,000)
(26,964)	(29,406)
(4,029,519)	(3,755,814)
(490,273)	(513,742)
514,655	347,005
246,977	421,258
761,632	768,263
9,216,631	8,448,368
$ 9,978,263	$ 9,216,631
$ 505,229	$ 401,349
82,075	(95,158)
(272,856)	(208,382)
(19,724)	74,291
(1,694)	2
(34,329)	28,589
265,386	150,610
(9,432)	(4,296)
$ 514,655	$ 347,005

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OTHER INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

Government-Wide Revenue by Type
Last Ten Fiscal Years

	Program Revenues			General Revenues	
Year Ended June 30,	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Investment Earnings and Other	Total
2016	$ 8,765,738	$ 20,327,694	$ 554,908	$ 139,795	$ 29,788,135
	30%	68%	2%	0%	100%
2017	8,910,685	21,223,814	539,240	845,477	31,519,216
	28%	67%	2%	3%	100%
2018	9,660,814	23,146,660	557,650	580,576	33,945,700
	28%	67%	2%	3%	100%
2019	11,429,417	26,541,284	548,350	1,070,943	39,589,994
	29%	67%	1%	3%	100%
2020	10,276,311	30,724,528	591,900	699,517	42,292,256
	24%	73%	1%	2%	100%
2021	9,775,850	31,662,477	553,065	691,977	42,683,369
	23%	74%	1%	2%	100%
2022	10,185,407	31,382,042	552,753	470,690	42,590,892
	24%	74%	1%	1%	100%
2023	9,604,486	32,021,946	652,365	1,168,419	43,447,216
	22%	74%	1%	3%	100%
2024	9,144,988	32,377,559	715,325	1,075,015	43,312,887
	21%	75%	2%	2%	100%
2025	9,222,846	38,578,143	697,100	1,220,004	49,718,093
	19%	78%	1%	2%	100%

INTERMEDIATE SCHOOL DISTRICT NO. 917

Government-Wide Expenses by Program
Last Ten Fiscal Years

Year Ended June 30,	Administrative and Support Services	Secondary Vocational/ DCALS	Special Education Programs	Food Service	Interest and Fiscal Charges on Debt	Total
2016	$ 1,886,824	$ 2,993,362	$ 22,764,328	$ 131,729	$ 307,246	$ 28,083,489
	8%	11%	81%	–	1%	100%
2017	3,088,390	3,590,904	30,535,125	143,390	301,437	37,659,246
	8%	10%	81%	–	1%	100%
2018	2,370,386	4,185,093	31,992,143	136,447	246,834	38,930,903
	6%	11%	82%	–	1%	100%
2019	1,943,841	2,399,143	26,491,744	159,619	241,276	31,235,623
	6%	8%	85%	–	1%	100%
2020	1,980,504	4,104,278	36,440,788	114,859	235,435	42,875,864
	5%	10%	85%	–	1%	100%
2021	2,149,317	4,274,114	36,829,246	91,751	229,451	43,573,879
	5%	10%	85%	–	1%	100%
2022	2,285,177	3,679,900	34,835,199	179,672	736,468	41,716,416
	5%	9%	84%	–	2%	100%
2023	2,758,167	3,054,916	32,849,150	149,919	741,446	39,553,598
	7%	8%	84%	–	1%	100%
2024	2,731,139	4,001,575	34,860,017	208,468	694,200	42,495,399
	6%	9%	82%	1%	2%	100%
2025	2,781,553	3,522,802	39,807,291	236,877	643,729	46,992,252
	6%	7%	85%	1%	1%	100%

General Fund Revenue by Source
Last Ten Fiscal Years

	Year Ended June 30,	Tuition Revenue	Investment Earnings (Charges)	Other Revenue	State Revenue	Federal Revenue	Total
Secondary education	2016	$ 3,110,396	$ 3,872	$ 1,638	$ 175,196	$ 161,193	$ 3,452,295
	2017	3,052,790	4,528	1,408	185,739	139,698	3,384,163
	2018	3,548,099	10,887	866	181,063	150,934	3,891,849
	2019	4,188,911	37,628	5,934	223,735	142,549	4,598,757
	2020	3,671,622	32,575	1,171	547,390	156,934	4,409,692
	2021	3,325,041	1,816	53	711,216	173,421	4,211,547
	2022	3,490,172	3,815	2,568	532,838	157,368	4,186,761
	2023	2,747,280	91,044	2,560	374,528	445,370	3,660,782
	2024	2,631,503	127,602	10,298	626,074	341,866	3,737,343
	2025	2,185,616	114,225	455,308	599,396	177,075	3,531,620
Special education	2016	4,579,099	8,973	644,251	19,900,805	–	25,133,128
	2017	4,857,838	8,952	548,626	20,873,915	–	26,289,331
	2018	5,193,103	26,198	458,843	23,243,634	–	28,921,778
	2019	6,145,683	43,324	909,380	27,625,713	–	34,724,100
	2020	6,087,994	19,033	504,261	30,519,723	–	37,131,011
	2021	6,175,809	1,357	302,689	30,924,352	370,437	37,774,644
	2022	6,156,089	4,562	548,188	30,875,595	149,778	37,734,212
	2023	6,316,370	135,811	568,030	30,348,646	1,029,461	38,398,318
	2024	5,966,359	141,785	554,930	31,350,672	1,445	38,015,191
	2025	6,442,638	245,236	628,438	37,117,294	–	44,433,606
Services allocation	2016	417,720	–	7,755	15,648	–	441,123
	2017	432,832	–	5,462	30,377	–	468,671
	2018	457,002	–	7,003	29,193	–	493,198
	2019	466,049	–	4,012	29,978	–	500,039
	2020	–	–	75	25,500	–	25,575
	2021	–	–	7,088	26,265	–	33,353
	2022	–	(37)	7,167	38,131	–	45,261
	2023	–	–	5,472	27,865	273,372	306,709
	2024	–	–	20,570	48,700	177,320	246,590
	2025	–	–	200	54,600	141,880	196,680
Capital expenditure	2016	554,908	31,711	–	–	–	586,619
	2017	555,220	45,416	–	–	–	600,636
	2018	505,000	3,843	–	–	–	508,843
	2019	523,500	4,197	–	–	–	527,697
	2020	522,700	3,336	5,500	–	–	531,536
	2021	526,800	155	–	–	–	526,955
	2022	525,700	358	–	–	–	526,058
	2023	524,500	9,468	–	–	–	533,968
	2024	526,625	14,471	–	–	–	541,096
	2025	523,500	4,360	–	–	–	527,860

(continued)

General Fund Revenue by Source (continued)
Last Ten Fiscal Years

	Year Ended June 30,	Tuition Revenue	Investment Earnings (Charges)	Other Revenue	State Revenue	Federal Revenue	Total
Secondary resale	2016	$ –	$ –	$ 72,784	$ –	$ –	$ 72,784
	2017	–	–	27,382	–	–	27,382
	2018	–	–	24,148	–	–	24,148
	2019	–	–	29,593	–	–	29,593
	2020	–	–	17,999	–	–	17,999
	2021	–	–	3,280	–	–	3,280
	2022	–	–	17,597	–	–	17,597
	2023	–	–	2,219	–	–	2,219
	2024	–	–	1,082	–	–	1,082
	2025	–	–	840	–	–	840
Special education resale	2016	–	–	10,977	–	–	10,977
	2017	–	–	10,636	–	–	10,636
	2018	–	–	9,385	–	–	9,385
	2019	–	–	12,877	–	–	12,877
	2020	–	–	10,054	–	–	10,054
	2021	–	–	1,389	–	–	1,389
	2022	–	–	8,584	–	–	8,584
	2023	–	–	9,871	–	–	9,871
	2024	–	–	12,685	–	–	12,685
	2025	–	–	16,222	–	–	16,222
Student activities	2016	–	–	–	–	–	–
	2017	–	–	–	–	–	–
	2018	–	–	–	–	–	–
	2019	–	–	–	–	–	–
	2020	–	–	3,564	–	–	3,564
	2021	–	–	2,330	–	–	2,330
	2022	–	–	1,706	–	–	1,706
	2023	–	–	1,684	–	–	1,684
	2024	–	–	2,840	–	–	2,840
	2025	–	–	2,636	–	–	2,636

General Fund Expenditures by Object
Last Ten Fiscal Years

	Year Ended June 30,	Salary Expenditures	Employee Benefits Expenditures	Purchased Services Expenditures	Other Expenditures	Allocated Overhead	Total
Secondary education	2016	$ 1,766,552	$ 613,991	$ 466,365	$ 102,689	$ 296,790	$ 3,246,387
	2017	1,849,994	629,643	413,106	238,242	270,734	3,401,719
	2018	1,939,231	657,156	445,562	100,948	256,317	3,399,214
	2019	2,068,260	757,912	461,012	209,959	216,229	3,713,372
	2020	2,360,808	869,042	475,221	212,921	183,085	4,101,077
	2021	2,541,811	936,625	512,497	95,076	172,333	4,258,342
	2022	2,329,508	860,284	487,116	103,795	188,628	3,969,331
	2023	2,133,600	766,749	603,824	137,510	195,197	3,836,880
	2024	2,442,465	905,703	623,908	144,542	192,329	4,308,947
	2025	2,131,874	776,936	544,971	143,003	214,995	3,811,779
Special education	2016	14,518,245	5,231,164	2,201,135	1,073,110	1,183,974	24,207,628
	2017	15,576,866	5,191,320	2,382,990	1,056,040	1,256,491	25,463,707
	2018	17,216,772	5,800,717	2,412,031	1,377,018	1,399,608	28,206,146
	2019	19,587,249	6,954,251	3,814,927	1,948,708	1,522,784	33,827,919
	2020	21,472,374	7,792,000	4,348,076	1,760,063	1,738,965	37,111,478
	2021	22,211,531	8,246,772	3,917,383	1,228,771	1,911,960	37,516,417
	2022	22,442,016	8,108,559	3,106,377	2,308,679	2,126,934	38,092,565
	2023	22,114,977	7,775,811	3,835,126	2,424,195	2,208,320	38,358,429
	2024	21,046,706	7,649,733	4,551,280	2,344,081	2,263,779	37,855,579
	2025	24,885,893	8,731,741	5,197,810	2,314,397	2,537,039	43,666,880
Services allocation	2016	914,218	237,668	674,770	95,229	(1,480,762)	441,123
	2017	987,354	267,621	673,348	67,572	(1,527,224)	468,671
	2018	1,035,133	280,301	773,447	60,242	(1,655,925)	493,198
	2019	1,090,570	329,963	738,997	79,522	(1,739,013)	500,039
	2020	1,166,024	361,888	301,730	117,983	(1,922,050)	25,575
	2021	1,323,877	394,553	314,138	78,680	(2,084,293)	26,955
	2022	1,439,798	454,834	270,772	188,803	(2,315,562)	38,645
	2023	1,761,160	527,171	268,575	166,334	(2,403,517)	319,723
	2024	1,787,973	533,188	209,804	171,733	(2,456,108)	246,590
	2025	1,973,738	556,542	228,187	190,247	(2,752,034)	196,680
District support services	2016	–	–	–	–	–	–
	2017	–	–	–	–	–	–
	2018	–	–	–	–	–	–
	2019	–	–	–	–	–	–
	2020	–	–	–	–	–	–
	2021	–	–	–	–	–	–
	2022	–	–	–	–	–	–
	2023	–	–	671	–	–	671
	2024	–	–	–	–	–	–
	2025	–	–	–	–	–	–

(continued)

General Fund Expenditures by Object (continued)
Last Ten Fiscal Years

	Year Ended June 30,	Salary Expenditures	Employee Benefits Expenditures	Purchased Services Expenditures	Other Expenditures	Allocated Overhead	Total
Capital expenditure	2016	$ –	$ –	$ 25,950	$ 577,708	$ –	$ 603,658
	2017	–	–	40,812	3,954,374	–	3,995,186
	2018	–	–	7,712	615,346	–	623,058
	2019	–	–	3,000	523,500	–	526,500
	2020	–	–	2,199	522,700	–	524,899
	2021	–	–	3,699	526,800	–	530,499
	2022	–	–	3,900	525,700	–	529,600
	2023	–	–	5,400	524,500	–	529,900
	2024	–	–	2,401	526,625	–	529,026
	2025	–	–	3,900	523,500	–	527,400
Secondary resale	2016	–	–	5,642	83,044	–	88,686
	2017	–	–	2,430	22,527	–	24,957
	2018	–	–	1,654	20,734	–	22,388
	2019	–	–	1,698	19,840	–	21,538
	2020	–	–	2,417	16,191	–	18,608
	2021	–	–	469	520	–	989
	2022	–	–	2,812	11,723	–	14,535
	2023	–	–	350	4,650	–	5,000
	2024	–	–	2,089	14,065	–	16,154
	2025	–	–	–	3,219	–	3,219
Special education resale	2016	–	–	935	10,458	–	11,393
	2017	–	–	–	12,728	–	12,728
	2018	–	–	245	12,199	–	12,444
	2019	–	–	20	12,888	–	12,908
	2020	–	–	–	6,300	–	6,300
	2021	–	–	–	1,070	–	1,070
	2022	–	–	–	9,497	–	9,497
	2023	–	–	380	4,786	–	5,166
	2024	–	–	–	8,898	–	8,898
	2025	–	–	–	14,345	–	14,345
Student activities	2016	–	–	–	–	–	–
	2017	–	–	–	–	–	–
	2018	–	–	–	–	–	–
	2019	–	–	–	–	–	–
	2020	–	–	19	2,501	–	2,520
	2021	–	–	–	1,621	–	1,621
	2022	–	–	–	1,099	–	1,099
	2023	–	–	–	2,144	–	2,144
	2024	–	–	1,093	1,359	–	2,452
	2025	–	–	1,428	1,467	–	2,895

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN

ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the School Board and Management of
Intermediate School District No. 917
Rosemount, 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, the major fund, and the aggregate remaining fund information of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2025.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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REPORT ON COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

November 25, 2025

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INDEPENDENT AUDITOR'S REPORT

ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of
Intermediate School District No. 917
Rosemount, 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, the major fund, and the aggregate remaining fund information of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2025.

MINNESOTA LEGAL COMPLIANCE

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

PURPOSE OF THIS REPORT

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

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

November 25, 2025

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INTERMEDIATE SCHOOL DISTRICT NO. 917

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

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		$ 48,709,464	$ 48,709,464	$ –
Total expenditures		$ 48,223,198	$ 48,223,198	$ –
Nonspendable				
460	Nonspendable fund balance	$ 22,510	$ 22,511	$ (1)
Restricted				
401	Student activities	$ 5,849	$ 5,849	$ –
402	Scholarships	$ –	$ –	$ –
403	Staff development	$ –	$ –	$ –
407	Capital projects levy	$ –	$ –	$ –
408	Cooperative revenue	$ –	$ –	$ –
412	Literacy incentive aid	$ –	$ –	$ –
414	Operating debt	$ –	$ –	$ –
416	Levy reduction	$ –	$ –	$ –
417	Taconite building maintenance	$ –	$ –	$ –
420	American Indian education aid	$ –	$ –	$ –
424	Operating capital	$ –	$ –	$ –
426	$25 taconite	$ –	$ –	$ –
427	Disabled accessibility	$ –	$ –	$ –
428	Learning and development	$ –	$ –	$ –
434	Area learning center	$ –	$ –	$ –
435	Contracted alternative programs	$ –	$ –	$ –
436	State approved alternative program	$ –	$ –	$ –
437	Quality compensation	$ –	$ –	$ –
438	Gifted and talented	$ –	$ –	$ –
439	English learner	$ –	$ –	$ –
440	Teacher development and evaluation	$ –	$ –	$ –
441	Basic skills programs	$ –	$ –	$ –
443	School library aid	$ –	$ –	$ –
448	Achievement and integration	$ –	$ –	$ –
449	Safe schools levy	$ –	$ –	$ –
451	QZAB payments	$ –	$ –	$ –
452	OPEB liability not in trust	$ –	$ –	$ –
453	Unfunded severance and retirement levy	$ –	$ –	$ –
456	Literacy aid	$ –	$ –	$ –
457	Teacher compensation for READ Act training	$ 1,968	$ 1,968	$ –
459	Basic skills extended time	$ –	$ –	$ –
467	Long-term facilities maintenance	$ –	$ –	$ –
471	Student support personnel	$ –	$ –	$ –
472	Medical Assistance	$ –	$ –	$ –
464	Restricted fund balance	$ 55,092	$ 55,092	$ –
475	Title VII – impact aid	$ –	$ –	$ –
476	PILT	$ –	$ –	$ –
Committed				
418	Committed for separation	$ –	$ –	$ –
461	Committed fund balance	$ –	$ –	$ –
Assigned				
462	Assigned fund balance	$ 341,956	$ 341,956	$ –
Unassigned				
422	Unassigned fund balance	$ 9,721,096	$ 9,721,096	$ –
Food Service				
Total revenue		$ 206,047	$ 206,048	$ (1)
Total expenditures		$ 236,877	$ 236,878	$ (1)
Nonspendable				
460	Nonspendable fund balance	$ –		$ –
Restricted				
452	OPEB liability not in trust	$ –	$ –	$ –
464	Restricted fund balance	$ 4,180	$ 4,180	$ –
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –
Community Service				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
Nonspendable				
460	Nonspendable fund balance	$ –	$ –	$ –
Restricted				
426	$25 taconite	$ –	$ –	$ –
431	Community education	$ –	$ –	$ –
432	ECFE	$ –	$ –	$ –
437	Quality compensation	$ –	$ –	$ –
440	Teacher development and evaluation	$ –	$ –	$ –
444	School readiness	$ –	$ –	$ –
447	Adult basic education	$ –	$ –	$ –
452	OPEB liability not in trust	$ –	$ –	$ –
456	Literacy aid	$ –	$ –	$ –
457	Teacher compensation for READ Act training	$ –	$ –	$ –
464	Restricted fund balance	$ –	$ –	$ –
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

		Audit	UFARS	Audit – UFARS
Building Construction				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
Nonspendable				
460	Nonspendable fund balance	$ –	$ –	$ –
Restricted				
407	Capital projects levy	$ –	$ –	$ –
413	Projects funded by COP	$ –	$ –	$ –
467	Long-term facilities maintenance	$ –	$ –	$ –
464	Restricted fund balance	$ –	$ –	$ –
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –
Debt Service				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
Nonspendable				
460	Nonspendable fund balance	$ –	$ –	$ –
Restricted				
425	Bond refundings	$ –	$ –	$ –
433	Maximum effort loan	$ –	$ –	$ –
451	QZAB payments	$ –	$ –	$ –
467	Long-term facilities maintenance	$ –	$ –	$ –
464	Restricted fund balance	$ –	$ –	$ –
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –
Trust				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
401	Student activities	$ –	$ –	$ –
402	Scholarships	$ –	$ –	$ –
422	Net position	$ –	$ –	$ –
Custodial Fund				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
401	Student activities	$ –	$ –	$ –
402	Scholarships	$ –	$ –	$ –
448	Achievement and integration	$ –	$ –	$ –
464	Restricted fund balance	$ –	$ –	$ –
Internal Service				
Total revenue		$ 5,323,954	$ 5,323,953	$ 1
Total expenditures		$ 4,571,748	$ 4,571,747	$ 1
422	Net position	$ 7,403,229	$ 7,403,229	$ –
OPEB Revocable Trust Fund				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
422	Net position	$ –	$ –	$ –
OPEB Irrevocable Trust Fund				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
422	Net position	$ –	$ –	$ –
OPEB Debt Service Fund				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
Nonspendable				
460	Nonspendable fund balance	$ –	$ –	$ –
Restricted				
425	Bond refundings	$ –	$ –	$ –
464	Restricted fund balance	$ –	$ –	$ –

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

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