INTERMEDIATE SCHOOL DISTRICT NO. 917
ROSEMOUNT, MINNESOTA

Financial Statements and
Supplementary Information

Year Ended
June 30, 2024

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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, 2024

SCHOOL BOARD

Board of Directors	Member District	Position on Board
Cindy Nordstrom	ISD No. 199	Chairperson
Tom Bennett	ISD No. 271	Vice Chairperson
Byron Schwab	ISD No. 197	Treasurer
Dave Anderson	ISD No. 194	Clerk
Lesley Chester	ISD No. 191	Board Member
Lisa Ehleringer	ISD No. 195	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
Nicolle Roush	Executive Director of Business Services
Melissa Schaller	Executive Director of Student Services

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FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

PRINCIPALS
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the District as of June 30, 2024, 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.

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 of the notes to basic financial statements, in fiscal 2024, the District adopted new accounting guidance in capitalizing purchases of groups of similar assets in the current year. Our opinion is not modified with respect to this matter.

(continued)

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
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RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

(continued)

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.

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.

(continued)

PRIOR YEAR COMPARATIVE INFORMATION

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information in our report dated December 15, 2023. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
December 4, 2024

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, 2024. 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, 2023 by $6,746,433 (net position deficit). The District's total net position increased by $1,022,337, including a change in accounting principle during the fiscal year ended June 30, 2024.

- The District's total General Fund balance at June 30, 2024 is $9,680,185, a decrease of $399,272 over the prior year.

- The District adopted new accounting guidance for capital assets in the current year, which increased beginning net position by $204,849. This change is further described in Note 1 of the notes to basic financial statements.

- The District's governmental funds Balance Sheet reflects a $9,061,155 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, 2024 and 2023

	2024	2023
Assets		
Current and other assets	$ 23,199,486	$ 22,755,988
Capital assets, net of accumulated depreciation/amortization	14,673,362	15,216,282
Total assets	$ 37,872,848	$ 37,972,270
Deferred outflows of resources		
Pension plan deferments	$ 7,654,077	$ 11,367,810
OPEB plan deferments	137,297	62,530
Deferred charge on refunding debt	224,257	246,682
Total deferred outflows of resources	$ 8,015,631	$ 11,677,022
Liabilities		
Current and other liabilities	$ 4,711,340	$ 4,682,205
Long-term liabilities, including due within one year	43,154,208	47,112,306
Total liabilities	$ 47,865,548	$ 51,794,511
Deferred inflows of resources		
Pension plan deferments	$ 4,057,611	$ 4,778,183
OPEB plan deferments	711,753	845,368
Total deferred inflows of resources	$ 4,769,364	$ 5,623,551
Net position		
Net investment in capital assets	$ 2,109,275	$ 1,758,998
Restricted for food service	16,826	–
Restricted for other purposes	226,653	6,188
Unrestricted	(9,099,187)	(9,533,956)
Total net position	$ (6,746,433)	$ (7,768,770)

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, 2024 was $1,022,337 (including the change in accounting principle) more than the prior year, mainly due to the positive operating results of the District's 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, 2024 and 2023

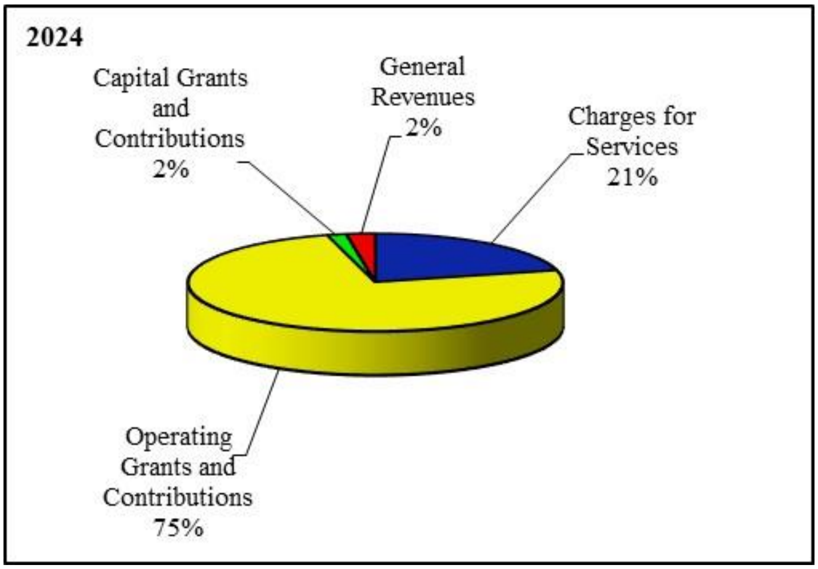
	2024	2023
Revenues		
Program revenues		
Charges for services	$ 9,144,988	$ 9,604,486
Operating grants and contributions	32,377,559	32,021,946
Capital grants and contributions	715,325	652,365
General revenues		
Other	350,248	668,046
Gain on sale of capital assets	19,651	22,542
Investment earnings	705,116	477,831
Total revenues	43,312,887	43,447,216
Expenses		
Administrative and support services	2,731,139	2,758,167
Secondary vocational/DCALS	4,001,575	3,054,916
Special education programs	34,860,017	32,849,150
Food service	208,468	149,919
Interest and fiscal charges on debt	694,200	741,446
Total expenses	42,495,399	39,553,598
Change in net position	817,488	3,893,618
Net position – beginning, as previously reported	(7,768,770)	(11,662,388)
Change in accounting principle	204,849	–
Net position – beginning, as restated	(7,563,921)	(11,662,388)
Net position – ending	$ (6,746,433)	$ (7,768,770)

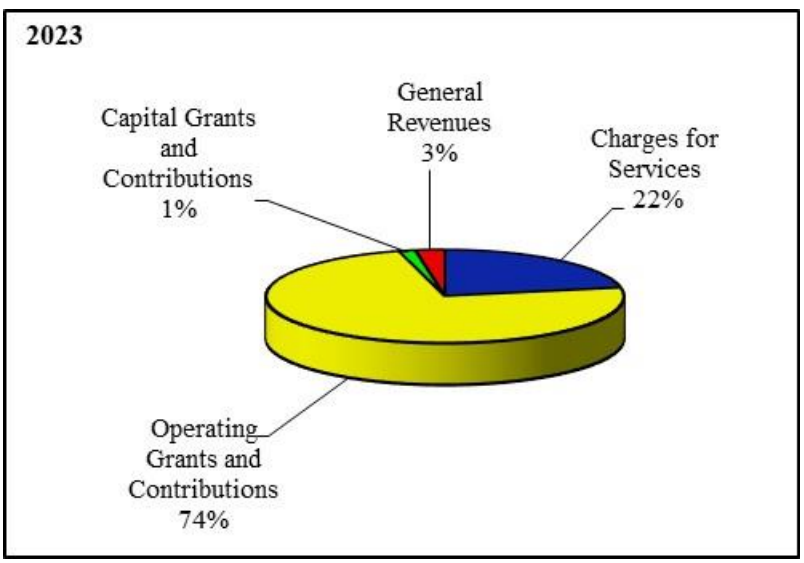
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal. The increase in special education program expenses is the result of the changes in the District's share of state-wide pension plans from year to year as previously mentioned. The increase in secondary vocational/Dakota County Area Learning School (DCALS) is for similar reasons, as well as an increase in salaries and benefits related to employment contract settlements and fulfillment of open positions.

The total cost of all programs and services was $42,495,399. The District's expenses are predominantly related to educating students. In fiscal 2023–2024, 91.4 percent of the District's expenses were devoted to this purpose. The administrative and support services activity of the District accounted for 6.4 percent of total expenses for the year. It should be noted that the District allocated $2,456,108 in administrative and support services expenses to the secondary vocational/DCALS and special education programs in fiscal 2024. Charges for services decreased, due to a decrease in average daily membership (ADM) (in the District's programs, which are presented in Table 5.

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

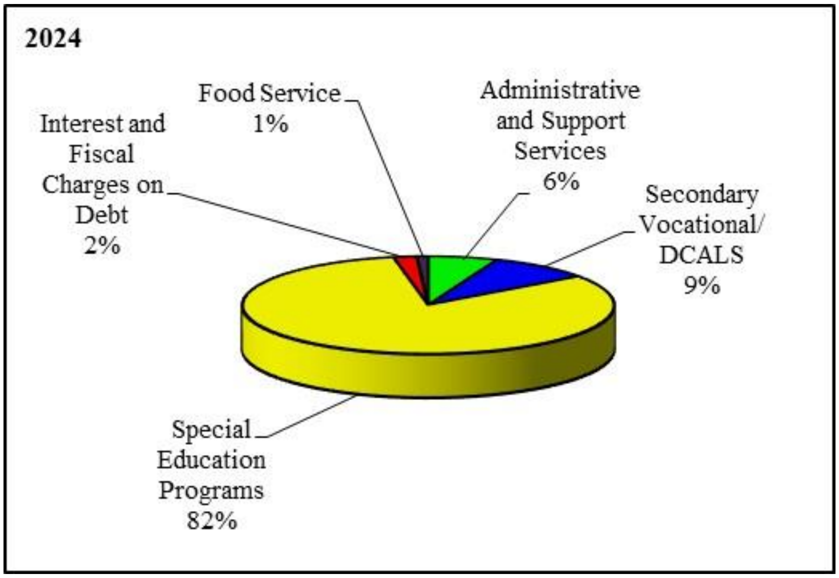
Figure A – Sources of Revenue for Fiscal Years 2024 and 2023

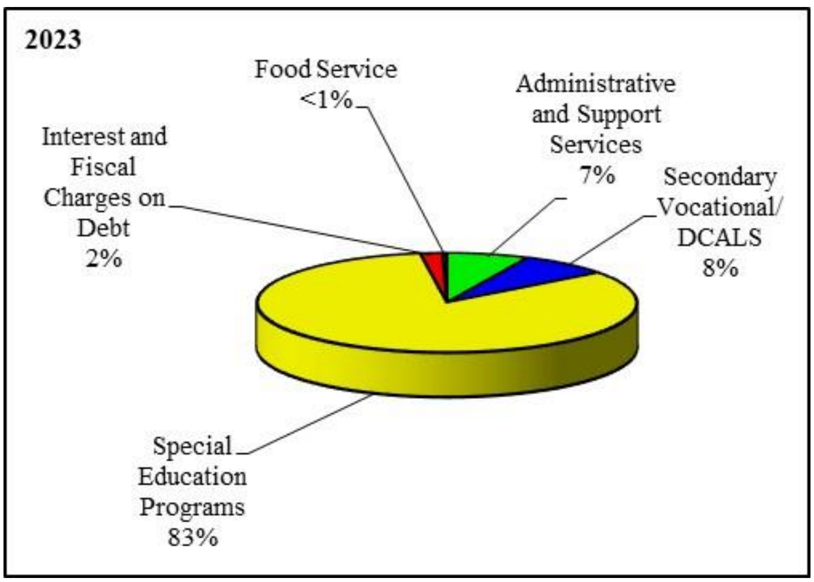




The largest share of the District's revenue is received from the state, including the aid formulas and most of the operating grants. Special education tuition billing has been processed through the Minnesota Department of Education (MDE). Based on the special education services and costs reported to 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 2024 and 2023





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, 2024 and 2023

	2024		2023	
	Total Cost of Services	Net (Expense) Revenue From Services	Total Cost of Services	Net (Expense) Revenue From Services
Governmental activities				
Administrative and support services	$ 2,731,139	$ (49,011)	$ 2,758,167	$ (53,413)
Secondary vocational/DCALS	4,001,575	(58,044)	3,054,916	752,516
Special education programs	34,860,017	553,364	32,849,150	2,790,568
Food service	208,468	(9,636)	149,919	(23,026)
Interest and fiscal charges	694,200	(694,200)	741,446	(741,446)
Total	$ 42,495,399	$ (257,527)	$ 39,553,598	$ 2,725,199

The overall net (expense) revenue from services was $2,982,726 less than fiscal 2023, mainly due to the change 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, 2024 and 2023

	2024	2023	Change	Total Percent Change
Major fund				
General	$ 9,680,185	$ 10,079,457	$ (399,272)	(4.0%)
Nonmajor fund				
Food Service Special Revenue	16,826	–	16,826	(100.0%)
Total governmental funds	$ 9,697,011	$ 10,079,457	$ (382,446)	(3.8%)

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

	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024
Secondary vocational resource programs	94.33	72.33	75.05	74.00	63.40
DCALS programs	332.34	339.60	287.38	221.00	169.00
Special education resource programs	506.55	512.04	429.06	368.00	352.00

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, considering the construction trades program starting and the Fundamental Chef program ending. The Alternative Learning (DCALS) program continues to experience a decline in enrollment from the previous fiscal year. Special education resource programs experienced a decline with the closing of the Options program, Juvenile Services Center, and New Chance care and treatment program. Enrollment is down as well for the Alternative for Communication Education and Socialization (PACES) program. The intended program growth did not occur in Intra-Dakota Education Alternative (IDEA), Students with Unique Needs (SUN), and Therapeutic Education Alternative (TEA), due to labor shortages resulting in unfilled teaching positions and paraprofessionals jobs to support student education. Stable and predictable enrollment to maintain funding for programs will continue to be especially challenging in special education. To expand programming to meet the needs of students on our waiting lists, the hiring environment of employees will need to improve.

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

	2020	2021	2022	2023	2024
Unassigned fund balance	$ 9,471,747	$ 9,987,663	$ 9,319,585	$ 9,334,454	$ 9,061,155
Percent increase (decrease)	1.4%	5.4%	(6.7%)	0.2%	(2.9%)
Expenditures	$ 41,790,457	$ 42,335,893	$ 42,655,272	$ 43,057,913	$ 42,967,646
Percent increase (decrease)	8.3%	1.3%	0.8%	0.9%	(0.2%)
Unassigned fund balance as a percentage of expenditures	22.7%	23.6%	21.8%	21.7%	21.1%

The District ended the year with a $399,272 decrease in the General Fund balance. Unassigned General Fund balance decreased $273,299.

The total decrease of $399,272 is $447,214 lower than the $846,486 decline anticipated in the District's revised budget. The reason for the variance is due to the District experiencing higher than expected results in the Special Education Account by $672,414. 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.

Table 7 presents a summary of General Fund revenue:

Table 7
General Fund Revenue
for the Years Ended June 30, 2024 and 2023

	2024	2023	Change
Local sources			
Tuition	$ 9,124,487	$ 9,588,150	$ (463,663)
Investment earnings	283,858	236,323	47,535
Other	602,405	589,836	12,569
State sources	32,025,446	30,751,039	1,274,407
Federal sources	520,631	1,748,203	(1,227,572)
Total General Fund revenues	$ 42,556,827	$ 42,913,551	$ (356,724)

Total General Fund revenues decreased $356,724, or 0.8 percent, in fiscal 2024, as compared to the previous year. Overall, the changes in revenues can be attributed to a decrease in federal sources and tuition billings. State source increases were directly from improved general education funding and additional state grants received in fiscal 2024. Direct tuition revenues decreased from local school districts for services provided, mostly in the Dakota County Alternative Learning (DCALS) program due to declining ADMs. The decrease in federal sources was mainly due to a decrease in the number of COVID-19-related federal grants received in the current year.

Table 8 presents a summary of General Fund expenditures:

Table 8
General Fund Expenditures
for the Years Ended June 30, 2024 and 2023

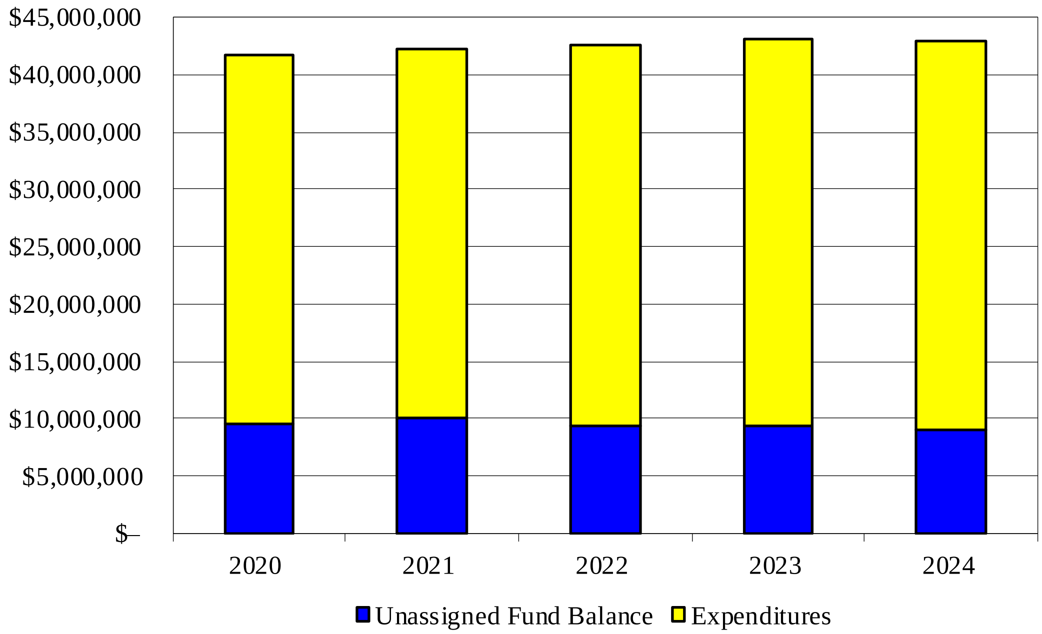
	2024	2023	Change
Salaries	$ 25,277,144	$ 26,009,737	$ (732,593)
Employee benefits	9,088,624	9,069,731	18,893
Purchased services	5,390,575	4,714,326	676,249
Supplies and materials	923,695	1,176,993	(253,298)
Other expenditures	167,316	163,487	3,829
Capital expenditures	529,510	330,757	198,753
Debt service	1,590,782	1,592,882	(2,100)
Total General Fund expenditures	$ 42,967,646	$ 43,057,913	$ (90,267)

Total General Fund expenditures decreased $90,267, or 0.2 percent, from the previous year. Overall, the changes in expenditures can be attributed to the District being unable to fill open positions due to labor market shortages. The District also experienced reductions in temporary work agreements, substitute teachers, and educational support staff fill rates. This resulted in decreases in salaries, which are offset by increases in purchased services for contracted staff and increases in unemployment costs.

In summary, 2023–2024 General Fund expenditures and other financing uses exceeded General Fund revenues and other financing sources by $399,272. As a result, total fund balance decreased to $9,680,185 at June 30, 2024. After deducting nonspendable, restricted, and assigned funds, the unassigned fund balance decreased from $9,334,454 at June 30, 2023, to $9,061,155 at June 30, 2024.

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 $9.1 million at June 30, 2024, represents 21.1 percent of annual expenditures, or almost 2.5 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, 2024

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue and other financing sources	$ 47,076,861	$ 45,233,357	$ 42,594,706	$ (2,638,651)
Expenditures and other financing uses	$ 47,625,791	$ 46,079,844	$ 42,993,978	$ (3,085,866)

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 5.8 percent, due to several factors. The District’s anticipated revenues are determined by actual expenditures incurred, which came in under budget by $3,112,197.

The District’s expenditures and other financing uses were less than budgeted amounts by 6.8 percent, due to several factors. Overall, expenditures were under budget by $3.1 million. The District was uncertain how many positions it would be filling during a challenging recruiting market with labor shortages. Due to unfilled positions and resignations of staff, the District came in under budget by 11 staff. In addition, the District over anticipated the number of contracted employee positions it would fill; therefore, there were also cost savings from employees taking unpaid time off, unfilled substitute positions, cost containment measures in supplies, equipment, travel, maintenance projects, and underutilized grant funds carrying forward into next the fiscal year.

FOOD SERVICE SPECIAL REVENUE FUND

Expenditures exceeded revenues by $9,506 for the year. In order to eliminate the potential deficit in the Food Service Special Revenue Fund, the School Board approved a transfer of $26,332 from the General Fund. The majority of the restricted fund balance remaining at year-end is related to unspent supply chain assistance funding.

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 self-insurance program experienced a $615,344 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, 2024 and 2023:

Table 10
Capital Assets
as of June 30, 2024 and 2023

	2024	2023	Change
Land	$ 655,000	$ 655,000	$ –
Buildings	11,751,695	11,464,095	287,600
Buildings – leased	8,249,811	8,249,811	–
Furniture and equipment	3,263,577	2,764,605	498,972
Less accumulated depreciation and amortization	(9,246,721)	(7,917,229)	(1,329,492)
Total	$ 14,673,362	$ 15,216,282	$ (542,920)
Depreciation and amortization expense	$ 1,255,293	$ 1,153,673	$ 101,620

Implementation of new authoritative literature for purchases of groups of assets, as previously discussed, increased furniture and equipment in the current year.

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, 2024 and 2023

	2024	2023	Change
Certificates of participation payable	$ 5,990,000	$ 6,315,000	$ (325,000)
Unamortized premium	176,334	188,566	(12,232)
Lease liabilities	6,622,010	7,200,400	(578,390)
Severance benefits payable	327,676	299,087	28,589
Compensated absences payable	559,814	482,444	77,370
Total OPEB liability	1,318,605	1,167,995	150,610
Net pension liability	28,159,769	31,458,814	(3,299,045)
Total	$ 43,154,208	$ 47,112,306	$ (3,958,098)

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 a high school Alternative Learning Center (ALC) at the Dakota County Technical College (DCTC). Providing the 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.
- Partner with Independent School District (ISD) No. 197 to operate the DCALS North in West St. Paul. This site offers a convenient location in the northern part of the District.
- Provide the needed secondary alternative learning option to qualify a targeted services program for ISD Nos. 192, 197, 199, 200, and 271.
- Organize and facilitate regional networking meetings for superintendents, secondary principals, and special education 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 School Boards Association (MSBA), and Association of Education 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 consultation and direct service to the member districts through a purchase of services model.

Additional potential collaborative support services include:

- We will continue to strengthen our CTE programs, pathways, and alignment through the work of our Dakota County Perkins Consortium and the 2024–2025 CTE Program Approval process. All districts in the Dakota County Perkins Consortium are required to apply, between June 1, 2024 and November 1, 2024, for five-year approval for existing and proposed CTE programs and courses with appropriate teacher licensure, CTE Advisory Committees, student leadership organizations, and syllabi aligned to the MDE CTE Frameworks. To support our member and consortium districts, the District is taking the lead on this effort as the fiscal host and coordinator of the Dakota County Perkins Consortium.

- The District enrollment is declining, due to labor shortages. To help meet our staffing needs, the District is actively working with consultants to support the hiring of licensed special education teachers from the Philippines and, possibly, other countries. Because international teachers can work in American schools for up to three years, we are in the process of understanding what teachers will need to be successful and developing infrastructure to support them both professionally and personally as they transition to a new country.

- 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, to develop the first K–12 Teacher Apprenticeship Program in Minnesota. This program will include 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 plans to start the program, upon approvals from the Professional Educator Licensing and Standards Board (PELSB) and the Department of Labor and Industry (DLI), in summer 2024.

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.

- Due to the pandemic, we are aware that the needs of our students are greater than ever. We are aware that there may be a need for additional spending to help students recover from the lost opportunities.

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

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, 2024
(With Partial Comparative Information as of June 30, 2023)

	Governmental Activities	
	2024	2023
Assets		
Cash and temporary investments	$ 13,409,279	$ 13,938,949
Receivables		
Accounts and interest	124,252	15,740
Due from other governmental units	9,431,821	8,634,991
Inventory	332	485
Prepaid items	183,070	118,862
Restricted assets – temporarily restricted		
Cash and investments held by trustee	50,732	46,961
Capital assets		
Not depreciated	655,000	655,000
Depreciated, net of accumulated depreciation/amortization	14,018,362	14,561,282
Total capital assets, net of accumulated depreciation/amortization	14,673,362	15,216,282
Total assets	37,872,848	37,972,270
Deferred outflows of resources		
Pension plan deferments	7,654,077	11,367,810
OPEB plan deferments	137,297	62,530
Deferred charge on refunding	224,257	246,682
Total deferred outflows of resources	8,015,631	11,677,022
Total assets and deferred outflows of resources	$ 45,888,479	$ 49,649,292
Liabilities		
Salaries and compensated absences payable	$ 3,023,912	$ 3,038,756
Accounts and contracts payable	476,226	402,074
Accrued interest payable	80,625	84,010
Due to other governmental units	1,057,411	1,037,293
Unearned revenue	73,166	120,072
Long-term liabilities		
Due within one year	1,184,802	1,003,416
Due in more than one year	41,969,406	46,108,890
Total long-term liabilities	43,154,208	47,112,306
Total liabilities	47,865,548	51,794,511
Deferred inflows of resources		
Pension plan deferments	4,057,611	4,778,183
OPEB plan deferments	711,753	845,368
Total deferred inflows of resources	4,769,364	5,623,551
Net position		
Net investment in capital assets	2,109,275	1,758,998
Restricted for food service	16,826	–
Restricted for other purposes	226,653	3,620
Unrestricted	(9,099,187)	(9,531,388)
Total net position	(6,746,433)	(7,768,770)
Total liabilities, deferred inflows of resources, and net position	$ 45,888,479	$ 49,649,292

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Activities
Year Ended June 30, 2024
(With Partial Comparative Information for the Year Ended June 30, 2023)

	2024				
			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	$ 2,731,139	$ (2,456,108)	$ –	$ 197,320	$ 28,700
Secondary vocational/DCALS	4,001,575	192,329	2,641,297	967,938	526,625
Special education programs	34,860,017	2,263,779	6,503,659	31,013,501	160,000
Food service	208,468	–	32	198,800	–
Interest and fiscal charges on debt	694,200	–	–	–	–
Total governmental activities	$ 42,495,399	$ –	$ 9,144,988	$ 32,377,559	$ 715,325

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

Change in net position

Net position – beginning, as previously reported
Change in accounting principle
Net position – beginning, as restated

Net position – ending

See notes to basic financial statements

	2023
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
$ (49,011)	$ (53,413)
(58,044)	752,516
553,364	2,790,568
(9,636)	(23,026)
(694,200)	(741,446)
(257,527)	2,725,199
350,248	668,046
19,651	22,542
705,116	477,831
1,075,015	1,168,419
817,488	3,893,618
(7,768,770)	(11,662,388)
204,849	–
(7,563,921)	(11,662,388)
$ (6,746,433)	$ (7,768,770)

INTERMEDIATE SCHOOL DISTRICT NO. 917

Balance Sheet
Governmental Funds
as of June 30, 2024
(With Partial Comparative Information as of June 30, 2023)

	General Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds 2024	Total Governmental Funds 2023
Assets				
Cash and temporary investments	$ 4,188,979	$ 3,669	$ 4,192,648	$ 5,490,581
Cash and investments held by trustee	50,732	–	50,732	46,961
Receivables				
Accounts and interest	14,122	12,151	26,273	12,919
Due from other governmental units	9,427,134	4,687	9,431,821	8,634,991
Inventory	332	–	332	485
Prepaid items	181,589	1,481	183,070	118,862
Total assets	$ 13,862,888	$ 21,988	$ 13,884,876	$ 14,304,799
Liabilities				
Salaries and compensated absences payable	$ 3,023,912	$ –	$ 3,023,912	$ 3,038,756
Accounts and contracts payable	92,551	3,694	96,245	96,384
Due to other governmental units	1,054,249	1,468	1,055,717	1,035,601
Unearned revenue	11,991	–	11,991	54,601
Total liabilities	4,182,703	5,162	4,187,865	4,225,342
Fund balances				
Nonspendable	181,921	1,481	183,402	119,347
Restricted	277,385	15,345	292,730	50,581
Assigned	159,724	–	159,724	575,075
Unassigned	9,061,155	–	9,061,155	9,334,454
Total fund balances	9,680,185	16,826	9,697,011	10,079,457
Total liabilities and fund balances	$ 13,862,888	$ 21,988	$ 13,884,876	$ 14,304,799

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2024
(With Partial Comparative Information as of June 30, 2023)

	2024	2023
Total fund balances – governmental funds	$ 9,697,011	$ 10,079,457
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	23,920,083	23,133,511
Accumulated depreciation and amortization	(9,246,721)	(7,917,229)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
Certificates of participation payable	(5,990,000)	(6,315,000)
Lease liabilities	(6,622,010)	(7,200,400)
Compensated absences payable	(559,814)	(482,444)
Net pension liability	(28,159,769)	(31,458,814)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(80,625)	(84,010)
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	7,654,077	11,367,810
Deferred inflows of resources – pension plan deferments	(4,057,611)	(4,778,183)
Deferred outflows of resources – deferred charge on refunding	224,257	246,682
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.	(176,334)	(188,566)
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.	6,651,023	5,828,416
Total net position – governmental activities	$ (6,746,433)	$ (7,768,770)

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024
(With Partial Comparative Information for the Year Ended June 30, 2023)

	General Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds 2024	Total Governmental Funds 2023
Revenue				
Local sources				
Tuition	$ 9,124,487	$ –	$ 9,124,487	$ 9,588,150
Investment earnings	283,858	–	283,858	236,323
Other	602,405	32	602,437	606,958
State sources	32,025,446	32,621	32,058,067	30,755,321
Federal sources	520,631	166,179	686,810	1,853,692
Total revenue	42,556,827	198,832	42,755,659	43,040,444
Expenditures				
Current				
Administrative and support services	246,590	–	246,590	320,394
Secondary vocational/DCALS	4,329,954	–	4,329,954	3,847,059
Special education programs	36,800,320	–	36,800,320	37,297,578
Food service	–	208,338	208,338	149,657
Debt service				
Principal	903,390	–	903,390	858,347
Interest and fiscal charges	687,392	–	687,392	734,535
Total expenditures	42,967,646	208,338	43,175,984	43,207,570
Excess (deficiency) of revenue over expenditures	(410,819)	(9,506)	(420,325)	(167,126)
Other financing sources (uses)				
Sale of assets	19,651	–	19,651	26,465
Insurance recovery	18,228	–	18,228	–
Transfers in	–	26,332	26,332	5,094
Transfers out	(26,332)	–	(26,332)	(5,094)
Total other financing sources (uses)	11,547	26,332	37,879	26,465
Net change in fund balances	(399,272)	16,826	(382,446)	(140,661)
Fund balances				
Beginning of year	10,079,457	–	10,079,457	10,220,118
End of year	$ 9,680,185	$ 16,826	$ 9,697,011	$ 10,079,457

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2024
(With Partial Comparative Information for the Year Ended June 30, 2023)

	2024	2023
Total net change in fund balances – governmental funds	$ (382,446)	$ (140,661)
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	507,524	327,727
Depreciation and amortization expense	(1,255,293)	(1,153,673)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
Certificates of participation payable	325,000	315,000
Lease liabilities	578,390	545,752
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.	3,385	3,282
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	3,299,045	(13,827,342)
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.	–	(3,923)
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.	822,607	1,128,241
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	(77,370)	(99,962)
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	(3,713,733)	(3,076,321)
Deferred inflows of resources – pension plan deferments	720,572	19,885,691
Deferred outflows of resources – deferred charge on refunding	(22,425)	(22,425)
Change in net position – governmental activities	$ 817,488	$ 3,893,618

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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, 2024

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenue				
Local sources				
Tuition	$ 10,371,699	$ 9,746,895	$ 9,124,487	$ (622,408)
Investment earnings	112,000	259,500	283,858	24,358
Other	520,052	516,048	602,405	86,357
State sources	34,708,445	34,132,686	32,025,446	(2,107,240)
Federal sources	1,364,665	562,988	520,631	(42,357)
Total revenue	47,076,861	45,218,117	42,556,827	(2,661,290)
Expenditures				
Current				
Administrative and support services	319,726	227,134	246,590	19,456
Secondary vocational/DCALS	4,590,170	4,541,942	4,329,954	(211,988)
Special education programs	41,122,065	39,718,285	36,800,320	(2,917,965)
Debt service				
Principal	862,037	903,390	903,390	–
Interest and fiscal charges	731,793	689,092	687,392	(1,700)
Total expenditures	47,625,791	46,079,843	42,967,646	(3,112,197)
Excess (deficiency) of revenue over expenditures	(548,930)	(861,726)	(410,819)	450,907
Other financing sources (uses)				
Sale of assets	–	–	19,651	19,651
Insurance recovery	–	15,240	18,228	2,988
Transfers out	–	–	(26,332)	(26,332)
Total other financing sources (uses)	–	15,240	11,547	(3,693)
Net change in fund balances	$ (548,930)	$ (846,486)	(399,272)	$ 447,214
Fund balances				
Beginning of year			10,079,457	
End of year			$ 9,680,185	

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Net Position
Proprietary Funds
Internal Service Funds
as of June 30, 2024
(With Partial Comparative Actual Amounts as of June 30, 2023)

	2024	2023
Assets		
Current assets		
Cash and temporary investments	$ 9,216,631	$ 8,448,368
Receivables		
Accounts and interest	97,979	2,821
Total assets	9,314,610	8,451,189
Deferred outflows of resources		
OPEB plan deferments	137,297	62,530
Liabilities		
Current liabilities		
Accounts and contracts payable	379,981	305,690
Due to other governmental units	1,694	1,692
Total OPEB liability – due within one year	112,220	32,164
Severance benefits payable – due within one year	80,971	26,421
Unearned revenue	61,175	65,471
Total current liabilities	636,041	431,438
Long-term liabilities		
Total OPEB liability – due in more than one year	1,206,385	1,135,831
Severance benefits payable – due in more than one year	246,705	272,666
Total long-term liabilities	1,453,090	1,408,497
Total liabilities	2,089,131	1,839,935
Deferred inflows of resources		
OPEB plan deferments	711,753	845,368
Net position		
Unrestricted	$ 6,651,023	$ 5,828,416

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, 2024
(With Partial Comparative Information for the Year Ended June 30, 2023)

	2024	2023
Operating revenue		
Charges for services		
Contributions from governmental funds	$ 4,760,421	$ 5,131,847
Operating expenses		
Post-employment severance and health benefits (change in severance)	15,223	(12,285)
Medical benefit claims	3,839,717	3,771,538
Dental benefit claims	504,132	485,861
Total operating expenses	4,359,072	4,245,114
Operating income	401,349	886,733
Nonoperating revenue		
Investment earnings	421,258	241,508
Change in net position	822,607	1,128,241
Net position		
Beginning of year	5,828,416	4,700,175
End of year	$ 6,651,023	$ 5,828,416

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Cash Flows
Proprietary Funds
Internal Service Funds
Year Ended June 30, 2024
(With Partial Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024	2023
Cash flows from operating activities		
Contributions from governmental funds	$ 4,660,967	$ 5,117,270
Post-employment severance and health benefit payments	(44,406)	(39,037)
Payments for medical claims	(3,755,814)	(3,831,449)
Payments for dental claims	(513,742)	(483,669)
Net cash flows from operating activities	347,005	763,115
Cash flows from investing activities		
Investment income received	421,258	241,508
Net increase in cash and cash equivalents	768,263	1,004,623
Cash and temporary investments		
Beginning of year	8,448,368	7,443,745
End of year	$ 9,216,631	$ 8,448,368
Reconciliation of operating income to net cash flows from operating activities		
Operating income	$ 401,349	$ 886,733
Adjustments to reconcile operating income to net cash flows from operating activities		
Changes in assets and liabilities		
Accounts and interest receivable	(95,158)	(2,821)
Prepaid items	–	5,000
OPEB plan deferments	(208,382)	258,755
Accounts and contracts payable	74,291	(62,720)
Due to other governmental units	2	1
Severance benefits payable	28,589	(50,454)
Total OPEB liability	150,610	(259,623)
Unearned revenue	(4,296)	(11,756)
Net cash flows from operating activities	$ 347,005	$ 763,115

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.

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. Proceeds of long-term debt are reported as other financing sources.

2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for 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, district support services, 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.

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.

M. Compensated Absences

Under the terms of union contracts, certain employees accrue vacation at varying rates, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation and related benefits upon termination. Vacation pay is accrued when incurred in the government-wide financial statements. Unused vacation pay is accrued in governmental fund financial statements only when it has matured, due to employee termination or similar circumstances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Sick Pay

Substantially all district employees are entitled to sick leave at various rates. Unused sick leave enters into the calculation of early retirement incentive payments for some employees upon termination.

O. 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 payable and the District's share of related benefits are recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the applicable internal service fund as it is earned and it becomes probable it will vest at some point in the future.

P. State-Wide Pension Plans

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

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

Q. Unearned Revenue

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Risk Management

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in 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
2023	$ 49,354	$ 485,261	$ 483,669	$ 50,946
2024	$ 50,946	$ 504,132	$ 513,742	$ 41,336

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
2023	$ 319,056	$ 3,767,137	$ 3,831,449	$ 254,744
2024	$ 254,744	$ 3,839,715	$ 3,755,814	$ 338,645

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. 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.

T. Statement of Cash Flows

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

U. 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.

V. 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.

W. 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."

X. Fund Balance Classifications

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

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

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

- **Committed** – Consists of internally imposed constraints that are established by resolution of the 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)

Y. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2023, 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.

Z. Interfund Transactions and Transfers

The General Fund transferred $26,332 to the Food Service Special Revenue Fund to finance current year operating deficits.

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

AA. Change in Accounting Principle

During the year ended June 30, 2024, the District implemented new accounting guidance for capitalizing purchases of groups of similar assets. This recent change in authoritative literature, which provides new guidance on accounting and financial reporting for capital assets, requires a government to capitalize groups of similar assets purchased at or near the same time, that are individually below the District's capitalization threshold, if the aggregate cost is significant. In prior periods, the District only capitalized assets whose individual cost exceeded the capitalization policy threshold. Certain amounts necessary to fully restate prior fiscal years financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new guidance resulted in the District reporting certain groups of similar capital assets acquired in previous years and accumulated depreciation thereon, increasing beginning net position by $204,849 in the government-wide financial statements in the current year. See Note 3 for additional details on this change in the current year.

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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

At year-end, the carrying amount of the District's deposits was $816,244, while the balance on the bank records was $1,098,010. At June 30, 2024, all deposits were insured or collateralized by securities held by the District's agent in the District's name.

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, 2024, and information relating to potential investment risks:

Investment Type	Credit Risk Rating	Credit Risk Agency	Fair Value Measurements	Interest Risk – Maturity Duration in Years: Less Than 1	1 to 5	5 to 10	More Than 10	Total
Investment pools/mutual funds								
Minnesota School District Liquid Asset Fund								
Liquid Class	AAA	S&P	Amortized Cost	N/A	N/A	N/A	N/A	$ 139,303
MAX Class	AAA	S&P	Amortized Cost	N/A	N/A	N/A	N/A	12,453,732
First American Treasury Obligations Fund Class D	AAA	S&P	Level 1	N/A	N/A	N/A	N/A	50,732
								12,643,767
Deposits								816,244
Total cash and investments								$ 13,460,011

N/A – Not Applicable

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

Cash and temporary investments – Statement of Net Position	$ 13,409,279
Cash and investments held by trustee – Statement of Net Position	50,732
Total cash and investments	$ 13,460,011

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, 2024 is as follows:

	Balance – Beginning of Year	Change in Accounting Principle*	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated or amortized					
Land	$ 655,000	$ –	$ –	$ –	$ 655,000
Capital assets, depreciated or amortized					
Buildings	11,464,095	–	287,600	–	11,751,695
Buildings – leased	8,249,811	–	–	–	8,249,811
Furniture and equipment	2,764,605	279,048	219,924	–	3,263,577
Total capital assets, depreciated or amortized	22,478,511	279,048	507,524	–	23,265,083
Less accumulated depreciation and amortization for					
Buildings	(4,602,236)	–	(294,524)	–	(4,896,760)
Buildings – leased	(1,373,170)	–	(686,585)	–	(2,059,755)
Furniture and equipment	(1,941,823)	(74,199)	(274,184)	–	(2,290,206)
Total accumulated depreciation and amortization	(7,917,229)	(74,199)	(1,255,293)	–	(9,246,721)
Net capital assets	14,561,282	204,849	(747,769)	–	14,018,362
Total capital assets, net	$ 15,216,282	$ 204,849	$ (747,769)	$ –	$ 14,673,362

* The change in accounting principle was required by new guidance in financial reporting on group purchases of assets implemented in the current year.

Depreciation/amortization expense for the year ended June 30, 2024 was charged to the following governmental functions:

Administrative and support services	$ 10,909
Secondary vocational/DCALS	17,671
Special education programs	1,226,583
Food service	130
Total depreciation/amortization expense	$ 1,255,293

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	$ 6,315,000	$ –	$ 325,000	$ 5,990,000	$ 330,000
Unamortized premium/discount	188,566	–	12,232	176,334	–
Lease liabilities	7,200,400	–	578,390	6,622,010	635,444
Severance benefits payable	299,087	80,971	52,382	327,676	80,971
Compensated absences payable	482,444	103,537	26,167	559,814	26,167
Total OPEB liability	1,167,995	208,865	58,255	1,318,605	112,220
Net pension liability	31,458,814	4,093,784	7,392,829	28,159,769	–
	$ 47,112,306	$ 4,487,157	$ 8,445,255	$ 43,154,208	$ 1,184,802

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 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	$ 5,059,923
Lebanon Education Center	7.00%	08/01/2015	07/01/2030	1,562,087
Total lease liabilities				$ 6,622,010

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** – Compensated absences payable represent accrued vacation payable at year-end. Compensated absences are paid by the General Fund. 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, 2024:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA	$ 6,173,444	$ 1,950,020	$ 2,478,903	$ 905,095
TRA	21,986,325	5,704,057	1,578,708	1,048,964
Total	$ 28,159,769	$ 7,654,077	$ 4,057,611	$ 1,954,059

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
2025	$ 330,000	$ 193,500	$ 635,444	$ 443,473
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
2030–2034	2,055,000	568,200	3,142,087	457,232
2035–2039	2,185,000	200,100	–	–
	$ 5,990,000	$ 1,637,750	$ 6,622,010	$ 2,210,196

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, 2024, a summary of the District's governmental fund balance classifications are as follows:

	General Fund	Food Service Special Revenue Fund	Total
Nonspendable			
Inventory	$ 332	$ –	$ 332
Prepaid items	181,589	1,481	183,070
Total nonspendable	181,921	1,481	183,402
Restricted for			
Student activities	864	–	864
Debt service	50,732	–	50,732
Basic skills programs	225,789	–	225,789
Food service	–	15,345	15,345
Total restricted	277,385	15,345	292,730
Assigned			
Subsequent year's budgeted deficit	159,724	–	159,724
Unassigned	9,061,155	–	9,061,155
Total	$ 9,680,185	$ 16,826	$ 9,697,011

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, 2024, the unassigned fund balance of the General Fund was 21.1 percent of fiscal 2024 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.

Certain full-time and part-time employees of the District other than teachers are covered by the GERF. GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

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 or coverage through the Defined Contribution Retirement Plan administered by MnSCU.

B. Benefits Provided

The PERA and the TRA provide retirement, disability, and death benefits. Benefit provisions are established by state statutes and can only be modified by the State Legislature.

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

1. GERF Benefits

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 the PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated Plan members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7 percent for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

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. 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

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.

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).

Tier II Benefits

For years of service prior to July 1, 2006, a level formula of 1.7 percent per year for Coordinated Plan members and 2.7 percent per year for Basic Plan members applies. For years of service July 1, 2006 and after, a level formula of 1.9 percent per year for Coordinated Plan members and 2.7 percent per year for Basic Plan members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statutes. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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.

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

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

C. 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 2024 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2024, were $658,180. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

Minnesota Statutes, Chapter 354 sets the rates for employer and employee contributions. Rates for each fiscal year were:

	Year Ended June 30,					
	2022		2023		2024	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic Plan	11.00 %	12.34 %	11.00 %	12.55 %	11.25 %	12.75 %
Coordinated Plan	7.50 %	8.34 %	7.50 %	8.55 %	7.75 %	8.75 %

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2024, were $1,415,517. The District's contributions were equal to the required contributions for each year as set by state statutes.

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

The following is a reconciliation of employer contributions in the TRA's fiscal year 2023 Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position to the employer contributions used in the Schedule of Employer and Nonemployer Pension Allocations:

		in thousands
Employer contributions reported in the TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	$	508,764
Add employer contributions not related to future contribution efforts		(87)
Deduct the TRA's contributions not included in allocation		(643)
Total employer contributions		508,034
Total nonemployer contributions		35,587
Total contributions reported in the Schedule of Employer and Nonemployer Allocations	$	543,621

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2024, the District reported a liability of $6,173,444 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 $170,115. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.1104 percent at the end of the measurement period and 0.1128 percent for the beginning of the period.

District's proportionate share of the net pension liability	$	6,173,444
State's proportionate share of the net pension liability associated with the District		170,115
Total	$	6,343,559

For the year ended June 30, 2024, the District recognized pension expense of $904,331 for its proportionate share of the GERF's pension expense. The District also recognized an additional $764 as pension expense and grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual $16 million contribution.

At June 30, 2024, the District reported its proportionate share of the GERF's 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	$ 203,797	$ 46,417
Changes in actuarial assumptions	1,088,043	1,692,089
Net collective difference between projected and actual investment earnings on pension plan investments	–	361,480
Changes in proportion	–	378,917
District's contributions to the GERF subsequent to the measurement date	658,180	–
Total	$ 1,950,020	$ 2,478,903

The $658,180 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	$ (28,242)
2026	$ (1,138,701)
2027	$ 113,803
2028	$ (133,923)

2. TRA Pension Costs

At June 30, 2024, the District reported a liability of $21,986,325 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 0.2663 percent at the end of the measurement period and 0.2813 percent for the beginning of the period.

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	$ 21,986,325
State's proportionate share of the net pension liability associated with the District	1,540,360
Total	$ 23,526,685

For the year ended June 30, 2024, the District recognized pension expense of $832,069. It also recognized $216,895 as an increase to pension expense for the support provided by direct aid.

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

At June 30, 2024, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 220,045	$ 324,331
Changes in actuarial assumptions	2,743,556	–
Net collective difference between projected and actual investment earnings on pension plan investments	–	136,741
Changes in proportion	1,324,939	1,117,636
District's contributions to the TRA subsequent to the measurement date	1,415,517	–
Total	$ 5,704,057	$ 1,578,708

A total of $1,415,517 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, 2025. 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
2025	$ 659,480
2026	$ 85,241
2027	$ 2,703,448
2028	$ (497,911)
2029	$ (240,426)

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 expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.50 %	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

The total pension liability in the June 30, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25%	2.50%
Wage growth rate		2.85% before July 1, 2028, and 3.25% thereafter
Projected salary increase	3.00%	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Investment rate of return	7.00%	7.00%

1. GERF

The long-term rate of return on pension plan investments used in the determination of the total liability is 7.00 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.00 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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.

2. TRA

Salary increases were based on a service-related table.

	Mortality Assumptions Used in Valuation of Total Pension Liability
Pre-retirement	RP-2014 White Collar Employee Table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 Scale.
Post-retirement	RP-2014 White Collar Annuitant Table, male and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 Scale.
Post-disability	RP-2014 Disabled Retiree Mortality Table, without adjustment.

Cost of living benefit increases after retirement for retirees are assumed to be 1.00 percent for January 2019 through January 2023, then increasing by 0.10 percent each year, up to 1.50 percent annually.

Actuarial assumptions for the TRA Plan were based on the results of actuarial experience studies. The most recent experience study in the TRA Plan was completed in 2019, with economic assumptions updated in 2019.

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

1. **GERF**

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.

CHANGES IN ACTUARIAL ASSUMPTIONS

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

2. **TRA**

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.

G. Discount Rate

1. **GERF**

The discount rate used to measure the total pension liability in 2023 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 2023 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate.

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 rate disclosed on the preceding page, 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	$ 10,921,319	$ 6,173,444	$ 2,268,137
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	$ 35,066,570	$ 21,986,325	$ 11,278,551

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.

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 $112,220 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	2
Active plan members	472
Total members	474

E. Total OPEB Liability of the District

The District's total OPEB liability of $1,318,605 at year-end was measured as of July 1, 2023, and was determined by an actuarial valuation with a valuation date of July 1, 2022. Updated procedures were used to roll forward the total OPEB liability to the measurement date since the actuarial valuation date is not the same as the measurement date.

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	3.90%
20-year municipal bond yield	3.90%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.25% as of July 1, 2023 grading to 5.00% over 5 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	$ 1,167,995
Changes for the year	
Service cost	159,394
Interest	49,471
Assumption changes	(6,754)
Benefit payments	(51,501)
Total net changes	150,610
Ending balance	$ 1,318,605

H. Changes in Actuarial Assumptions

- The discount rate was changed from 3.80 percent to 3.90 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	2.90%	3.90%	4.90%
Total OPEB liability	$ 1,409,265	$ 1,318,605	$ 1,231,944

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	5.25% decreasing to 4.00%, then 3.00%	6.25% decreasing to 5.00%, then 4.00%	7.25% decreasing to 6.00%, then 5.00%
Dental trend rate	3.00%	4.00%	5.00%
Total OPEB liability	$ 1,182,586	$ 1,318,605	$ 1,480,901

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 $54,448 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	$ 25,077	$ 218,547
Differences between expected and actual economic experience	–	493,206
District's contributions subsequent to the measurement date	112,220	–
Total	$ 137,297	$ 711,753

A total of $112,220 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, 2025.

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
2025	$ (135,080)
2026	$ (135,080)
2027	$ (135,085)
2028	$ (80,077)
2029	$ (83,107)
Thereafter	$ (118,247)

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.

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, 2024 of $443,021. This deficit will be funded by future district contributions to this fund.

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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, 2024

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
06/30/2015	06/30/2014	0.0973%	$ 4,570,667	$ –	$ 4,570,667	$ 5,105,448	89.53%	78.70%
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%

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2024

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
06/30/2015	$ 414,341	$ 414,341	$ –	$ 5,613,356	7.38%
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%

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2024

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
06/30/2015	06/30/2014	0.2029%	$ 9,349,486	$ 657,803	$ 10,007,289	$ 9,262,291	100.94%	81.50%
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%

Teachers Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2024

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
06/30/2015	$ 743,688	$ 743,688	$ –	$ 9,915,820	7.50%
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%

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, 2024

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

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

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.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- 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.
- 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.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

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)

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.

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.

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- 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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

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.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

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, 2024 and 2023

	2024	2023
Assets		
Cash and temporary investments	$ 4,188,979	$ 5,486,020
Cash and investments held by trustee	50,732	46,961
Receivables		
Accounts and interest	14,122	5,891
Due from other school districts	2,126,653	2,828,572
Due from Minnesota Department of Education	7,284,930	5,804,786
Due from other governmental units	15,551	1,633
Inventory	332	485
Prepaid items	181,589	118,862
Total assets	$ 13,862,888	$ 14,293,210
Liabilities		
Salaries and compensated absences payable	$ 3,023,912	$ 3,038,756
Accounts and contracts payable	92,551	95,462
Due to other school districts	512,372	575,808
Due to other governmental units	541,877	459,793
Unearned revenue	11,991	43,934
Total liabilities	4,182,703	4,213,753
Fund balances		
Nonspendable for inventory	332	485
Nonspendable for prepaid items	181,589	118,862
Restricted for student activities	864	3,620
Restricted for basic skills programs	225,789	–
Restricted for debt service	50,732	46,961
Assigned for subsequent year’s budgeted deficit	159,724	575,075
Unassigned	9,061,155	9,334,454
Total fund balances	9,680,185	10,079,457
Total liabilities and fund balances	$ 13,862,888	$ 14,293,210

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	$ 9,746,895	$ 9,124,487	$ (622,408)	$ 9,588,150
Investment earnings	259,500	283,858	24,358	236,323
Other	516,048	602,405	86,357	589,836
State sources	34,132,686	32,025,446	(2,107,240)	30,751,039
Federal sources	562,988	520,631	(42,357)	1,748,203
Total revenue	45,218,117	42,556,827	(2,661,290)	42,913,551
Expenditures				
Current				
Administrative and support services	227,134	246,590	19,456	320,394
Secondary vocational/DCALS	4,541,942	4,329,954	(211,988)	3,847,059
Special education programs	39,718,285	36,800,320	(2,917,965)	37,297,578
Debt service				
Principal	903,390	903,390	–	858,347
Interest and fiscal charges	689,092	687,392	(1,700)	734,535
Total expenditures	46,079,843	42,967,646	(3,112,197)	43,057,913
Excess (deficiency) of revenue over expenditures	(861,726)	(410,819)	450,907	(144,362)
Other financing sources (uses)				
Sale of assets	–	19,651	19,651	26,465
Insurance recovery	15,240	18,228	2,988	–
Transfers out	–	(26,332)	(26,332)	(5,094)
Total financing sources (uses)	15,240	11,547	(3,693)	21,371
Net change in fund balances	$ (846,486)	(399,272)	$ 447,214	(122,991)
Fund balances				
Beginning of year		10,079,457		10,202,448
End of year		$ 9,680,185		$ 10,079,457

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund
Combining Balance Sheet by Account
as of June 30, 2024

	Secondary Education	Special Education	Services Allocation
Assets			
Cash and temporary investments (deficit)	$ 5,332,078	$ (939,335)	$ (207,691)
Cash and investments held by trustee	–	–	–
Receivables			
Accounts and interest	11,525	1,939	–
Due from other school districts	955,677	982,276	188,700
Due from Minnesota Department of Education	197,597	7,080,260	7,073
Due from other governmental units	4,426	11,125	–
Inventory	–	–	–
Prepaid items	18,091	139,646	23,852
Total assets	$ 6,519,394	$ 7,275,911	$ 11,934
Liabilities			
Salaries and compensated absences payable	$ 3,023,912	$ –	$ –
Accounts and contracts payable	1,465	81,275	9,262
Due to other school districts	72,818	439,554	–
Due to other governmental units	366,621	175,130	27
Unearned revenue	–	9,346	2,645
Total liabilities	3,464,816	705,305	11,934
Fund balances (deficit)			
Nonspendable for inventory	–	–	–
Nonspendable for prepaid items	18,091	139,646	23,852
Restricted for student activities	–	–	–
Restricted for debt service	–	–	–
Restricted for basic skills programs	3,216	222,573	–
Assigned for subsequent year's budgeted deficit	–	153,722	8
Unassigned	3,033,271	6,054,665	(23,860)
Total fund balances	3,054,578	6,570,606	–
Total liabilities and fund balances	$ 6,519,394	$ 7,275,911	$ 11,934

District Support Services	Capital Expenditure	Secondary Resale	Special Education Resale	Student Activities	Total
$ –	$ (27,265)	$ 6,022	$ 18,785	$ 6,385	$ 4,188,979
–	50,732	–	–	–	50,732
–	–	658	–	–	14,122
–	–	–	–	–	2,126,653
–	–	–	–	–	7,284,930
–	–	–	–	–	15,551
–	–	–	332	–	332
–	–	–	–	–	181,589
$ –	$ 23,467	$ 6,680	$ 19,117	$ 6,385	$ 13,862,888
$ –	$ –	$ –	$ –	$ –	$ 3,023,912
–	–	–	272	277	92,551
–	–	–	–	–	512,372
–	–	–	99	–	541,877
–	–	–	–	–	11,991
–	–	–	371	277	4,182,703
–	–	–	332	–	332
–	–	–	–	–	181,589
–	–	–	–	864	864
–	50,732	–	–	–	50,732
–	–	–	–	–	225,789
–	–	750	–	5,244	159,724
–	(27,265)	5,930	18,414	–	9,061,155
–	23,467	6,680	18,746	6,108	9,680,185
$ –	$ 23,467	$ 6,680	$ 19,117	$ 6,385	$ 13,862,888

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund
Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account
Year Ended June 30, 2024

	Secondary Education	Special Education	Services Allocation
Revenue			
Local sources			
Tuition	$ 2,631,503	$ 5,966,359	$ –
Investment earnings	127,602	141,785	–
Other	10,298	554,930	20,570
State sources	626,074	31,350,672	48,700
Federal sources	341,866	1,445	177,320
Total revenue	3,737,343	38,015,191	246,590
Expenditures			
Current			
Administrative and support services	–	–	246,590
Secondary vocational/DCALS	4,308,947	–	–
Special education programs	–	36,791,422	–
Debt service			
Principal	–	578,390	–
Interest and fiscal charges	–	485,767	–
Total expenditures	4,308,947	37,855,579	246,590
Excess (deficiency) of revenue over expenditures	(571,604)	159,612	–
Other financing sources (uses)			
Sale of assets	18,841	810	–
Insurance recovery	–	18,228	–
Transfers out	–	(26,332)	–
Total other financing sources (uses)	18,841	(7,294)	–
Net change in fund balances	(552,763)	152,318	–
Fund balances			
Beginning of year	3,607,341	6,418,288	–
End of year	$ 3,054,578	$ 6,570,606	$ –

District Support Services	Capital Expenditure	Secondary Resale	Special Education Resale	Student Activities	Total
$ –	$ 526,625	$ –	$ –	$ –	$ 9,124,487
–	14,471	–	–	–	283,858
–	–	1,082	12,685	2,840	602,405
–	–	–	–	–	32,025,446
–	–	–	–	–	520,631
–	541,096	1,082	12,685	2,840	42,556,827
–	–	–	–	–	246,590
–	2,401	16,154	–	2,452	4,329,954
–	–	–	8,898	–	36,800,320
–	325,000	–	–	–	903,390
–	201,625	–	–	–	687,392
–	529,026	16,154	8,898	2,452	42,967,646
–	12,070	(15,072)	3,787	388	(410,819)
–	–	–	–	–	19,651
–	–	–	–	–	18,228
–	–	–	–	–	(26,332)
–	–	–	–	–	11,547
–	12,070	(15,072)	3,787	388	(399,272)
–	11,397	21,752	14,959	5,720	10,079,457
$ –	$ 23,467	$ 6,680	$ 18,746	$ 6,108	$ 9,680,185

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, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	$ 3,122,230	$ 2,631,503	$ (490,727)	$ 2,747,280
Investment earnings	100,000	127,602	27,602	91,044
Other	4,996	10,298	5,302	2,560
State sources	591,732	626,074	34,342	374,528
Federal sources	364,113	341,866	(22,247)	445,370
Total revenue	4,183,071	3,737,343	(445,728)	3,660,782
Expenditures				
Current				
Secondary vocational/DCALS				
Salaries	2,496,125	2,442,465	(53,660)	2,133,600
Employee benefits	929,677	905,703	(23,974)	766,749
Purchased services	694,022	623,908	(70,114)	603,824
Supplies and materials	142,316	93,022	(49,294)	94,763
Other expenditures	21,433	17,741	(3,692)	17,696
Capital expenditures	35,857	33,779	(2,078)	22,686
Allocated overhead	199,956	192,329	(7,627)	195,197
Debt service				
Principal	–	–	–	2,264
Interest and fiscal charges	–	–	–	101
Total expenditures	4,519,386	4,308,947	(210,439)	3,836,880
Excess (deficiency) of revenue over expenditures	(336,315)	(571,604)	(235,289)	(176,098)
Other financing sources				
Sale of assets	–	18,841	18,841	6,900
Net change in fund balances	$ (336,315)	(552,763)	$ (216,448)	(169,198)
Fund balances				
Beginning of year		3,607,341		3,776,539
End of year		$ 3,054,578		$ 3,607,341

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, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	$ 6,098,040	$ 5,966,359	$ (131,681)	$ 6,316,370
Investment earnings	150,000	141,785	(8,215)	135,811
Other	473,631	554,930	81,299	568,030
State sources	33,512,254	31,350,672	(2,161,582)	30,348,646
Federal sources	4,881	1,445	(3,436)	1,029,461
Total revenue	40,238,806	38,015,191	(2,223,615)	38,398,318
Expenditures				
Current				
Special education programs				
Salaries	22,108,544	21,046,706	(1,061,838)	22,114,977
Employee benefits	7,975,348	7,649,733	(325,615)	7,775,811
Purchased services	5,748,727	4,551,280	(1,197,447)	3,835,126
Supplies and materials	820,339	672,802	(147,537)	950,867
Other expenditures	141,085	128,063	(13,022)	123,007
Capital expenditures	558,019	479,059	(78,960)	284,304
Allocated overhead	2,356,223	2,263,779	(92,444)	2,208,320
Debt service				
Principal	578,390	578,390	–	541,083
Interest and fiscal charges	487,467	485,767	(1,700)	524,934
Total expenditures	40,774,142	37,855,579	(2,918,563)	38,358,429
Excess (deficiency) of revenue over expenditures	(535,336)	159,612	694,948	39,889
Other financing sources (uses)				
Sale of assets	–	810	810	19,565
Insurance recovery	15,240	18,228	2,988	–
Transfers out	–	(26,332)	(26,332)	(5,094)
Total other financing sources (uses)	15,240	(7,294)	(22,534)	14,471
Net change in fund balances	$ (520,096)	152,318	$ 672,414	54,360
Fund balances				
Beginning of year		6,418,288		6,363,928
End of year		$ 6,570,606		$ 6,418,288

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, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	$ 23,921	$ 20,570	$ (3,351)	$ 5,472
State sources	28,700	48,700	20,000	27,865
Federal sources	193,994	177,320	(16,674)	273,372
Total revenue	246,615	246,590	(25)	306,709
Expenditures				
Current				
Administrative and support services				
Salaries	1,761,290	1,787,973	26,683	1,761,160
Employee benefits	539,881	533,188	(6,693)	527,171
Purchased services	289,998	209,804	(80,194)	268,575
Supplies and materials	139,689	133,582	(6,107)	119,893
Other expenditures	24,794	21,479	(3,315)	22,671
Capital expenditures	27,660	16,672	(10,988)	23,767
Allocated overhead	(2,556,178)	(2,456,108)	100,070	(2,403,514)
Total expenditures	227,134	246,590	19,456	319,723
Net change in fund balances	$ 19,481	–	$ (19,481)	(13,014)
Fund balances				
Beginning of year		–		13,014
End of year		$ –		$ –

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – District Support Services Account
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	$ –	$ –	$ –	$ –
Expenditures				
Current				
Administrative and support services				
Purchased services	–	–	–	671
Net change in fund balance	$ –	–	$ –	(671)
Fund balances				
Beginning of year		–		671
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, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	$ 526,625	$ 526,625	$ –	$ 524,500
Investment earnings	9,500	14,471	4,971	9,468
Total revenue	536,125	541,096	4,971	533,968
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	2,400	2,401	1	5,400
Debt service				
Principal	325,000	325,000	–	315,000
Interest and fiscal charges	201,625	201,625	–	209,500
Total expenditures	529,025	529,026	1	529,900
Net change in fund balances	$ 7,100	12,070	$ 4,970	4,068
Fund balances				
Beginning of year		11,397		7,329
End of year		$ 23,467		$ 11,397

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, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	$ 3,000	$ 1,082	$ (1,918)	$ 2,219
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	1,900	2,089	189	350
Supplies and materials	14,255	14,065	(190)	4,595
Other expenditures	–	–	–	55
Total expenditures	16,155	16,154	(1)	5,000
Net change in fund balances	$ (13,155)	(15,072)	$ (1,917)	(2,781)
Fund balances				
Beginning of year		21,752		24,533
End of year		$ 6,680		$ 21,752

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, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	$ 9,050	$ 12,685	$ 3,635	$ 9,871
Expenditures				
Current				
Special education programs				
Purchased services	–	–	–	380
Supplies and materials	10,000	8,865	(1,135)	4,731
Other expenditures	–	33	33	55
Total expenditures	10,000	8,898	(1,102)	5,166
Net change in fund balances	$ (950)	3,787	$ 4,737	4,705
Fund balances				
Beginning of year		14,959		10,254
End of year		$ 18,746		$ 14,959

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, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	$ 1,450	$ 2,840	$ 1,390	$ 1,684
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	781	1,093	312	–
Supplies and materials	3,220	1,359	(1,861)	2,144
Total expenditures	4,001	2,452	(1,549)	2,144
Net change in fund balances	$ (2,551)	388	$ 2,939	(460)
Fund balances				
Beginning of year		5,720		6,180
End of year		$ 6,108		$ 5,720

INTERMEDIATE SCHOOL DISTRICT NO. 917

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2024 and 2023

	2024	2023
Assets		
Cash and temporary investments	$ 3,669	$ 4,561
Receivables		
Accounts and interest	12,151	7,028
Due from other governmental units	4,687	–
Prepaid items	1,481	–
Total assets	$ 21,988	$ 11,589
Liabilities		
Accounts payable	$ 3,694	$ 922
Due to other governmental units	1,468	–
Unearned revenue	–	10,667
Total liabilities	5,162	11,589
Fund balances		
Nonspendable for prepaid items	1,481	–
Restricted for food service	15,345	–
Total fund balances	16,826	–
Total liabilities and fund balances	$ 21,988	$ 11,589

INTERMEDIATE SCHOOL DISTRICT NO. 917

Food Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other – primarily meal sales	$ –	$ 32	$ 32	$ 17,122
State sources	35,009	32,621	(2,388)	4,282
Federal sources	160,629	166,179	5,550	105,489
Total revenue	195,638	198,832	3,194	126,893
Expenditures				
Purchased services	3,495	3,705	210	4,275
Supplies and materials	210,318	204,633	(5,685)	145,382
Total expenditures	213,813	208,338	(5,475)	149,657
Excess (deficiency) of revenue over expenditures	(18,175)	(9,506)	8,669	(22,764)
Other financing sources				
Transfers in	18,175	26,332	8,157	5,094
Net change in fund balances	$ –	16,826	$ 16,826	(17,670)
Fund balances				
Beginning of year		–		17,670
End of year		$ 16,826		$ –

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds
Combining Statement of Net Position
as of June 30, 2024
(With Comparative Totals as of June 30, 2023)

	Dental Self-Insurance	Medical Self-Insurance	Post-Employment Employee Benefits
Assets			
Current assets			
Cash and temporary investments	$ 653,254	$ 6,785,661	$ 1,777,716
Receivables			
Accounts and interest	–	97,979	–
Total assets	653,254	6,883,640	1,777,716
Deferred outflows of resources			
OPEB plan deferments	–	–	137,297
Liabilities			
Current liabilities			
Accounts and contracts payable	41,336	338,645	–
Due to other governmental units	–	1,694	–
Total OPEB liability – due within one year	–	–	112,220
Severance benefits payable – due within one year	–	–	80,971
Unearned revenue	1,980	59,195	–
Total current liabilities	43,316	399,534	193,191
Long-term liabilities			
Total OPEB liability – due in more than one year	–	–	1,206,385
Severance benefits payable – due in more than one year	–	–	246,705
Total long-term liabilities	–	–	1,453,090
Total liabilities	43,316	399,534	1,646,281
Deferred inflows of resources			
OPEB plan deferments	–	–	711,753
Net position			
Unrestricted	$ 609,938	$ 6,484,106	$ (443,021)

Totals	
2024	2023
$ 9,216,631	$ 8,448,368
97,979	2,821
9,314,610	8,451,189
137,297	62,530
379,981	305,690
1,694	1,692
112,220	32,164
80,971	26,421
61,175	65,471
636,041	431,438
1,206,385	1,135,831
246,705	272,666
1,453,090	1,408,497
2,089,131	1,839,935
711,753	845,368
$ 6,651,023	$ 5,828,416

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Dental Self-Insurance	Medical Self-Insurance	Post-Employment Employee Benefits
Operating revenue			
Charges for services			
Contributions from governmental funds	$ 464,829	$ 4,156,527	$ 139,065
Operating expenses			
Post-employment severance and health benefits (change in severance)	–	–	15,223
Medical benefit claims	–	3,839,717	–
Dental benefit claims	504,132	–	–
Total operating expenses	504,132	3,839,717	15,223
Operating income (loss)	(39,303)	316,810	123,842
Nonoperating revenue			
Investment earnings	31,246	306,591	83,421
Change in net position	(8,057)	623,401	207,263
Net position			
Beginning of year	617,995	5,860,705	(650,284)
End of year	$ 609,938	$ 6,484,106	$ (443,021)

Totals	
2024	2023
$ 4,760,421	$ 5,131,847
15,223	(12,285)
3,839,717	3,771,538
504,132	485,861
4,359,072	4,245,114
401,349	886,733
421,258	241,508
822,607	1,128,241
5,828,416	4,700,175
$ 6,651,023	$ 5,828,416

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Dental Self-Insurance	Medical Self-Insurance	Post-Employment Employee Benefits
Cash flows from operating activities			
Contributions from governmental funds	$ 464,696	$ 4,057,206	$ 139,065
Post-employment severance and health benefit payments	–	–	(44,406)
Payments for medical claims	–	(3,755,814)	–
Payments for dental claims	(513,742)	–	–
Net cash flows from operating activities	(49,046)	301,392	94,659
Cash flows from investing activities			
Investment income received	31,246	306,591	83,421
Net change in cash and cash equivalents	(17,800)	607,983	178,080
Cash and temporary investments			
Beginning of year	671,054	6,177,678	1,599,636
End of year	$ 653,254	$ 6,785,661	$ 1,777,716
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	$ (39,303)	$ 316,810	$ 123,842
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Changes in assets and liabilities			
Accounts and interest receivable	–	(95,158)	–
Prepaid items	–	–	–
OPEB plan deferments	–	–	(208,382)
Accounts and contracts payable	(9,610)	83,901	–
Due to other governmental units	–	2	–
Severance benefits payable	–	–	28,589
Total OPEB liability	–	–	150,610
Unearned revenue	(133)	(4,163)	–
Net cash flows from operating activities	$ (49,046)	$ 301,392	$ 94,659

Totals	
2024	2023
$ 4,660,967	$ 5,117,270
(44,406)	(39,037)
(3,755,814)	(3,831,449)
(513,742)	(483,669)
347,005	763,115
421,258	241,508
768,263	1,004,623
8,448,368	7,443,745
$ 9,216,631	$ 8,448,368
$ 401,349	$ 886,733
(95,158)	(2,821)
–	5,000
(208,382)	258,755
74,291	(62,720)
2	1
28,589	(50,454)
150,610	(259,623)
(4,296)	(11,756)
$ 347,005	$ 763,115

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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
2015	$ 7,876,725	$ 18,073,067	$ 559,401	$ 125,715	$ 26,634,908
	30%	67%	2%	1%	100%
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%

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
2015	$ 1,867,491	$ 3,182,362	$ 20,634,460	$ 116,426	$ 316,820	$ 26,117,559
	8%	12%	79%	–	1%	100%
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%

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	2015	$ 3,013,776	$ 553	$ 7,604	$ 105,919	$ 151,510	$ 3,279,362
	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
Special education	2015	3,652,478	400	629,749	17,783,764	5,000	22,071,391
	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
Services allocation	2015	468,174	–	7,116	32,284	–	507,574
	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
District support services	2015	–	–	2,240	–	–	2,240
	2016	–	–	–	–	–	–
	2017	–	–	–	–	–	–
	2018	–	–	–	–	–	–
	2019	–	–	–	–	–	–
	2020	–	–	–	–	–	–
	2021	–	–	–	–	–	–
	2022	–	–	–	–	–	–
	2023	–	–	–	–	–	–
	2024	–	–	–	–	–	–

(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
Capital expenditure	2015	$ 559,401	$ 28,344	$ –	$ –	$ –	$ 587,745
	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
Secondary resale	2015	–	–	62,472	–	–	62,472
	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
Special education resale	2015	–	–	13,514	–	–	13,514
	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
Student activities	2015	–	–	–	–	–	–
	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

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	2015	$ 1,818,549	$ 684,389	$ 506,510	$ 91,810	$ 280,631	$ 3,381,889
	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
Special education	2015	13,075,819	4,966,320	1,763,028	803,025	1,118,880	21,727,072
	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
Services allocation	2015	863,256	250,344	732,924	60,561	(1,399,511)	507,574
	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
District support services	2015	–	–	2,240	–	–	2,240
	2016	–	–	–	–	–	–
	2017	–	–	–	–	–	–
	2018	–	–	–	–	–	–
	2019	–	–	–	–	–	–
	2020	–	–	–	–	–	–
	2021	–	–	–	–	–	–
	2022	–	–	–	–	–	–
	2023	–	–	671	–	–	671
	2024	–	–	–	–	–	–

(continued)

INTERMEDIATE SCHOOL DISTRICT NO. 917

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	2015	$ –	$ –	$ 19,362	$ 559,401	$ –	$ 578,763
	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
Secondary resale	2015	–	–	35,614	38,986	–	74,600
	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
Special education resale	2015	–	–	–	11,829	–	11,829
	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
Student activities	2015	–	–	–	–	–	–
	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

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OTHER REQUIRED REPORTS

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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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

(continued)

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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.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
December 4, 2024

MMKR
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2024.

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 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.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
December 4, 2024

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INTERMEDIATE SCHOOL DISTRICT NO. 917

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2024

			Audit		UFARS		Audit – UFARS
General Fund							
Total revenue		$	42,556,827	$	42,556,827	$	–
Total expenditures		$	42,967,646	$	42,967,645	$	1
Nonspendable							
460	Nonspendable fund balance	$	181,921	$	181,922	$	(1)
Restricted							
401	Student activities	$	864	$	864	$	–
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	$	–	$	–	$	–
438	Gifted and talented	$	–	$	–	$	–
439	English learner	$	–	$	–	$	–
440	Teacher development and evaluation	$	–	$	–	$	–
441	Basic skills programs	$	225,789	$	225,789	$	–
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	$	–	$	–	$	–
459	Basic skills extended time	$	–	$	–	$	–
467	Long-term facilities maintenance	$	–	$	–	$	–
471	Student support personnel	$	–	$	–	$	–
472	Medical Assistance	$	–	$	–	$	–
464	Restricted fund balance	$	50,732	$	50,732	$	–
475	Title VII – impact aid	$	–	$	–	$	–
476	PILT	$	–	$	–	$	–
Committed							
418	Committed for separation	$	–	$	–	$	–
461	Committed fund balance	$	–	$	–	$	–
Assigned							
462	Assigned fund balance	$	159,724	$	159,724	$	–
Unassigned							
422	Unassigned fund balance	$	9,061,155	$	9,061,155	$	–
Food Service							
Total revenue		$	198,832	$	198,832	$	–
Total expenditures		$	208,338	$	208,338	$	–
Nonspendable							
460	Nonspendable fund balance	$	1,481	$	1,481	$	–
Restricted							
452	OPEB liability not in trust	$	–	$	–	$	–
464	Restricted fund balance	$	15,345	$	15,345	$	–
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	$	–	$	–	$	–
440	Teacher development and evaluation	$	–	$	–	$	–
444	School readiness	$	–	$	–	$	–
447	Adult basic education	$	–	$	–	$	–
452	OPEB liability not in trust	$	–	$	–	$	–
464	Restricted fund balance	$	–	$	–	$	–
Unassigned							
463	Unassigned fund balance	$	–	$	–	$	–

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2024

		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		$ 5,181,679	$ 5,181,679	$ –
Total expenditures		$ 4,359,072	$ 4,359,072	$ –
422	Net position	$ 6,651,023	$ 6,651,023	$ –
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	$ –	$ –	$ –
Unassigned				
463	Unassigned 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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