



Cloquet Public Schools

Regular Meeting

Monday, October 28, 2024 at 6:00 PM
Garfield Board Room
302 14th Street
Cloquet, MN 55720
302 - 14th Street, Cloquet, MN

5:30 pm Working Session

- * 2024 Audit Presentation, Nancy Schulzetenberg, BergenKDV
- * Preauthorization of Bond Sale Q&A - Matthew Hammer, Ehlers

6:00 pm Regular Meeting

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3. Monday, November 11, 2024 - Regular School Board Meeting 5:30 p.m. Working Session 6:00 p.m. Regular Meeting	
4. Tuesday, November 12, 2024 - DAC Meeting - 4 p.m. - Garfield Boardroom	
5. Thursday, November 14, 2024 - AFSCME Secretarial Negotiations - 4 p.m. - Garfield Boardroom	
6. Tuesday, November 19, 2024 - Community Ed Advisory Meeting - 5:30 p.m. - Comm. Ed Conf. Rm.	
7. Monday, November 25, 2024 - Technology Committee - 4 p.m. - Cloquet Middle School Conf. Rm B	
XIV. Adjournment	

* If any one board member wishes to remove an item from the consent agenda for discussion, that item should be added to the board meeting agenda prior to its approval.



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1. October 28, 2024 School Board Agenda

IV. Consider Approval of School Board Minutes

1. October 14, 2024 School Board Meeting Minutes

V. Open Forum and Reception of Delegations, Petitions, and Communications

1. Building and Department Reports

VI. Claims, Wire Transfers and Food Service Reports

1. Claims, October 14, 16, 25, 2024
2. Wire Transfers, September 30, 2024, October 2 & 16, 2024
3. Food Service Report, September 2024

VII. Consent Items

1. *Recommendations for Employment*

- a. 1.0 FTE Special Education Long Term Substitute Teacher at Churchill (Samantha Rupar) starting Jan. 6, 2025 for 14 weeks pending appropriate licensure
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2. *Extra Service Contracts*

- a. Family Literacy Coordinator with Churchill and Washington Elementary Schools (Nicole Milewski)
- b. Middle School Boys Basketball Coach (Scott Strukel)

VIII. School Board Committee Report

1. Student Enrollment Report as of October 23, 2024

IX. Agenda Addendums

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XI. Superintendent's Report

1. Negotiations
2. Research Firm Update
3. CESO Update

XII. For Your Information

1. National and International Science Fair Summer Press Releases

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October 14, 2024

Board Chair, N. Sandman called the meeting to order at 5:30 p.m.

Topics discussed:

Dr. Cary reviewed the agenda including options for the open board position, rules on open meeting law, homebound requests, update on search for a community research firm, 2024-2026 paraprofessional contract, RP coordinator contract, ADSIS teacher MOU, IT request to negotiate, updated NLA speech service contract, gifted and talented schedule c request, and grant requests. Discussion was held about closing open enrollment and Bobcat skid steer lease vs. purchase. There being nothing further to discuss, Board Chair N. Sandman adjourned the meeting at 6:12 p.m.

October 14, 2024

The Regular Meeting of the School Board of Independent School District No. 94, in the City of Cloquet on October 12, 2024, was called to order by Board Chair N. Sandman at 6:13 p.m.

Roll Call – The following members were present on roll call:

- Dave Battaglia
- Sarah Buhs
- Gary Huard
- Melissa Juntunen
- Nate Sandman

Present in Person:

- Dr. Michael Cary, Superintendent
- Mary Marciniak, Exec. Asst. to the Superintendent
- Candace Nelis, Business Manager
- Brock Wilton, Building and Grounds Director
- T.J. Smith, IT Director
- Jana Peterson, Pine Knot Newspaper Rep.
- Macklin Caruso, Pine Journal Newspaper Rep.

Building principals, teacher representatives, AIE Director, Community Education Director, District Facilities & Grounds Director will be excused from attending Board meetings until further notice.

APPROVAL OF BOARD AGENDA

- RESOLVED by G. Huard to approve October 12, 2024, regular board agenda, as presented. N. Sandman seconded the motion, and the resolution was approved by unanimous yeas of all members present on roll call.

APPROVAL OF MEETING MINUTES

- RESOLVED by S. Buhs to approve the September 23, 2024, Regular Meeting minutes, as presented. D. Battaglia seconded the motion, and the resolution was approved by unanimous yeas of all members present on roll call.

OPEN FORUM AND RECEPTION OF DELEGATIONS, PETITIONS, AND COMMUNICATIONS

- No public comment. Building and Department Reports were reviewed. C. Nelis, business manager, gave an update on the audit. T.J. Smith, IT director, gave an update on IT projects and B. Wilton, building and ground director, gave an update on MEA break projects.

CONSIDER APPROVAL OF CLAIMS, HAND CHECKS AND FOOD SERVICE REPORTS

- RESOLVED D. Battaglia to approve Claims, September 26 and October 3, 2024, as presented. N. Sandman seconded the motion, and the resolution was approved by unanimous yeas of all members present on roll call.

CONSENT ITEMS

- RESOLVED by M. Juntunen to approve the Consent Items, as presented.

1. Resignations:

- a. Kevin Kot, 7.5 hrs./day AIE Home School Liaison at Cloquet Area Alternative Education Program (CAAEP), effective October 8, 2024

2. Recommendations of Employment:

NAME	POSITION/LOCATION	SALARY**	START DATE
a. Darrell Davey	1.0 FTE Float Sp. Ed Teacher at NLA	BA 1	Pending Licensure
b. Lance Horvat	Homebound Teacher (24-25)	\$34.85	ASAP
c. JoAnna Lee	3 hrs/day Food Service at Washington	Step 1	10/15/24
d. Jillian McCausland	After School Enrichment Instructor	\$20.19	11/1/24
e. Marilyn Lynch	Program Assistant	\$17.04	10/7/24

3. Extra Services Contracts

- a. Luke Konietzko, Football coach (activity paid), \$2,771.00
- b. Winter Coaches and Activity Paid Coaches and Volunteers (see attached)

4. Permission to Post

- a. 1.0 FTE Long Term Substitute DCD S/P Teacher at Churchill (14 weeks)
- b. 7.5 hrs./day AIE Home School Liaison at Cloquet Area Alternative Education Program (CAAEP)
- c. 2024-2025 Targeted Services EXCEL After School Program Positions at Elementary Schools and CMS
- d. Homebound Teacher at CHS
- e. Two (2) Family Literacy Coordinators at the Elementary Schools

5. Staffing Adjustments

- a. Jennifer Maki, Speech Teacher, from 0.5 FTE to 0.6 FTE
- S. Buhs seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.

SCHOOL BOARD COMMITTEE REPORT

- Enrollment report from October 9, 2024, was reviewed.
- District Technology Committee Meeting Minutes from September 30, 2024, were reviewed.

SCHOOL BOARD ELECTIONS

- RESOLVED by G. Huard to approve the 2024 Notice of General Election, as presented. D. Battaglia seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.

AGENDA ADDENDUMS

- There were none

NEW BUSINESS

- RESOLVED by M. Juntunen to approve the one year leave request from paraprofessional, Darrell Davey, as presented. N. Sandman seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by G. Huard to approve the request for leave for 14 weeks from teacher Kenndy Houge, as presented. M. Juntunen seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by S. Buhs to approve the 2024-2026 AFSCME paraprofessional/AIE/COTA/Nurse contract, as presented. D. Battaglia seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by N. Sandman to approve the 2024-2025 Restorative Practices Coordinator Contract with Nissa Whipple, as presented. G. Huard seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by S. Buhs to approve the 2024-2025 memorandum of understanding for CMS ADSIS teacher for adjusted start and end contract dates, as presented. N. Sandman seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by G. Huard to approve the request to negotiate with Cloquet Information Tech. Support Association, as presented. D. Battaglia seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by N. Sandman to approve updated purchase of service agreement with NLA for speech services, as presented. M. Juntunen seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by M. Juntunen to approve an initial request of review of proposed elementary gifted and talented position being added to schedule c, as presented. S. Buhs seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by D. Battaglia to approve the resolution supporting Cloquet ISD 94 application to MN State High School League Foundation for a grant to offset activity fees, as presented. G. Huard seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.

- RESOLVED by S. Buhs to approve the resolution supporting Cloquet ISD 94 application to MN State High School League Foundation for a grant to pay for AED and replacement parts, as presented. D. Battaglia seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by G. Huard to approve the request to close open enrollment for 2024-2025 for all grades, as presented. N. Sandman seconded the motion. The motion passed with a 3-2 vote with D. Battaglia and S. Buhs voting against the motion.
- RESOLVED by G. Huard to not fill the open school board position and run the board with a five (5) member board through December 2024. N. Sandman seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call. Committee assignments were discussed and S. Buhs will step off the building and grounds subcommittee and serve as an alternate when needed.
- RESOLVED by N. Sandman to amend the resolution to approve the purchase of a Bobcat skid steer loader and amended the budget to allow for this purchase, as presented. G. Huard seconded the amended motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by N. Sandman to approve the October grants from Cloquet Education Foundation, as presented. M. Juntunen seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by D. Battaglia to approve the 2025 All Night Grad Party request, as presented. N. Sandman seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.
- RESOLVED by N. Sandman to approve the update to policy 420 and waive 2nd and 3rd readings, as presented. S. Buhs seconded the motion, and the resolution was approved by unanimous yeas vote of all members present on roll call.

SUPERINTENDENT REPORT

- Dr. Cary covered the items in the working session but reminded the board that AFSCME negotiation with the dietary and secretarial units will begin next week.

FOR YOUR INFORMATION

- Washington Elementary - October Newsletter
- Internal Transfer of 6.75 hrs./day Paraprofessional at NLA (Regina Bryant)

UPCOMING MEETINGS/EVENTS

- Tuesday, October 15, 2024 - Community Ed Advisory Meeting - 5:30 p.m. - Comm. Ed Conf. Rm.
- Tuesday, October 22, 2024 - Health and Safety Committee Meeting - 3:45 p.m. - Boardroom
- Wednesday, October 23, 2024 - Equity Committee Meeting - 4 p.m. - Washington Elem.
- Thursday, October 24, 2024 - Dietary and Secretarial Unit Negotiations - 4:00/5:00 p.m. - Boardroom
- Monday, October 28, 2024 - District Technology Committee Meeting - 4 p.m. - CMS Conf. Rm. B
- Monday, October 28, 2024 - School Board Meeting, 5:30 p.m. Working Session, 6:00 p.m. Regular Meeting

ADJOURNMENT

There being nothing further to discuss, Board Chair N. Sandman adjourned the meeting at 6:30 p.m.

ATTEST:

Clerk of the School Board

Chair of the School Board

Department Reports

Churchill Elementary:

Hello From Churchill,

The First Witness advocacy center presented to Churchill students the week of October 21st. Grade 4 students presented their music program to families on Friday, 10/25. The Churchill PIE hosted the annual Halloween Carnival for families on Friday, 10/25. Thank you to our PIE parents who organized the fun event. First-trimester conferences begin on Monday, 11/4, and also Wednesday, 11/6. The volunteer reading program Power Lunch is meeting with grades one and two students each Monday and Tuesday during the lunch hour. Teachers continue to concentrate on LETRS training to Wednesday's PLC times. Teachers are also receiving training on the new reading screener FastBridge on Tuesday, 10/22.

Submitted by David Wangen, Churchill Elementary Principal

Washington Elementary:

- Students and staff had a short spirit week with Pajama & Stuffed Animal Day on October 15th, and Unity Day (wear orange) on the 16th. Congratulations to the 3rd graders who got to select the spirit day theme as the class with the most purple pride slips so far this fall!
- Fall Ball will be Friday, October 25th. We always have an amazing time and great turn out!! Thank you to our second-grade team for hosting the annual event!
- Vision screening will be taking place over the next two weeks, with hearing tests by request for all Washington students.
- Fire Safety presentations with the CAFD will take place on the 24th and 28th
- 2nd-4th grade students will be starting their roller skating unit in PE the week of 10/28. HUGE thanks to our PIE group for fully funding the cost of the roller skate (and wrist guard) rental so that there is no cost to students and families!

Submitted by Robbi Mondati, Washington Elementary Principal

Cloquet Middle School:

At the Cloquet Varsity Football game vs Grand Rapids, the Cloquet Unified PE Middle School and High School Flag Football teams competed against each other during halftime! The Cloquet Middle and High School Unified Flag Football teams battled to a 6-6 tie.



6th grade Field Trip:

The sixth graders took a geologic field trip to Jay Cooke State Park. Students rotated through stations that included hiking, nature art, hanging bear bags, first aid, a session with the naturalist on rock formations, a scavenger hunt, and a trip across the swinging bridge to see the rock formations and smores! Seeing the students outside the classroom was a great way to get to know them in a new setting. Many students showcased their outdoor talents while enjoying the beautiful fall day.



Math update by Nicole Vegar:

5th and 6th graders are participating in the Spring math program. This is a program that includes whole-class interventions as well as individualized or small-group pull-out interventions. The Stronger Connections grant allows us to offer math support for 8th and 9th-grade students. Our teacher implementing this program will loop with 8th and 9th graders and offer them continued support over the next few years.

Thank you to Rachel Hill & Amber Purcel for all of their diligent efforts - CMS conference book fair total sales were \$4,044.21

Top 10 Books Sold

1. FGTEEV Blasts Off
2. BSC: Kristy & the Walking Disaster
3. I Survived the Destruction of Pompeii 79 AD
4. Summer I Turned Pretty

5. Bendy Dreams Come to Life Graphic Novel
6. BSC: Claudia and the Bad Joke
7. FNAF: Graphic Novel Collection 5
8. Minecraft: Deluxe Builds
9. New Girl #1
10. Pizza Face

Submitted by Thomas Brenner, Cloquet Middle School Principal

Cloquet High School:

- October is College Knowledge month – Oct. 25 is College Application Day at CHS – our counselors will be helping our seniors apply to colleges.
- Our boys and girls soccer teams are competing in the state tournament quarterfinals on 10/23.
- We held a military open house on 10/22 – students had the opportunity to stop by tables and pick up information. We’ve had a steady stream of college recruiters on campus this Fall as well.
- We’re already starting to plan course registration for 25-26 – students will register in February.
- Our seniors have received their Direct Admission letters from the colleges/universities that will admit them based on their current transcripts – this is a huge piece of getting kids to apply to colleges and relieves a ton of the anxiety and pressure students feel. We are a part of a select group of schools participating in the Direct Admissions process.

Submitted by Steve Battaglia, Cloquet High School Principal

Cloquet Area Alternative Education Programs:

CAAEP has had an exciting couple of weeks! It is our goal to engage students who have otherwise been uninterested, unsuccessful, or disengaged from school, their peers, their teachers and learning. Our two day week last week would have traditionally been two days that many students would not participate and would take the whole week off, instead, we had excellent attendance and participation both Tuesday and Wednesday.

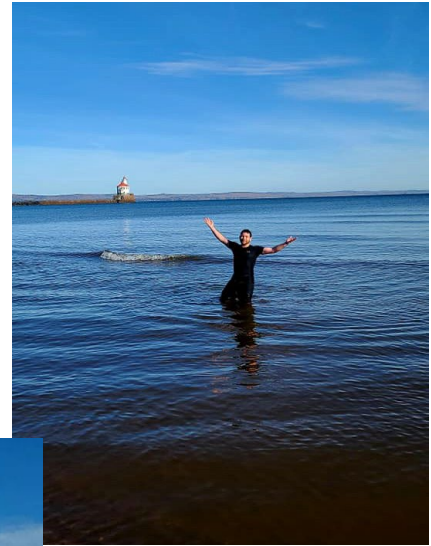
The week before last, we had an all-school community building and activity held at the library next door. They graciously allowed us to use their community room, and all the students and teachers met there during homeroom. We talked about the upcoming two day week and the importance of being there. We also played a team building game called “Walk to the Line” that the students fully engaged in and enjoyed. Staff also spent time together during our first Chili Cook-off during our Parent-Teacher Conference day. We had eight hours and NINE chilis to try! After all the votes were counted, we awarded our first Golden Ladle CAAEP Chili Champ to Mr. Bursch, our middle level teacher!

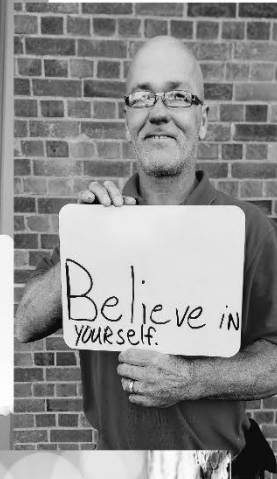
On Monday evening, I sent a voicemail message to all students and parents reminding them that our two-day week was not “optional,” and asked them to send their students with warm clothes for our outing, and that these two days may be MORE important than traditional school days because the focus is *connection*, and we know that connected kids want to come to school more, and when they do, we know that they can and will learn.

Sure enough - our attendance was outstanding and we had a two-day symposium focused on Indigenous Peoples Day, which was last Monday. The themes for the symposium were Sovereignty and Resilience, so all sessions both days revolved around that. On Tuesday, we went to the Forestry Center and spent the first part of the day rotating through three groups. One was outside around the campfire, where students learned about land allotment; another group viewed a short film called Turtle Island and learned about the treaty of 1854. The final group focused on the theme of resilience, and students created their “Message to the World” which is a collage of black and white photos with each student holding up a white board with their “Message to the World” written on it. The collage is on the third floor of Garfield and will continue to grow throughout the year as we add messages from guests and new students, or students have new ideas that they want to add.

On Wednesday, we went to Lake Superior and learned about Chief Osaugie and the sacred burial grounds located on Wisconsin Point from a member of the Fond Du Lac band of Lake Superior Chippewa. After spending a little time on the shores of Gitche Gumee on a beautiful sunny day, we went to Chambers Grove Park for lunch, and then back to school to take part in an activity where we again learned more about the history and experiences of indigenous people in our country.

From there, students were off for their four day MEA weekend. Rod Syck led a three day Extended Day High School on Thursday, Friday, and Saturday, and students completed many classes and recovered several credits during their time here!





Submitted by Dr. Marcia Nelson, CAAEP Principal

Community Education

Aquatics

We will be offering free Saturday morning swims for the children that have received our swim lesson scholarships to further work on their skills under the supervision of lifeguards. The Saturday morning swims will be financed with the Water Safety Grant we received from the state. We will also commence the Friday night family swims in November as well, which will continue into the spring.

Adults with Disabilities

We held our annual Halloween Dance Party & Carnival Fun for our AWD participants on Saturday October 26 at the Scanlon Community Center. This popular event was attended by 60 participants that dressed up, played some games, and had tasty treats!

Submitted by Erin Bates, Community Education Director

Business Department:

Candace Nelis, Business Manager, will be attending in person

American Indian Education Department:

Greetings School Board Members,

The National Indian Education Convention was attended by several AIE staff and a parent committee member. Breakout sessions attended included The Legacy of Alice Piper, Embracing Accelerated Learning: Strategies for Student Success, Use Elder Methods in a Modern Classroom, Culturally Responsive Based Best Practices in the Classroom, Unlocking the Door to Reading Fluency in Native American Children, and Pathways of Navigating Indian Education for All in Public Schools. The Convention highlighted the local Agua Caliente Band of Cahuilla Indians and their historic bird songs through gourd rattles. It was interesting to find similarities and differences between our regional cultures and histories.

The Cloquet Boys Drum will be performing the opening song to kick off Black Bear Casino's Native American Heritage Month on Saturday November 2nd at 5:00pm in the Otter Creek Events Center. These events are free and open to the public.

The next JOM & LIEC meeting is scheduled for Wednesday October 30th at Garfield in the Boardroom. JOM beginning at 5:30pm and LIEC beginning at 6:00pm. By-laws for both of the committees are being reviewed and edited by a subcommittee with the hopes that they will be fully executed and ratified by the end of the year. Miigwech for the time and commitment from our members as they support AIE programming through their parent committee participation work.

CAAEP designed and delivered a two-day Indigenous Peoples day symposium the week of Oct. 14th. Thoughtful inclusion and local research provided meaningful programming. I was honored to be invited to participate.

Submitted by Teresa Angell, American Indian Education

Building and Grounds

Brock Wilton, Building and Grounds Director, will be attending in person

Technology

T.J. Smith, Technology Director, will be attending in person

Cloquet Public Schools
Detail Payment Register By Check
Fund Summary

Fund	Description	Total
01	General	\$70,739.16
02	Food Services	\$371.37
03	Transportation	\$105,233.51
04	Community Services	\$1,113.12
05	Capital Expenditure	\$4,676.62
06	Building Construction	\$3,740.00
12	Activities	\$8,417.38
Report Total		\$194,291.16

Cloquet Public Schools

Check Register by Bank and Check

Batch	Co	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Currency	Pmt/Void Date	Amount
0094		2	105166	25058	Check	1	9675		3P LEARNING INC	Yes	No	No	USD	10/11/2024	316.16
			105099	25059	Check	1	10454		ADVANCED DESIGN AWNINGS AND S	Yes	No	No	USD	10/11/2024	3,740.00
			105097	25060	Check	1	10159		ADVANCED SERVICES, INC	Yes	No	No	USD	10/11/2024	470.00
			105145	25061	Check	1	6516		ANDERSON, HEIDI	Yes	No	No	USD	10/11/2024	559.21
			105095	25062	Check	1	1006		ARROWHEAD SPRINGS	Yes	No	No	USD	10/11/2024	42.50
			105111	25063	Check	1	10935		ARROWHEAD WATER	Yes	No	No	USD	10/11/2024	95.70
			105093	25064	Check	1	03250		B & B MARKET	Yes	No	No	USD	10/11/2024	754.00
			105110	25065	Check	1	10877		BILDEN JOLI	Yes	No	No	USD	10/11/2024	30.82
			105143	25066	Check	1	5657		BORDEN, MARY	Yes	No	No	USD	10/11/2024	31.96
			105149	25067	Check	1	7378		BSN SPORTS LLC	Yes	No	No	USD	10/11/2024	211.67
			105094	25068	Check	1	08337		CARLTON COUNTY HUMAN SERVICE	Yes	No	No	USD	10/11/2024	190.00
			105162	25069	Check	1	9301		CARMENS RESTAURANT	Yes	No	No	USD	10/11/2024	440.00
			105098	25070	Check	1	10401		CITY OF CLOQUET	Yes	No	No	USD	10/11/2024	8,938.07
			105112	25071	Check	1	11006		CLOQUET SANITARY	Yes	No	No	USD	10/11/2024	7,467.38
			105114	25072	Check	1	11051		CLOQUET TRANSIT CO	Yes	No	No	USD	10/11/2024	97,810.13
			105109	25073	Check	1	10840		CLOQUET YOUTH BASKETBALL ASS	Yes	No	No	USD	10/11/2024	375.00
			105168	25074	Check	1	9800		COCA-COLA BEVERAGES OF DULUT	Yes	No	No	USD	10/11/2024	433.80
			105157	25075	Check	1	8797		COHEN, MICHAEL	Yes	No	No	USD	10/11/2024	405.15
			105123	25076	Check	1	11550		COMMUNITY PRINTING	Yes	No	No	USD	10/11/2024	1,860.60
			105133	25077	Check	1	4073		CONSOLIDATED COMMUNICATIONS	Yes	No	No	USD	10/11/2024	799.43
			105167	25078	Check	1	9705		CREATIVEDGE DESIGNS, LLC	Yes	No	No	USD	10/11/2024	62.50
			105117	25079	Check	1	11340		ERICKSON BILL	Yes	No	No	USD	10/11/2024	120.00
			105132	25080	Check	1	3900		FRABONIS	Yes	No	No	USD	10/11/2024	662.08
			105158	25081	Check	1	9009		GILBERT, SYDNEY	Yes	No	No	USD	10/11/2024	258.93
			105124	25082	Check	1	12271		GREAT LAKES OFFICE SOLUTIONS	Yes	No	No	USD	10/11/2024	129.90
			105115	25083	Check	1	11072		GUTHRIE THEATER	Yes	No	No	USD	10/11/2024	418.00
			105116	25084	Check	1	11097		HILL ROGER	Yes	No	No	USD	10/11/2024	125.00
			105159	25085	Check	1	9072		INNOVATIVE OFFICE SOLUTIONS LL	Yes	No	No	USD	10/11/2024	402.20
			105120	25086	Check	1	11347		INTERSTATE ALL BATTERY CENTER	Yes	No	No	USD	10/11/2024	599.13
			105118	25087	Check	1	11345		IRON RANGE PIANO	Yes	No	No	USD	10/11/2024	1,360.00
			105163	25088	Check	1	9343		JAGO, DAN	Yes	No	No	USD	10/11/2024	59.88
			105165	25089	Check	1	9492		JOHNSON CONTROLS FIRE PROTEC	Yes	No	No	USD	10/11/2024	2,918.62
			105125	25090	Check	1	2076		KOLODGE, JENNIFER	Yes	No	No	USD	10/11/2024	23.97
			105126	25091	Check	1	29600		L & M SUPPLY	Yes	No	No	USD	10/11/2024	281.72
			105127	25092	Check	1	30365		LCS COACHES INC	Yes	No	No	USD	10/11/2024	7,423.38
			105130	25093	Check	1	3602		LINDE GAS & EQUIPMENT INC	Yes	No	No	USD	10/11/2024	1,251.69
			105108	25094	Check	1	10798		LUMBERJACK DESIGN AND FABRIC	Yes	No	No	USD	10/11/2024	609.50
			105121	25095	Check	1	11348		MARQUARDT AUTUMN	Yes	No	No	USD	10/11/2024	50.00
			105101	25096	Check	1	10466		MBCA CLINIC	Yes	No	No	USD	10/11/2024	260.00
			105156	25097	Check	1	8722		MCDONALD, JAMIE	Yes	No	No	USD	10/11/2024	322.00
			105128	25098	Check	1	34186		MENARDS	Yes	No	No	USD	10/11/2024	300.74

Cloquet Public Schools

Check Register by Bank and Check

Batch	Co	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Currency	Pmt/Void Date	Amount
0094		2	105152	25099	Check	1	8119		METZER, CHRISTINE	Yes	No	No	USD	10/11/2024	59.88
			105106	25100	Check	1	10765		MINERS INCORPORATED	Yes	No	No	USD	10/11/2024	699.05
			105131	25101	Check	1	36651		MINNESOTA POWER	Yes	No	No	USD	10/11/2024	29,650.17
			105104	25102	Check	1	10672		MRI SOFTWARE LLC	Yes	No	No	USD	10/11/2024	26.00
			105144	25103	Check	1	6299		NELSON, BETH	Yes	No	No	USD	10/11/2024	111.20
			105119	25104	Check	1	11346		NEWAGO CAITLIN	Yes	No	No	USD	10/11/2024	1,150.00
			105129	25105	Check	1	3449		NORTHERN DOOR & HARDWARE INC	Yes	No	No	USD	10/11/2024	440.00
			105134	25106	Check	1	41101		NORTHLAND AUTO PARTS	Yes	No	No	USD	10/11/2024	150.65
			105100	25107	Check	1	10456		NOVAK JANICE	Yes	No	No	USD	10/11/2024	40.00
			105151	25108	Check	1	7977		OLIN, COURTNEY	Yes	No	No	USD	10/11/2024	408.81
			105096	25109	Check	1	10093		OLSON KATE	Yes	No	No	USD	10/11/2024	61.64
			105150	25110	Check	1	7771		PAMS LUNCHROOM LLC	Yes	No	No	USD	10/11/2024	115.67
			105103	25111	Check	1	10560		PEDERSON STEPHANIE	Yes	No	No	USD	10/11/2024	344.01
			105107	25112	Check	1	10778		PER MAR SECURITY SERVICES	Yes	No	No	USD	10/11/2024	300.00
			105153	25113	Check	1	8484		PERRY, DAVID	Yes	No	No	USD	10/11/2024	95.40
			105140	25114	Check	1	5286		PITNEY BOWES PURCHASE POWER	Yes	No	No	USD	10/11/2024	2,000.00
			105113	25115	Check	1	11042		PLAY IT AGAIN SPORTS	Yes	No	No	USD	10/11/2024	1,260.00
			105161	25116	Check	1	9288		RASMUSSEN, BRENDA	Yes	No	No	USD	10/11/2024	67.67
			105146	25117	Check	1	6703		RAYMOND GEDDES CO INC	Yes	No	No	USD	10/11/2024	119.61
			105102	25118	Check	1	10474		RU RIDGE CORN MAZE	Yes	No	No	USD	10/11/2024	730.00
			105148	25119	Check	1	7075		SCHOOL HEALTH CORPORATION	Yes	No	No	USD	10/11/2024	321.89
			105137	25120	Check	1	48980		SCHOOL SPECIALTY LLC	Yes	No	No	USD	10/11/2024	634.14
			105138	25121	Check	1	50250		SKUTEVIKS FLORISTS	Yes	No	No	USD	10/11/2024	25.00
			105154	25122	Check	1	8631		SQUIRES, WALDSPURGER & MACE I	Yes	No	No	USD	10/11/2024	932.82
			105139	25123	Check	1	52404		STATE INDUSTRIAL PRODUCTS	Yes	No	No	USD	10/11/2024	2,894.88
			105135	25124	Check	1	4553		STEWARTS BIKES & SPORTS	Yes	No	No	USD	10/11/2024	1,572.00
			105141	25125	Check	1	53660		SUPREME SCHOOL SUPPLY	Yes	No	No	USD	10/11/2024	25.93
			105105	25126	Check	1	10746		THE SMITH COMPANY	Yes	No	No	USD	10/11/2024	2,475.00
			105136	25127	Check	1	4751		TKE ELEVATOR CORPORATION	Yes	No	No	USD	10/11/2024	1,862.00
			105160	25128	Check	1	9268		UHL COMPANY INC	Yes	No	No	USD	10/11/2024	2,038.64
			105142	25129	Check	1	56350		UPPER LAKES FOODS	Yes	No	No	USD	10/11/2024	140.41
			105147	25130	Check	1	7042		WATSON COMPANY	Yes	No	No	USD	10/11/2024	502.88
			105122	25131	Check	1	11349		WHITE BEAR LAKE AREA HIGH SCH	Yes	No	No	USD	10/11/2024	250.00
			105164	25132	Check	1	9440		WICK, MICHELLE	Yes	No	No	USD	10/11/2024	24.99
			105155	25133	Check	1	8634		WKLK WMOZ	Yes	No	No	USD	10/11/2024	150.00

Bank Total: 2

\$194,291.16

Report Total:

\$194,291.16

Cloquet Public Schools
Detail Payment Register By Check
Fund Summary

Fund	Description	Total
01	General	\$71,947.94
02	Food Services	\$78.28
03	Transportation	\$74.37
04	Community Services	\$1,176.60
05	Capital Expenditure	\$20,287.54
12	Activities	\$4,897.84
45	OPEB Irrevocable Trust	\$1,061.33
Report Total		\$99,523.90

Cloquet Public Schools

Check Register by Bank and Check

Batch	Co	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Currency	Pmt/Void Date	Amount
0094		2	105197	25134	Check	1	6516		ANDERSON, HEIDI	Yes	No	No	USD	10/16/2024	179.80
			105169	25135	Check	1	05105		BERNICKS VENDING	Yes	No	No	USD	10/16/2024	959.20
			105170	25136	Check	1	05200		BEST SERVICE	Yes	No	No	USD	10/16/2024	45.00
			105174	25137	Check	1	10877		BILDEN JOLI	Yes	No	No	USD	10/16/2024	25.86
			105192	25138	Check	1	54606		BLUUM OF MINNESOTA LLC	Yes	No	No	USD	10/16/2024	2,812.50
			105177	25139	Check	1	11231		BP BUILDERS	Yes	No	No	USD	10/16/2024	8,500.00
			105198	25140	Check	1	7378		BSN SPORTS LLC	Yes	No	No	USD	10/16/2024	3,039.00
			105176	25141	Check	1	11006		CLOQUET SANITARY	Yes	No	No	USD	10/16/2024	1,059.43
			105204	25142	Check	1	9490		CONSERV FLAG CO	Yes	No	No	USD	10/16/2024	111.95
			105199	25143	Check	1	8229		ESSE, DAVID	Yes	No	No	USD	10/16/2024	737.00
			105179	25144	Check	1	11341		GORDY'S WARMING HOUSE	Yes	No	No	USD	10/16/2024	83.38
			105194	25145	Check	1	5684		HILLYARD INC MINNEAPOLIS	Yes	No	No	USD	10/16/2024	34.66
			105201	25146	Check	1	9366		HOLTE-CHRISTENSON, RACHEL	Yes	No	No	USD	10/16/2024	49.85
			105175	25147	Check	1	1093		ISD #0094 FOOD SERVICE	Yes	No	No	USD	10/16/2024	150.00
			105190	25148	Check	1	4572		JLX FILTERS	Yes	No	No	USD	10/16/2024	6,790.18
			105203	25149	Check	1	9465		JOHNSON FITNESS & WELLNESS	Yes	No	No	USD	10/16/2024	214.00
			105189	25150	Check	1	43503		JW PEPPER & SON INC	Yes	No	No	USD	10/16/2024	58.00
			105183	25151	Check	1	1729		KAHLSTORF, SHEILA	Yes	No	No	USD	10/16/2024	421.47
			105182	25152	Check	1	11353		KELLER TAMERA	Yes	No	No	USD	10/16/2024	41.00
			105186	25153	Check	1	29600		L & M SUPPLY	Yes	No	No	USD	10/16/2024	70.93
			105206	25154	Check	1	9792		LEAF	Yes	No	No	USD	10/16/2024	2,730.59
			105188	25155	Check	1	38650		MADISON NATIONAL LIFE INSURANC	Yes	No	No	USD	10/16/2024	7,856.47
			105193	25156	Check	1	5675		MINNESOTA ENERGY RESOURCES	Yes	No	No	USD	10/16/2024	219.84
			105205	25157	Check	1	9628		MINNESOTA LIFE INSURANCE COMF	Yes	No	No	USD	10/16/2024	10,049.12
			105187	25158	Check	1	36651		MINNESOTA POWER	Yes	No	No	USD	10/16/2024	28,342.10
			105178	25159	Check	1	11267		PETERSON LAWN CARE COMPANY	Yes	No	No	USD	10/16/2024	1,720.00
			105171	25160	Check	1	10302		PETTY CASH ATTN: CANDACE NELIS	Yes	No	No	USD	10/16/2024	1,674.00
			105208	25161	Check	1	9882		PMA ASSET MGMT	Yes	No	No	USD	10/16/2024	1,061.33
			105207	25162	Check	1	9860		RIVERSIDE INSIGHTS	Yes	No	No	USD	10/16/2024	435.15
			105180	25163	Check	1	11351		ROSSETTI KATHERINE	Yes	No	No	USD	10/16/2024	129.50
			105191	25164	Check	1	48700		SCHMITT MUSIC COMPANY	Yes	No	No	USD	10/16/2024	9.59
			105172	25165	Check	1	10540		SNYDER NANNETTE	Yes	No	No	USD	10/16/2024	74.37
			105173	25166	Check	1	10817		TARALSETH KEVIN	Yes	No	No	USD	10/16/2024	292.82
			105185	25167	Check	1	27353		THE JAMAR COMPANY	Yes	No	No	USD	10/16/2024	612.50
			105181	25168	Check	1	11352		THE SOUTH ST. PAUL OPEN FOUND,	Yes	No	No	USD	10/16/2024	300.00
			105200	25169	Check	1	9268		UHL COMPANY INC	Yes	No	No	USD	10/16/2024	17,718.45
			105195	25170	Check	1	57280		WANGEN, DAVID	Yes	No	No	USD	10/16/2024	294.80
			105196	25171	Check	1	58008		WEST MUSIC	Yes	No	No	USD	10/16/2024	141.00
			105209	25172	Check	1	9884		WHITE CHRIS	Yes	No	No	USD	10/16/2024	155.42
			105202	25173	Check	1	9440		WICK, MICHELLE	Yes	No	No	USD	10/16/2024	38.72
			105184	25174	Check	1	2731		YOUNG, HEATHER	Yes	No	No	USD	10/16/2024	129.50

Cloquet Public Schools

Check Register by Bank and Check

Batch	Co	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Currency	Pmt/Void Date	Amount
0094		2	105210	25175	Check	1	9904		ZIMNY RYAN	Yes	No	No	USD	10/16/2024	155.42
Bank Total: 2															\$99,523.90
Report Total:															\$99,523.90

Cloquet Public Schools
Detail Payment Register By Check
Fund Summary

Fund	Description	Total
01	General	\$89,990.37
02	Food Services	\$4,740.12
03	Transportation	\$11,305.84
04	Community Services	\$9,689.97
05	Capital Expenditure	\$36,079.60
06	Building Construction	\$41,340.00
07	Debt Redemption #94	\$3,700.00
12	Activities	\$15,729.65
Report Total		\$212,575.55

Cloquet Public Schools

Check Register by Bank and Check

Batch	Co	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Currency	Pmt/Void Date	Amount
0094		2	105292	25176	Check	1	6390		ACHESON, JANE	Yes	No	No	USD	10/24/2024	140.44
			105314	25177	Check	1	9300		ALLEN, CHANDRA	Yes	No	No	USD	10/24/2024	160.98
			105280	25178	Check	1	4680		ANDREN PAINT COMPANY	Yes	No	No	USD	10/24/2024	710.77
			105256	25179	Check	1	11364		BEDNAREK TANYA	Yes	No	No	USD	10/24/2024	38.00
			105308	25180	Check	1	8867		BELPEDIO, NICOLE	Yes	No	No	USD	10/24/2024	101.88
			105310	25181	Check	1	9022		BERGQUIST, PATRICK PAUL	Yes	No	No	USD	10/24/2024	125.00
			105258	25182	Check	1	11366		BOYAT CRYSTAL	Yes	No	No	USD	10/24/2024	25.00
			105298	25183	Check	1	7378		BSN SPORTS LLC	Yes	No	No	USD	10/24/2024	3,273.71
			105229	25184	Check	1	10432		CASSERBERG ELISABET	Yes	No	No	USD	10/24/2024	111.00
			105255	25185	Check	1	11363		CHELSETH GRETCHEN	Yes	No	No	USD	10/24/2024	50.00
			105228	25186	Check	1	10401		CITY OF CLOQUET	Yes	No	No	USD	10/24/2024	8,444.23
			105254	25187	Check	1	11362		CLAY CORY	Yes	No	No	USD	10/24/2024	100.00
			105230	25188	Check	1	10470		CLOQUET COMMUNITY EDUCATION	Yes	No	No	USD	10/24/2024	162.50
			105240	25189	Check	1	11051		CLOQUET TRANSIT CO	Yes	No	No	USD	10/24/2024	11,739.38
			105238	25190	Check	1	10840		CLOQUET YOUTH BASKETBALL ASS	Yes	No	No	USD	10/24/2024	520.00
			105259	25191	Check	1	11550		COMMUNITY PRINTING	Yes	No	No	USD	10/24/2024	3,628.00
			105269	25192	Check	1	3116		CONTINENTAL CLAY CO	Yes	No	No	USD	10/24/2024	1,891.98
			105311	25193	Check	1	9125		EHLERS INVESTMENTS PARTNERS I	Yes	No	No	USD	10/24/2024	3,700.00
			105239	25194	Check	1	10860		FUNDRAISE WITH TEA	Yes	No	No	USD	10/24/2024	1,249.20
			105273	25195	Check	1	3537		GAGNE, JESSICA	Yes	No	No	USD	10/24/2024	147.58
			105237	25196	Check	1	10824		GATES WILLIAM	Yes	No	No	USD	10/24/2024	304.00
			105234	25197	Check	1	10611		GRAND RAPIDS	Yes	No	No	USD	10/24/2024	150.00
			105260	25198	Check	1	12271		GREAT LAKES OFFICE SOLUTIONS	Yes	No	No	USD	10/24/2024	69.99
			105250	25199	Check	1	11355		HAFDAHL JAMES	Yes	No	No	USD	10/24/2024	111.00
			105247	25200	Check	1	11224		HEMSWORTH SANDY	Yes	No	No	USD	10/24/2024	15.00
			105303	25201	Check	1	8483		HIGHLAND VALLEY FARM	Yes	No	No	USD	10/24/2024	1,920.00
			105291	25202	Check	1	6140		HILL RACHEL	Yes	No	No	USD	10/24/2024	185.28
			105288	25203	Check	1	5684		HILLYARD INC MINNEAPOLIS	Yes	No	No	USD	10/24/2024	1,461.26
			105300	25204	Check	1	8016		HOENE, WILLIAM H	Yes	No	No	USD	10/24/2024	90.00
			105289	25205	Check	1	5992		HORIZON COMMERICAL POOL SUPP	Yes	No	No	USD	10/24/2024	534.50
			105248	25206	Check	1	11338		HORVAT CARTER	Yes	No	No	USD	10/24/2024	100.00
			105252	25207	Check	1	11360		IKONICS CORPORATION	Yes	No	No	USD	10/24/2024	3,985.00
			105320	25208	Check	1	9712		IN STICHES EMBROIDERY CO	Yes	No	No	USD	10/24/2024	156.00
			105262	25209	Check	1	2526		ISD #0094 - VAN	Yes	No	No	USD	10/24/2024	349.74
			105263	25210	Check	1	25840		ISD #0704 PROCTOR PUBLIC SCHOC	Yes	No	No	USD	10/24/2024	280.66
			105295	25211	Check	1	6912		IXL MEMBERSHIP SERVICES	Yes	No	No	USD	10/24/2024	5,086.00
			105236	25212	Check	1	10786		JOHNSON ADAM	Yes	No	No	USD	10/24/2024	125.00
			105316	25213	Check	1	9492		JOHNSON 201 CONTROLS FIRE PROTEC	Yes	No	No	USD	10/24/2024	2,417.63
			105226	25214	Check	1	10308		JUNCTION TIRE	Yes	No	No	USD	10/24/2024	1,684.95
			105265	25215	Check	1	28575		K - 1 SPORTS	Yes	No	No	USD	10/24/2024	8,570.00
			105266	25216	Check	1	28920		KENDAHL AMUSEMENT	Yes	No	No	USD	10/24/2024	189.00

Cloquet Public Schools

Check Register by Bank and Check

Batch	Co	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Currency	Pmt/Void Date	Amount
0094	2		105233	25217	Check	1	10520		KIMINSKI PAVING	Yes	No	No	USD	10/24/2024	41,340.00
			105301	25218	Check	1	8234		KNUTSEN, STEVEN J	Yes	No	No	USD	10/24/2024	85.00
			105317	25219	Check	1	9563		KOLANCZYK RICHARD	Yes	No	No	USD	10/24/2024	107.00
			105261	25220	Check	1	2076		KOLODGE, JENNIFER	Yes	No	No	USD	10/24/2024	307.62
			105304	25221	Check	1	8513		KOSEY, RAY	Yes	No	No	USD	10/24/2024	147.00
			105302	25222	Check	1	8324		KUBIS, BRENT	Yes	No	No	USD	10/24/2024	85.00
			105267	25223	Check	1	29600		L & M SUPPLY	Yes	No	No	USD	10/24/2024	624.13
			105268	25224	Check	1	30365		LCS COACHES INC	Yes	No	No	USD	10/24/2024	10,954.30
			105279	25225	Check	1	4544		LENARZ, COLLETTE	Yes	No	No	USD	10/24/2024	196.83
			105246	25226	Check	1	11203		LENOVO (UNITED STATES) INC	Yes	No	No	USD	10/24/2024	20,716.50
			105318	25227	Check	1	9584		LEW DANE	Yes	No	No	USD	10/24/2024	125.00
			105293	25228	Check	1	6675		MASC	Yes	No	No	USD	10/24/2024	1,975.00
			105271	25229	Check	1	33755		MATHCOUNTS FOUNDATION	Yes	No	No	USD	10/24/2024	160.00
			105231	25230	Check	1	10492		MATHY CONSTRUCTION COMPANY	Yes	No	No	USD	10/24/2024	5,650.00
			105270	25231	Check	1	32051		MCGRAW HILL SCHOOL EDUCATION	Yes	No	No	USD	10/24/2024	1,102.29
			105241	25232	Check	1	11059		MCNEAL GILLIAN	Yes	No	No	USD	10/24/2024	181.00
			105272	25233	Check	1	34186		MENARDS	Yes	No	No	USD	10/24/2024	157.83
			105245	25234	Check	1	11115		MINNESOTA COMMUNICATIONS INC	Yes	No	No	USD	10/24/2024	212.50
			105299	25235	Check	1	7661		MNDRIVERSMANUALS.COM	Yes	No	No	USD	10/24/2024	698.94
			105290	25236	Check	1	5995		NASN	Yes	No	No	USD	10/24/2024	150.00
			105242	25237	Check	1	11068		NELSON AIDEN	Yes	No	No	USD	10/24/2024	150.00
			105257	25238	Check	1	11365		NELSON MARCIA	Yes	No	No	USD	10/24/2024	84.89
			105312	25239	Check	1	9158		NEW DOMINION SCHOOL	Yes	No	No	USD	10/24/2024	6,545.69
			105309	25240	Check	1	8972		NIESEN, PAMELA	Yes	No	No	USD	10/24/2024	130.00
			105274	25241	Check	1	40801		NORTHEAST SERVICE COOP	Yes	No	No	USD	10/24/2024	275.00
			105275	25242	Check	1	41101		NORTHLAND AUTO PARTS	Yes	No	No	USD	10/24/2024	101.50
			105319	25243	Check	1	9664		ORIENTAL TRADING COMPANY	Yes	No	No	USD	10/24/2024	70.73
			105277	25244	Check	1	43130		PEDDLE, KIM	Yes	No	No	USD	10/24/2024	62.31
			105225	25245	Check	1	10302		PETTY CASH ATTN: CANDACE NELIS	Yes	No	No	USD	10/24/2024	468.00
			105227	25246	Check	1	10348		POLAR	Yes	No	No	USD	10/24/2024	350.00
			105278	25247	Check	1	44930		PREMIERE THEATRES	Yes	No	No	USD	10/24/2024	1,655.00
			105281	25248	Check	1	4822		PROSEN, TIM	Yes	No	No	USD	10/24/2024	207.71
			105276	25249	Check	1	4126		PUBLIC EMPLOYEE RETIREMENT	Yes	No	No	USD	10/24/2024	527.16
			105249	25250	Check	1	11354		PUNYKO SELIGA JUDY	Yes	No	No	USD	10/24/2024	181.00
			105294	25251	Check	1	6703		RAYMOND GEDDES CO INC	Yes	No	No	USD	10/24/2024	139.69
			105251	25252	Check	1	11356		RUKAVINA SHEILA	Yes	No	No	USD	10/24/2024	152.00
			105282	25253	Check	1	48700		SCHMITT MUSIC COMPANY	Yes	No	No	USD	10/24/2024	20.68
			105283	25254	Check	1	48761		SCHOLASTIC BOOK FAIRS	Yes	No	No	USD	10/24/2024	958.32
			105296	25255	Check	1	7075		SCHOOL HEALTH CORPORATION	Yes	No	No	USD	10/24/2024	10.89
			105297	25256	Check	1	7086		SCRIPPS NATIONAL SPELLING BEE	Yes	No	No	USD	10/24/2024	192.50
			105235	25257	Check	1	10714		SECTION 7AA	Yes	No	No	USD	10/24/2024	10,165.00

Cloquet Public Schools

Check Register by Bank and Check

Batch	Co	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Currency	Pmt/Void Date	Amount
0094		2	105307	25258	Check	1	8745		SHELDON, DARREN	Yes	No	No	USD	10/24/2024	255.00
			105243	25259	Check	1	11079		SIGFRIDS DAVID	Yes	No	No	USD	10/24/2024	85.00
			105284	25260	Check	1	50250		SKUTEVIKS FLORISTS	Yes	No	No	USD	10/24/2024	43.55
			105244	25261	Check	1	11098		SOUTHWEST WEST CENTRAL SERV	Yes	No	No	USD	10/24/2024	3,566.65
			105313	25262	Check	1	9241		SUNDQUIST, TREVOR	Yes	No	No	USD	10/24/2024	130.00
			105286	25263	Check	1	53530		SUPER DUPER INC	Yes	No	No	USD	10/24/2024	160.73
			105285	25264	Check	1	5091		SVL SERVICE CORPORATION	Yes	No	No	USD	10/24/2024	13,759.84
			105264	25265	Check	1	27353		THE JAMAR COMPANY	Yes	No	No	USD	10/24/2024	16,844.72
			105306	25266	Check	1	8698		TVERBERG, GARY	Yes	No	No	USD	10/24/2024	150.00
			105321	25267	Check	1	9791		TYSON FOODS INC	Yes	No	No	USD	10/24/2024	1,350.70
			105287	25268	Check	1	56350		UPPER LAKES FOODS	Yes	No	No	USD	10/24/2024	184.47
			105253	25269	Check	1	11361		VESTIS	Yes	No	No	USD	10/24/2024	306.48
			105305	25270	Check	1	8605		VOYAGER SOPRIS LEARNING	Yes	No	No	USD	10/24/2024	4,073.00
			105232	25271	Check	1	10519		WICHER JESSE	Yes	No	No	USD	10/24/2024	64.74
			105315	25272	Check	1	9440		WICK, MICHELLE	Yes	No	No	USD	10/24/2024	72.00

Bank Total: 2

\$212,575.55

Report Total:

\$212,575.55

[Accounts Dashboard](#)[Activity History](#)[Statements & Documents](#)[Organizational Settings](#)[CONTACT US](#)[Secure Contact](#)[FAQ](#)

Transfer Submitted

Transfer Amount

[Print Confirmation](#)

\$1,200,000.00

Confirmation #

4045225

Transaction Type

Transfer Between Products

Transfer From

600041 - General Fund
MSDLAF+ MAX Class

Transfer To

MSDLAF+ Liquid Class

Date Scheduled

Sep 30, 2024

[Make Another Transaction](#)[Done](#)

-  Accounts Dashboard
-  Activity History
-  Statements & Documents
-  Organizational Settings

- CONTACT US
-  Secure Contact
 -  FAQ



Transfer Submitted

CLOQUET PUBLIC SCHOOLS, ISD# 94

CN

Confirmation #	4046922
Transaction Type	Transfer Between Products
Transfer From	600041 - General Fund MSDLAF+ MAX Class
Transfer To	MSDLAF+ Liquid Class
Date Scheduled	Oct 02, 2024
	\$1,200,000.00

Make Another Transaction

Done



- Accounts Dashboard
- Activity History
- Statements & Documents
- Organizational Settings
- CONTACT US
 - Secure Contact
 - FAQ

CLOQUET PUBLIC SCHOOLS,

CN

ISD# 94

Transfer Amount

Print Confirmation

\$1,200,000.00

Confirmation #	4055231
Transaction Type	Transfer Between Products
Transfer From	600041 - General Fund MSDLAF+ MAX Class
Transfer To	MSDLAF+ Liquid Class
Date Scheduled	Oct 16, 2024

Make Another Transaction

Done



 Accounts Dashboard

 Activity History

 Statements & Documents

 Organizational Settings

CONTACT US

 Secure Contact

 FAQ

FOOD SERVICE REPORT

MONTH	September	2024		
TOTAL INCOME		\$186,781.14		
TOTAL COSTS		\$172,858.61		
NET		\$13,922.53		
TOTAL INCOME PER MEAL		\$4.03		
TOATL COST PER MEAL		\$3.95		
NET		\$0.08		
MEALS		43,859 YTD - 43,859		
AVERAGE DAILY PARTICIPATION (ADP)				
	ADP ADULTS	ADP STUDENTS	PERCENTAGE ADP STUDENTS	
SENIOR HIGH	3.9	381.37	53%	
MIDDLE SCHOOL	3.74	511.16	72%	
WASHINGTON	0.74	361.64	77%	
CHRUCHILL	4.95	233	72%	
QUEEN OF PEACE	0	86.69	89%	
CAAEP	0.69	26.43	41%	
NLA	0.37	12.16	89%	
Totals	14.39	1612.45	67%	96% Total program
enrollment			2598	
attendance			2419	

FOOD SERVICE REPORT

MONTH	September	2023		
TOTAL INCOME		\$169,682.34		
TOTAL COSTS		\$179,041.96		
NET		<\$9,359.62>		
TOTAL INCOME PER MEAL		\$4.26		
TOTAL COST PER MEAL		\$4.50		
NET		<\$0.24>		
MEALS		39,835 YTD - 39,835		
AVERAGE DAILY PARTICIPATION (ADP)				
	ADP ADULTS	ADP STUDENTS	PERCENTAGE ADP STUDENTS	
SENIOR HIGH	3.56	344.39	46%	
MIDDLE SCHOOL	3.45	526	72%	
WASHINGTON	0.45	363	77%	
CHURCHILL	2.45	233.78	70%	
QUEEN OF PEACE	0	88.89	91%	
CAAEP	2.17	29.45	40%	
NLA	0.45	10.17	88%	
TOTALS	12.53	1595.68	65%	90% Total Program
enrollment			2691	
attendance			2467	

FOOD SERVICE REPORT

MONTH September 2024 **MONTH TO DATE** 1

TOTAL INCOME \$186,781.14

TOTAL COSTS \$172,858.61

NET \$13,922.53

TOTAL INCOME PER MEAL \$4.03

TOTAL COST PER MEAL \$3.95

NET \$0.08

MEALS 43,859 YTD = 43,859

AVERAGE DAILY PARTICIPATION (ADP)

	ADP ADULTS	ADP STUDENTS	PERCENTAGE ADP STUDENTS	
SENIOR HIGH	3.9	381.37	53%	
MIDDLE SCHOOL	3.74	511.16	72%	
WASHINGTON	0.74	361.64	77%	
CHURCHILL	4.95	233	72%	
QUEEN OF PEACE	0	86.69	89%	
CAAEP	0.69	26.43	41%	
NLA	0.37	12.16	89%	
TOTALS	14.39	1612.45	67%	96% Total program
	enrollment		2598	
	attendance		2419	

FOOD SERVICE ALLOCATION						CLOQUET SCHOOL DISTRICT						
Year 2024-2025												
MONTH	INCOME					COSTS						TOTAL
	705-601 STUDENT BKST	701-606 ADULT FULL LUNCH	707-601 STUDENT ALA CARTE	707-606 ADULT ALA CARTE	701-601 TOTAL	707-170 SALARIES ALA CARTE	707-490 FOOD JUICE SNACKS	707-495 MILK EXTRA	705-490 FOOD BKST	705-495 MILK BKST	705-170 SALARIES BKST	
SEPT	\$0.00	\$1,365.00	\$2,228.05	\$42.75	\$3,635.80	\$1,960.21	\$1,296.10	\$121.50	\$16,281.20	\$3,131.00	\$3,083.04	\$25,783.05
OCT	\$0.00											
NOV	\$0.00											
DEC	\$0.00											
JAN	\$0.00											
FEB	\$0.00											
MAR	\$0.00											
APR	\$0.00											
May-June	\$0.00											
TOTAL	\$0.00	\$1,365.00	\$2,228.05	\$42.75	\$3,635.80	\$1,960.21	\$1,296.10	\$121.50	\$16,281.20	\$3,131.00	\$3,083.04	\$25,783.05



Independent School District No. 94
Cloquet, Minnesota 55720

Central Administration
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Cloquet Senior High School
1000 18th Street • 218-879-3393 • FAX-879-6494
Cloquet Middle School
2001 Washington Avenue • 218-879-3328 • FAX-879-4175
Churchill Elementary School
515 Granite Street • 218-879-3308 • FAX-879-7034
Washington Elementary School
801 12th Street • 218-879-3369 • FAX-879-3360
Community Education
2001 Washington Avenue • 218-879-1261 • FAX-878-3013
Cloquet Area Alternative Education Programs
302 14th Street • 218-879-0115 • FAX-879-6941
<http://www.isd94.org>

MEMORANDUM

TO: Dr. Michael Cary, Superintendent

FROM: David Wangen, Churchill Elementary Principal

DATE: October 21, 2024

RE: Recommendation for Employment

I am recommending the employment of Samantha Rugar as the 1.0 FTE Long Term Substitute Teacher for Special Education. The position will start on January 6, 2025. The teacher will be paid at the daily substitute rate for the first thirty (30) days. After working 30 days in the same position for the same teacher, the teacher will start being paid the contracted rate.

RATE OF PAY:	First 30 days at daily substitute rate From 31 st day on – BA – Step 2
HOURS TO BE WORKED:	8 hours/day (Monday – Friday)
START DATE:	January 6, 2025 – April 17, 2025
LENGTH OF CONTRACT:	Approximately 14 weeks
BUDGETED CURRENT YEAR:	Yes
POSTED:	Posted internally and externally
RATIONALE FOR HIRE:	To fill the Special Education Teacher’s position during her required student teaching experience
STAR CODE:	199803

(Employment is contingent upon Cloquet School Board approval.)

DW:mb



ISD 94 • Cloquet, MN 55720 • www.isd94.org

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Cloquet Area Alternative Education	302 14th St	218.879.0115
Community Education	2001 Washington Ave	218.879.1261

MEMORANDUM

TO: Dr. Michael Cary, Superintendent

FROM: Steve Battaglia, Principal Cloquet High School

DATE: October 16, 2024

RE: **RECOMMENDATION FOR EMPLOYMENT**

I am recommending the employment of Sharon Morris as a 6.5 hours/day Consistent Support Paraprofessional at the Cloquet High School for the 2024-2025 school year.

RATE OF PAY: Step 1

TOTAL COST: Per Contract

HOURS TO BE WORKED: 6.5 hours/day (Monday – Friday)

STARTING DATE: October 29, 2024

LENGTH OF CONTRACT: 2024-2025 School year

POSTED: Yes

REASON FOR HIRE: Vacancy

RATIONALE FOR HIRE: To help the CHS principals maintain an environment that is conducive to maximizing learning and student achievement

(Employment is contingent upon Cloquet School Board approval)

Linking school and community to provide life-long learning and success for all.



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<http://www.isd94.org>

MEMORANDUM

TO: Dr. Michael Cary, Superintendent

FROM: David Wangen, Churchill Elementary Principal

DATE: October 24, 2024

RE: Recommendation for Employment

I am recommending the employment of Nicole Milewski as a Family Literacy Coordinator for the Churchill and Washington Elementary events in the 2024-2025 school year.

RATE OF PAY:	\$ 1000.00 Stipend
HOURS TO BE WORKED:	Ongoing
START DATE:	November 2024
LENGTH OF CONTRACT:	Ongoing
BUDGETED CURRENT YEAR:	Yes
POSTED:	Posted, internally
RATIONALE FOR HIRE:	Coordinate Family Literacy Events

(Employment is contingent upon Cloquet School Board approval.)

DW:mb

From the Desk of:

**Paul Riess
Activities Director
Cloquet Senior High School
1000 18th Street
Cloquet, MN 55720
Phone: 218-879-3393
Fax: 218-879-6494**

To: Mary Marciniak, Superintendent Cary, School Board
From: Paul Riess- Activities Director
Re: Middle School Boys Basketball Coach

Please approve the individual listed below for our open middle school boys basketball coach position

Scott Strukel- \$2971 from 11/11/24- 2/6/25

If anyone has any questions regarding this recommendation, please feel free to call me.

PR

2024-2025 Student Enrollment Report

5/31/2024	Dates	9/6	9/18	10/9	10/23															
	CHURCHILL																			
10	Early Five/Dev Kindergarten	18	19	19	19															
75	Kindergarten - All Day	60	61	61	62															
69	First Grade	69	68	67	67															
73	Second Grade	69	68	68	68															
46	Third Grade	80	81	79	79															
81	Fourth Grade	56	56	56	56															
354	TOTAL CHURCHILL	352	353	350	351	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	WASHINGTON																			
93	Kindergarten - All Day	98	96	97	96															
112	First Grade	102	100	102	102															
110	Second Grade	109	108	108	108															
88	Third Grade	107	106	106	106															
105	Fourth Grade	85	84	84	84															
508	TOTAL WASHINGTON	501	494	497	496	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
862	TOTAL ELEMENTARY	853	847	847	847	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Open Enrollment-Elementary																			
	MIDDLE SCHOOL																			
183	Fifth Grade	190	190	187	190															
183	Sixth Grade	185	185	184	186															
199	Seventh Grade	185	185	184	184															
194	Eighth Grade	198	196	198	197															
759	TOTAL MIDDLE SCHOOL	758	756	753	757	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Open Enrollment-CMS																			
	HIGH SCHOOL																			
213	Ninth Grade	195	197	193	194															
184	Tenth Grade	212	209	206	205															
183	Eleventh Grade	181	181	183	182															
178	Twelfth Grade	184	185	186	185															
758	TOTAL HIGH SCHOOL	772	772	768	766	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Open Enrollment-CHS																			
2379	TOTAL HK-12	2383	2375	2368	2370	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL OPEN ENROLLMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	CAAEP- FULL-TIME																			
82	High School (grades 9-12)	80	82	77	77															
8	Junior High (grades 6-8)	4	4	4	4															
90	TOTAL CAAEP-Full-Time	84	86	81	81	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	** CAAEP - PART-TIME																			
	EDHS																			
	Extended Programming																			
	Targeted Services																			
2469	GRAND TOTAL	2467	2461	2449	2451	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

*12th grade reflects their last day of school

** NOT included in totals.



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<http://www.isd94.org>

MEMORANDUM

TO: Dr. Michael Cary, Superintendent

FROM: Tom Brenner, Middle School Principal

DATE: October 28, 2024

RE: Permission for Washington, D.C. School Trip

I am requesting permission for a World Classrooms Washington, D.C. school trip for CMS 6th & 7th grade students on July 23 -July 26, 2026. Please see the attached information booklet for full trip details. On page 3, you will see the cost and most other items listed out. This will be the second trip taken with CMS students, as they previously went on 2024.

TB:KP

Linking school and community to provide life-long learning and success for all.



CLOQUET JR/SR HIGH SCHOOL

Washington, D.C. Summer Program 38

WE EXIST TO SERVE YOU.

October 22, 2024
Cloquet Jr/Sr High School
2001 Washington Avenue
Cloquet, MN 55720

Cloquet Jr/Sr High Board Members,

I'd like to take this opportunity to say thank you. We are thrilled to have the opportunity to work alongside you and offer an experience that will change students' lives!

Safety is our top priority from the moment we pick you up through your entire journey with us. We want to assure you that your school's endorsement of a World Classrooms tour does not in any way place the school, its personnel, and/or the school district under any liability for the safety of the tour's participants.

Again, if you have any questions, please don't hesitate to contact me personally at 507-828-9835. Thank you again for entrusting us. We are honored to serve you. Let's get started!

Respectfully,

A handwritten signature in black ink that reads "Brett Newton". The script is fluid and cursive, with the first letters of "Brett" and "Newton" being capitalized and prominent.

Brett Newton
President
World Classrooms
14 South Main Street, Suite 200
Aberdeen, SD 57401

WASHINGTON, D.C. SCHOOL TRIP

PROGRAM DETAILS:

Trip Location: Washington, D.C. | July 23-26, 2026

Grades Invited: 6th-7th grade

Invite Handout (*Pending*): Monday, November 11th

Online Parent Meeting (*Pending*): Wednesday, November 20th | 7:30 PM

\$500 Early Bird Scholarship per traveler

Early Bird Student Trip Price: **\$137 /mo.** for 19 months (\$2598)

Early Bird Adult Trip Price: **\$164 /mo.** for 19 months (\$3098)

Sponsored School Representative (for each 15 paying travelers)

WHAT'S INCLUDED:

- » 100 Day Money Back Guarantee
- » 24/7 VIP Tour Directors
- » All transportation (air & coach)
- » Amazing premium hotels
- » Night security at hotel
- » All meals (B, L, D)
- » All Admission fees & gratuities
- » Fundraising support
- » Medical, health, & dental coverage
- » Optional TripCare+ Coverage

1. PRE-TRIP SERVICES

You will have a personal Travel Ambassador to guide you through the process and cover all trip details. We will provide custom materials and video. Our team will virtually host a parent informational meeting to handle 100% of all parent questions. Prior to travel, we'll handle all parent questions, installments, and account details!

2. BEFORE YOU TRAVEL: *All travelers will feel confident before ever hopping on the bus to the airport!*

Pre-Trip Departure Meeting

Closer to departure, we'll do a virtual meeting where a Tour Director will update traveling families on the final trip itinerary and answer any questions!

3. AT THE SCHOOL: *Parking lot to parking lot, we're with you each step of the way!*

Your Tour Directors

Two trained staff members will be with you from the time you arrive at the school for departure until you return back home. They are there to ensure safety and a seamless travel experience...Plus, they rock!

- » Over 100 hours of classroom and on-site training
- » 24/7 support on the ground in D.C.

4. ON TOUR: *Dedicated to ensuring a tour that is exciting, eye-opening, but most importantly, safe.*

Airfare

Round-trip air transportation

Our Team in D.C.

In addition to your Tour Directors, you will also have a licensed Tour Guide with you on tour. They are D.C. experts, and besides having mind-blowing facts, they also have extensive knowledge of the local safety protocols. There will also be WC support staff on the ground in D.C. at all times.

5. OUR D.C. PARTNERS: *Each vendor is vetted by our team and they are the best.*

Premium Hotels

We stay at the best hotels while in D.C., and avoid long daily AM and PM commutes.

Amazing Food

We have timed reservations to ensure the areas are prepared especially for us, plus we have the ability to do picnics and to-go lunches to give us even more flexibility if necessary.

Great Transportation

Each group will have their own clean, private charter buses at all times while in D.C.





MOST POPULAR

LINCOLN MEMORIAL & WASHINGTON MONUMENT



EXPLORE WASHINGTON, D.C. & BEYOND

DAY 1

The countdown is over...Your amazing adventure begins today!

- U.S. Capitol Tour
- Library of Congress
- Supreme Court

- Tidal Basin Walk:
- » MLK
 - » FDR
 - » Thomas Jefferson

Hotel Check-In

Meals: Lunch, Dinner

DAY 2

- Arlington National Cemetery:
- » Changing of the Guard
 - » Tomb of the Unknown Soldier
 - » JFK Eternal Flame
- Marine Corps War Memorial (Iwo Jima)
- Holocaust Memorial Museum

- White House & Lafayette Square
- Memorial Tour:
- » WWII
 - » Korean
 - » Vietnam
 - » Lincoln & Reflecting Pool

Meals: Breakfast, Lunch, Dinner

DAY 3

- Gettysburg National Military Park
- » Cyclorama
 - » Museum and Visitor Center

- Battlefield Tour
- » Civil War Cannon Demonstration
 - » Little Round Top
 - » Longstreet Observation Tower

Old Town Alexandria - Night Out

Meals: Breakfast, Lunch, Dinner

DAY 4

- George Washington's Mount Vernon
- » Mansion Tour
 - » Museum
 - » Tomb
- Smithsonian Museums

Arrive home with memories and experiences to last a lifetime.

*Travel itineraries listed are approximations only and subject to modifications due to individual travel schedules from across the country.

WORLD CLASSROOMS' APPROACH TO SCHOOL LIABILITY

WorldClassrooms understands that sometimes school administrators, boards, or personnel may have questions surrounding off-campus student travel (summer programs). We understand that this is very important and will work alongside you to provide a win-win partnership for years to come.

"We want to assure you that your school's endorsement of a World Classrooms tour does not in any way place the school, its personnel, and/or the school district under any liability for the safety of the tour's participants."

- » All travel takes place outside of school and usually outside of the school year itself.
- » The trip is not a school-sponsored activity.
- » Chaperones (teachers/school staff) and travelers will not be attending as representatives or employees of the school in any way.
- » All travel is contracted and payments are made directly between World Classrooms and parents.
- » When a student is enrolled in a World Classrooms tour, the student's legal guardian signs a binding agreement specifically releasing anyone associated with the school from any and all claims.
- » World Classrooms does carry general liability insurance coverage as well as accident and illness medical coverage for all tour participants.

EXCERPT OF RELEASE AND AGREEMENT SIGNED BY ALL PARTICIPANTS (LEGAL GUARDIAN IF UNDER 18) UPON ENROLLMENT:

3. Without limitation affiliated schools and each of their directors, officers, employees, volunteers, sponsors, independent contractors, agents and authorized representatives are not responsible for any injury, loss, or damage to person or property or for any other cause.

4. I agree to release my school, my school district, my school board, and my Group Leader (the "Released Parties") from, and agree not to sue the Released Parties for any and all claims, of any nature related in any manner to my participation in a WC sponsored tour. I hereby unconditionally and unequivocally waive any and all claims and demands for all damages, losses, costs and expenses of any nature whatsoever (including attorneys' fees) related in any way to my participation in any WC sponsored tour. I understand that the trip is not a school sponsored activity. Chaperones (teachers/school staff) and travelers will not be attending as representatives or employees of the school in any way. I further agree to release the Released Parties from any and all decisions to cancel, modify or delay the tour as a result of unforeseeable events that are beyond the reasonable control of WC or which become necessary or advisable so as to increase the quality of the tour.



SD, ND, MN, WI & NE REFERENCES

SOUTH DAKOTA

Alcester-Hudson Jr. High School
Arlington Jr. High School
Armour Elem./Middle/High School
Avon Jr. High School
Baltic Middle School
Bridgewater-Emery Middle School
Canton Middle School
Castlewood Jr. High School
Centerville Public School
Chamberlain Jr. High School
Colman-Egan Middle School
Corral Drive Elementary School
Dakota Valley Middle School
De Smet Middle School
Dell Rapids Middle School
Deubrook Jr. High School
Deuel Middle/High School
Elkton Jr/Sr High School
Freeman High School
George McGovern Middle School
Georgia Morse Middle School
Groton Area Middle School
Harrisburg South Middle School
Henry Middle/High School
Highmore Jr/Sr High School
Howard Jr/Sr High School
Huron Middle School
Iroquois Middle/High School
Jones County Secondary School
Kimball Secondary School
Lake Preston Middle School
Lead-Deadwood Middle School
Lennox Middle School
Madison Middle School
Marion Middle/High School
McCook Central Middle/High School
Menno Middle/High School
Milbank Middle/High School
Miller Jr/Sr High School
Mitchell Middle School
Mobridge-Pollock High School
Mount Vernon Public School
O’Gorman Jr. High School
Parker Jr. High School
Pinedale Elementary School
Plankinton Jr. High School
Platte-Geddes Jr. High School
Redfield Jr. High School
Roncalli High School
Roosevelt High School
Sanborn Central Middle School
Scotland Middle/High School
Sioux Valley Middle School
Sisseton Middle/High School
Spearfish Middle School
St. Mary’s Catholic School
Sturgis Williams Middle School
Tea Area Middle School
Timber Lake Middle School
Tripp-Delmont High School
Valley View Elementary School
Vermillion Middle School
Viborg-Hurley Middle School
Warner Middle/High School
Waubay Secondary School
Waverly/South Shore Middle School
Webster Middle/High School
Wessington Springs Jr/Sr High School
White Lake Jr/Sr High School
Willow Lake Middle School

Wolsey-Wessington Middle School
Woonsocket Middle School
Yankton Elementary Schools

NORTH DAKOTA

Barnes County North Public School
Berthold Public School
Beulah Middle School
Bottineau Jr. High School
Center-Stanton High School
Central Cass Middle School
Central Valley Secondary School
Dickinson Middle School
Discovery Middle School
Drayton High School
Edgeley Secondary School
Hatton-Eielson Middle School
Hazen Middle School
Hillsboro Secondary School
Jamestown Middle School
Lidgerwood Secondary School
Mandan Middle School
Midway Public School
Milnor Public School
New Town Middle School
North Star Secondary School
Oak Grove Lutheran School
Sargent Central Secondary School
Schroeder Middle School
Scranton Public School
South Middle School
South Prairie Public School
Stanley County Middle/High School
Thompson High School
Trenton Public School
Valley Middle School
Wishek Public School
Wyndmere Secondary School

MINNESOTA

Adrian High School
Aitkin Secondary School
Ashby Public School
Barnesville High School
Battle Lake Public School
Belgrade-Brooten-Elrosa Secondary School
Bertha Hewitt Public School
Blackduck High School
Blooming Prairie High School
BOLD High School
Braham Area High School
Breckenridge Secondary School
Browerville Secondary School
Caledonia Middle School
Canby Middle School
Cass Lake-Bena Middle School
Cedar Mountain High School
Central Middle School
Century Middle School
Clinton-Graceville-Beardsley Secondary School
Cloquet Jr/Sr High School
Cromwell-Wright Secondary School
Crookston Secondary School
Dawson-Boyd Secondary School
Detroit Lakes Middle School
DGF Middle School
Discovery Middle School
East Central Secondary School
Edgerton Jr. High School
Fairmont Jr. High School

Forest Lake Area Middle School
Fosston Secondary School
Franklin Middle School
Greenway Middle School
Heron Lake-Okabena Secondary School
Hibbing High School
Hills-Beaver Creek Secondary School
Hill City School
Isle Secondary School
Kennedy Secondary School
Kimball Secondary School
La Crescent-Hokah Secondary School
Lac Qui Parle Valley Middle School
Lake Crystal Wellcome Memorial Middle School
Lake Park-Audubon High School
Le Sueur-Henderson Middle School
Luverne Middle School
Mahnomon High School
Melrose Area Middle School
Menahga Jr. High School
Mesabi East Secondary School
Minneota High School
Murray County Central Secondary School
Norman County East Secondary School
North Branch Area Middle School
Northome Secondary School
Ortonville Secondary School
Pine River-Backus Secondary School
Pipestone Middle School
Prairie Wind Middle School
Redwood Valley Middle School
ROCORI Schools
RTR Middle School
Sebeka Secondary School
Sibley East-Gaylord Jr. High School
Springfield Middle School
St. Clair Secondary School
St. Mary’s Catholic School
St. Michael Catholic School
TrekNorth Jr. High School
Truman Secondary School
Verndale Secondary School
Wabasso High School
Wadena-Deer Creek Secondary School
Walker Hackensack Akeley Secondary School
West Central Secondary School
Willow River Secondary School
Win-E-Mac Jr/SR High School

WISCONSIN

Albany Middle School
Amherst Middle School
Belleville Seondary School
Black Hawk Middle School
Black River Falls Middle School
Cadott Jr High School
Cochrane-Fountain City Secondary School
Clintonville Middle School
Crivitz Middle School
Cumberland Middle School
Darlington Middle School
Elcho Middle/High School
Ellsworth Middle School
Florence Middle/High School
Highland Community Middle School
Hilbert Middle School
Iowa-Grant Middle School
Ithaca Middle School
Kiel Middle School
Markesan Middle School

Mineral Point Middle School
Necedah Middle School
New Auburn Middle School
Niagara Jr. High School
Oostburg Middle School
Parkside Middle School
Platteville Middle School
Potosi Middle School
Richland Middle School
Riverdale Middle School
Shullsburg Jr. High School
Sparta-Meadowview Middle School
Tigerton Middle School
Valders Middle School
Viking Middle School
Waupaca Middle School
Westby Middle School
Weyauwega Middle School

NEBRASKA

Adams Middle School
Allen Schools
Amherst Public School
Ansley Public School
Battle Creek Middle/High School
Bloomfield Jr/Sr High School
Bruning-Davenport Middle School
Creighton Community Secondary School
Dorchester Jr. High School
Dundy Co. Stratton Secondary School
Elm Creek Public School
Elwood Public School
Gibbon Middle/High School
Giltner Secondary School
Gothenburg Middle School
Grand Island Central Catholic School
Hastings Middle School
Horizon Middle School
Laurel-Concord-Coleridge Middle School
Lexington Middle School
Loomis Secondary School
Loup City Jr. High School
Newman Grove Jr/Sr High School
Norfolk Catholic Jr. High School
North Bend Middle School
North Platte Catholic School
Palmyra Jr/Sr High School
Pawnee City Secondary School
Ponca High School
Randolph Public School
Ravenna High School
Shickley Jr. High School
Southern Valley Jr/Sr High School
Sunrise Middle School
Sutherland Public School
Sutton Jr. High School
Trinity Lutheran School
Verdigre Public School
Westridge Middle School
Wilcox-Hildreth Middle School
Yutan Middle School

**PLUS AN
ADDITIONAL
16 STATES AND
+500 SCHOOLS**



Central Administration
509 Carlton Avenue • 218-879-6721 • FAX-879-6724
Cloquet Senior High School
1000 18th Street • 218-879-3393 • FAX-879-6494
Cloquet Middle School
509 Carlton Avenue • 218-879-3328 • FAX-879-4175
Churchill Elementary School
515 Granite Street • 218-879-3308 • FAX-879-7034
Washington Elementary School
801 12th Street • 218-879-3369 • FAX-879-3360
Community Education
302 14th Street • 218-879-1261 • FAX-879-6941
Cloquet Area Alternative Education Programs
302 14th Street • 218-879-0115 • FAX-879-6941
<http://www.cloquet.k12.mn.us>

Memorandum

TO: School Board of ISD 94

FROM: Dr. Michael Cary, Superintendent, and Candace Nelis, Business Manager

DATE: 10/28/2024

RE: Activity Busing Costs

Board Members,

For a number of years, Cloquet Transit and LCS Coaches have provided our extracurricular activity transportation. Over those years, we have had situations where our school programs have ordered yellow buses for transportation to competitions which have been upgraded to coach buses due to lack of drivers or scheduling conflicts. There is a significant cost difference between chartering a yellow bus vs. a coach bus. Historically, we have not been charged anything additional for these buses since the request was for a yellow bus.

As the market for buses and drivers has changed in the region, coach bus operation costs have increased significantly. LCS Coaches approached us and requested we consider a nominal increase in cost over yellow bus rates when a coach bus is substituted. In discussion, we agreed a \$30 dollar per event increase is reasonable. The typical extracurricular event takes 4-5 hours of driver time and in some instances can take an entire day. Rather than a per hour rate which could impact some activities more than others, a flat rate seemed more agreeable.

We are supporting this increase to extracurricular billings only in instances where a coach is needed to cover where a yellow bus was requested and only because there is no guidance in the contract for these situations. We have asked that any future bids include this scenario.



**Independent School District No. 94
Cloquet, Minnesota**

Communications Letter

June 30, 2024

**Independent School District No. 94
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Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

To the School Board and Management
Independent School District No. 94
Cloquet, Minnesota

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 94, Cloquet, Minnesota, as of and for the year ended June 30, 2024, 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, 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 opinion on the basic 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 over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiency.

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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- ◆ *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- ◆ *Probable.* The future event or events are likely to occur.

We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. The significant deficiency identified is stated within this letter.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated October 21, 2024, on such statements.

The purpose of this communication, which is an integral part of our audit, is to describe for the School Board and management and others within the District and state oversight agencies the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Bergem KDV, Ltd.

St. Cloud, Minnesota
October 21, 2024

Independent School District No. 94 Significant Deficiency

Lack of Segregation of Accounting Duties

During the year ended June 30, 2024, the District had a lack of segregation of accounting duties due to a limited number of office employees. The lack of segregation of accounting duties could adversely affect the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the basic financial statements. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- ◆ The Business Manager can reconcile receipts received, enter receipts into the accounting system, and prepare the bank reconciliation.
- ◆ The Business Manager has access to all areas of the accounting system.
- ◆ The Business Manager reconciles property taxes, state and federal receivables, and capital assets without review.
- ◆ Activities advisors collect receipts for certain extracurricular activities. We noted that adequate documentation of receipts related to certain extracurricular activities is not retained.

Management is aware of this condition and has taken certain steps to compensate for the lack of segregation. However, due to the number of accounting staff needed to properly segregate all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct.

We recommend management, along with the School Board, remain aware of this situation, and continually monitor the accounting system including changes that occur.

**Independent School District No. 94
Required Communication**

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2024. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Basic Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic audit financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our Responsibility in Relation to *Government Auditing Standards*

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Independent School District No. 94 Required Communication

Our Responsibility in Relation to *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examined on a test basis, evidence about the District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it did not provide a legal determination on the District's compliance with those requirements.

In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks of material misstatement:

- ◆ Management Override of Controls - Overall Financial Statements - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- ◆ Improper Revenue Recognition - Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources including property taxes and state aid.
- ◆ Risk of Misappropriation of Assets - If accounting duties cannot be appropriately segregated, there is a risk of unauthorized disbursements being made from the District.
- ◆ Incorrect Capital Asset Balances - Capital asset balances are generally material to the financial statements. Due to the significance of the balances and activity, amounts could be misstated due to error.
- ◆ General Education and Special Education Aid - General Education Aid is an estimate until average daily membership (ADM) values are final. Since this is normally not done until after the reporting deadlines, this Aid is an estimate. Special Education Aid is dependent on the availability of funds and complex formulas that are finalized after reporting deadlines.
- ◆ Net Other Post Employment Benefits (OPEB) Asset, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB - These balances are based on an actuarial study using the estimates of future obligations of the District for post-employment benefits.

Independent School District No. 94 Required Communication

Significant Risks Identified (Continued)

- ◆ Net Pension Liability, Deferred Outflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Pensions - These balances are based on an allocation by the pension plans using estimates based on contributions.
- ◆ Lease Valuation - Lease liability and right-to-use assets are material to the basic financial statements and involve significant estimates.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements relate to:

General Education and Special Education Aid - General Education Aid is an estimate until final average daily membership (ADM) values are final. Since this is normally not done until after the reporting deadline, this Aid is an estimate. Special Education Aid is also dependent upon ADM values; however, in addition to those, this Aid is dependent on the availability of monies and complex formulas that are finalized after reporting deadlines.

Net Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB - These balances are based on an actuarial study using the estimates of future obligations of the District for post-employment benefits.

Net Pension Liability, Deferred Outflows of Resources Relating to Pensions, and Deferred Inflows of Resources relating to Pensions - These balances are based on an allocation by the pension plans using estimates based on contributions.

Lease Liability and Right-to-Use Lease Assets - These balances are based on estimates and judgments determined by the District related to the discount rate, lease term, and lease payments.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Independent School District No. 94 Required Communication

Qualitative Aspects of the District's Significant Accounting Practices (Continued)

Financial Statement Disclosures

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements as a whole and each applicable opinion unit.

The following bullet points summarize the uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

- ◆ Accounts payable was misstated.
- ◆ State and federal receivable/revenue was misstated.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the basic financial statements taken as a whole and each applicable opinion unit.

Disagreements with Management

matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Independent School District No. 94
Required Communication**

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating, and regulatory conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditor.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

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

With respect to the supplementary information accompanying the basic financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

Independent School District No. 94 Financial Analysis

The following pages provide graphic representation of select data pertaining to the financial position and operations of the District for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours.

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this letter. The last section of this report, which contains a summary of legislative changes affecting school districts, gives an indication of the complexity of the funding system. The following section provides some state-wide funding and financial trend information.

Average Daily Membership and Pupil Units

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

Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%

* General Education Aid - Of the \$529 increase over 2014, \$105 is for inflation at 1.9%; the remaining \$424 is a shifting of revenue to adjust for pupil weight changes, pension adjustments changes, and other restructuring.

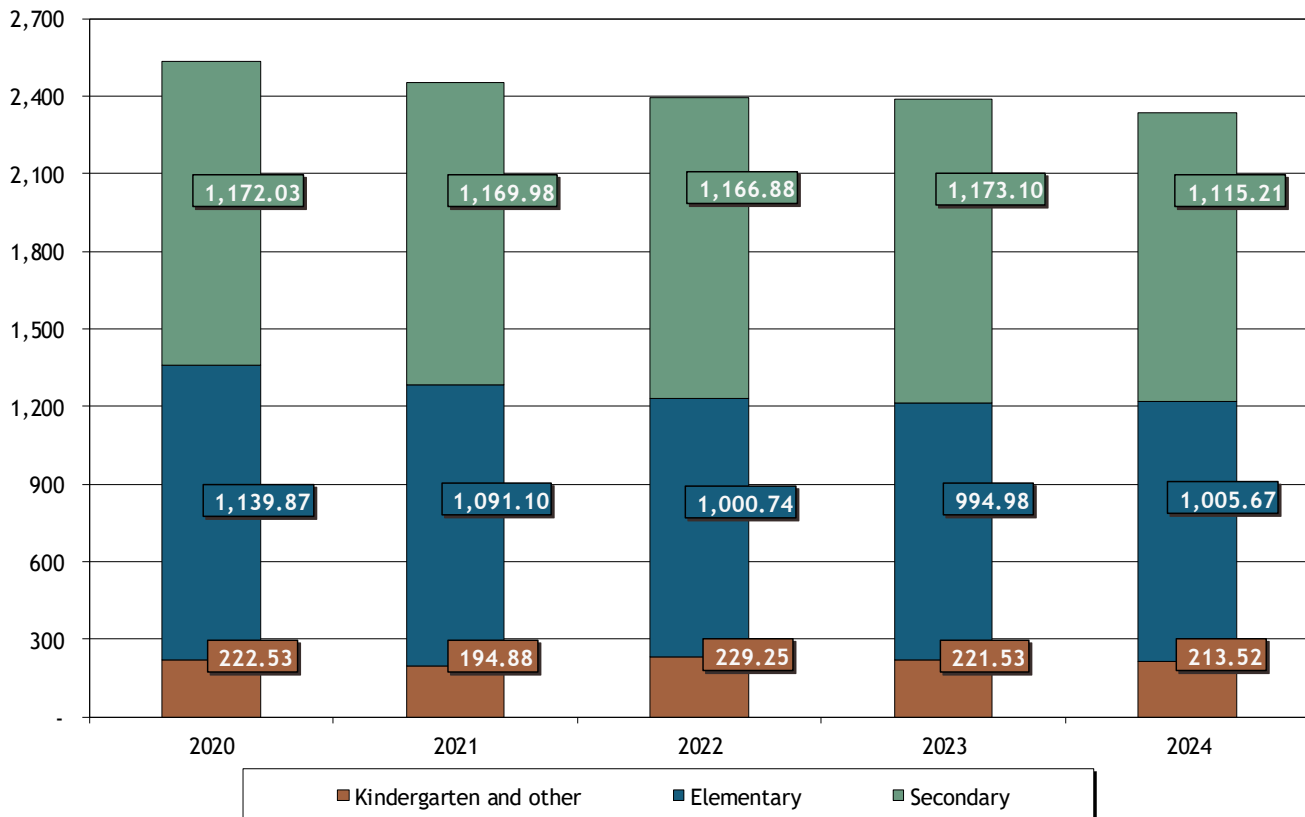
Independent School District No. 94 Financial Analysis

Average Daily Membership and Pupil Units (Continued)

The following summarizes resident ADM of the District over the past five years ended June 30:

ADM	2020	2021	2022	2023	2024
Kindergarten and other	222.53	194.88	229.25	221.53	213.52
Elementary	1,139.87	1,091.10	1,000.74	994.98	1,005.67
Secondary	1,172.03	1,169.98	1,166.88	1,173.10	1,115.21
Total Resident ADM	2,534.43	2,455.96	2,396.87	2,389.61	2,334.40

Resident Students (ADM)



* Estimate

The table and graph above illustrate the change in resident ADM. The District experienced a decrease in 2024 of approximately 55 resident ADM based on 2024 estimates. Over the past five years, ADM has decreased approximately 200 units, or 7.9%.

Independent School District No. 94 Financial Analysis

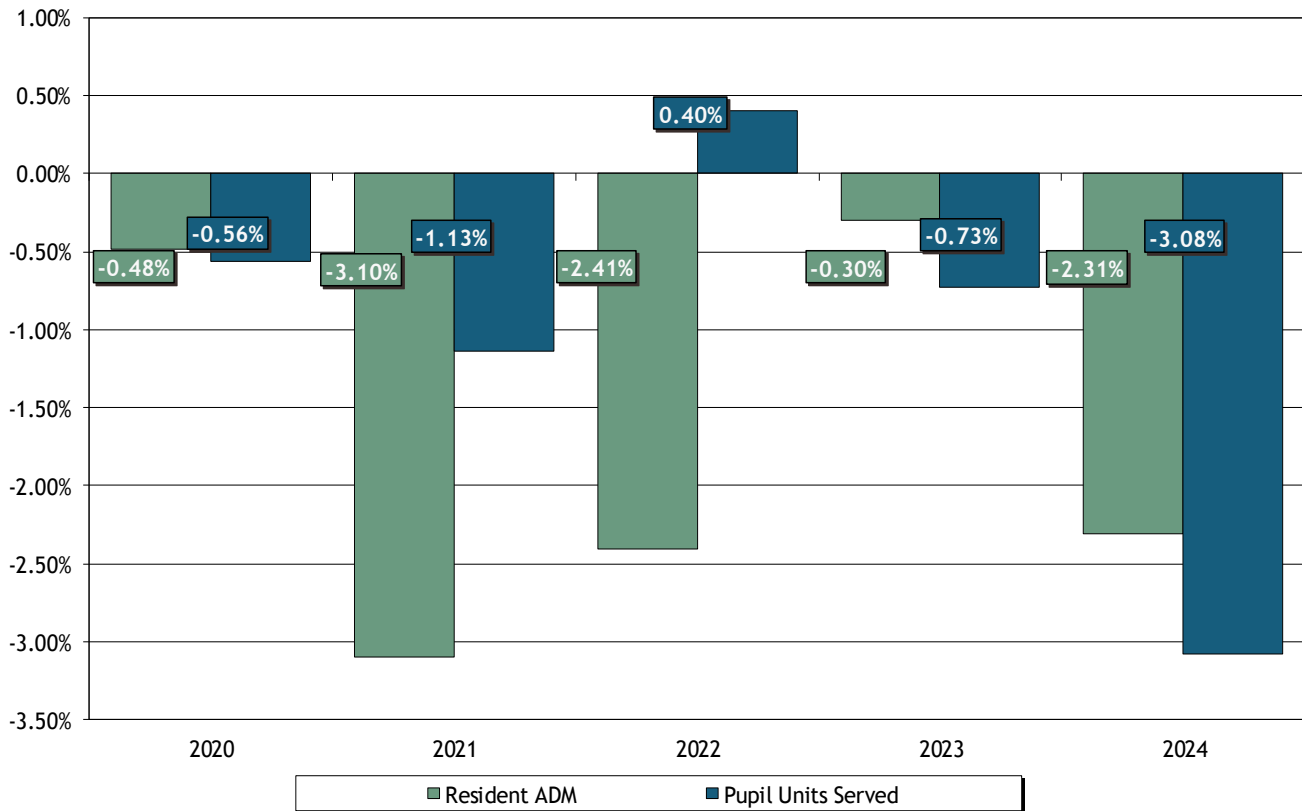
Average Daily Membership and Pupil Units (Continued)

	Pupil Units Weighting					
	Pre-Kindergarten	Handicapped Kindergarten	Half/Full Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
Year 2020-2024	1.000	1.000	1.000	1.000	1.000	1.200

The adjusted pupil units table and graph below converts the resident ADM into weighted or adjusted pupil unit data for the past five years, taking into consideration the above weighting factors and open enrollment. The District's weighted pupil units decreased in 2024 by approximately 92 units or 3.1%.

Adjusted Pupil Units	2020	2021	2022	2023	2024
Residents	2,761.92	2,681.63	2,625.52	2,617.48	2,555.31
Residents going elsewhere	(360.69)	(343.22)	(332.73)	(299.24)	(312.67)
Nonresidents coming in	627.23	655.73	713.46	666.08	649.76
Total Adjusted Pupil Units	3,028.46	2,994.14	3,006.25	2,984.32	2,892.40

Change in Resident ADM and Pupil Units Served



* Estimate

Independent School District No. 94 Financial Analysis

General Fund Budget and Actual

The graph below outlines the District's final budget and actual results for the General Fund. In June 2023, the District approved a General Fund budget anticipating revenues would exceed expenditures by \$179,322. This budget was modified in February 2024, decreasing expenditures by \$1,662,997. As a result of 2024 activity, expenditures exceeded revenues by \$169,090.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	\$ 2,545,958	\$ 2,539,238	\$ 2,522,411	\$ (16,827)
Revenue from state sources	32,347,000	31,480,364	32,046,494	566,130
Other sources	5,349,753	4,694,218	8,751,362	4,057,144
Total revenues	40,242,711	38,713,820	43,320,267	4,606,447
Expenditures				
Administration	2,096,023	1,985,547	1,992,680	7,133
District support services	627,582	949,929	1,138,914	188,985
Regular instruction	20,248,194	19,466,464	22,951,444	3,484,980
Vocational education instruction	623,041	597,769	630,532	32,763
Special education instruction	7,966,400	7,608,960	7,755,393	146,433
Instructional support services	1,776,128	1,735,278	2,282,366	547,088
Pupil support services	2,624,682	2,517,568	2,585,495	67,927
Sites, buildings, and equipment	2,991,160	2,938,698	3,160,801	222,103
Debt service	470,179	470,179	783,070	312,891
Fiscal and other fixed cost program	640,000	130,000	208,662	78,662
Total expenditures	40,063,389	38,400,392	43,489,357	5,088,965
Net change in fund balance	\$ 179,322	\$ 313,428	\$ (169,090)	\$ (482,518)

Revenues were more than the final budget by \$4,606,447 or 11.9%. State sources were over budget based on Special Education and General Education increases exceeding expectations. Other sources came in over budget due to significantly improved market conditions and increased other miscellaneous sources including donations.

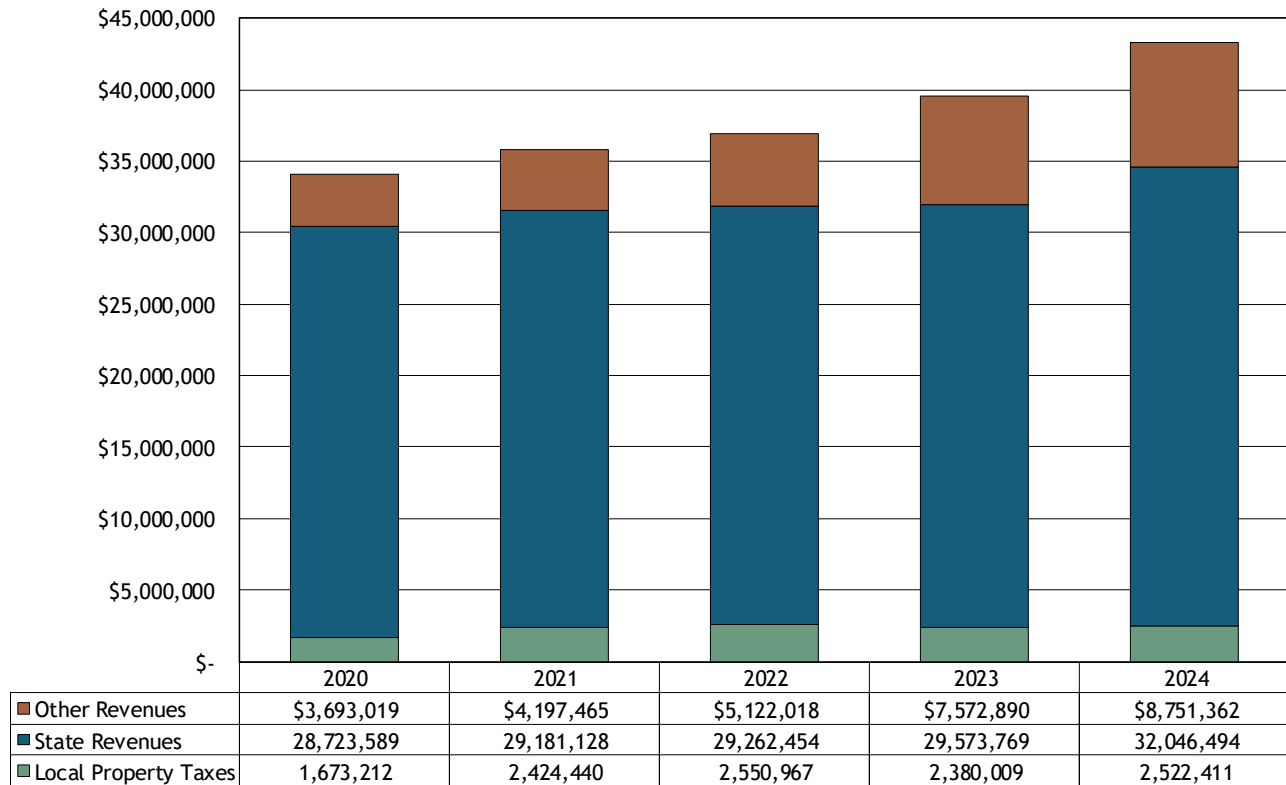
Expenditures were over budget \$5,088,965, or 13.2%. Regular instruction costs were overbudget due to significant salary increases. Instructional support services were over budget due to not budgeting for short term lease payments. Debt service was over budget due to lease payments being over budgeted amounts.

Independent School District No. 94 Financial Analysis

General Fund Sources of Revenue

General Fund sources of revenue are summarized as follows for the last five years:

General Fund Sources of Revenue



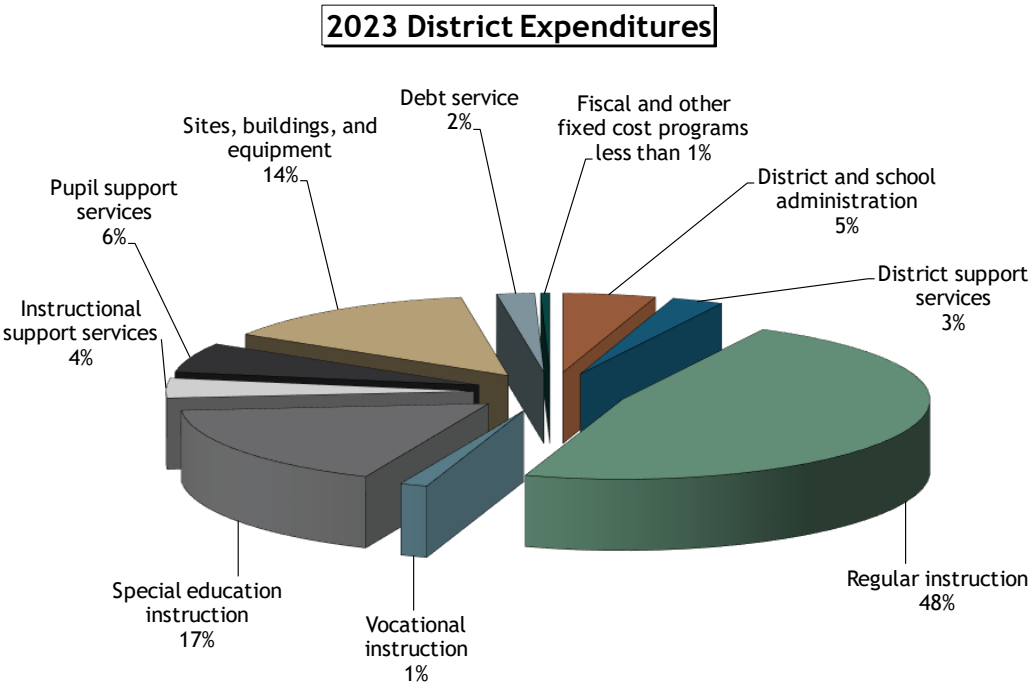
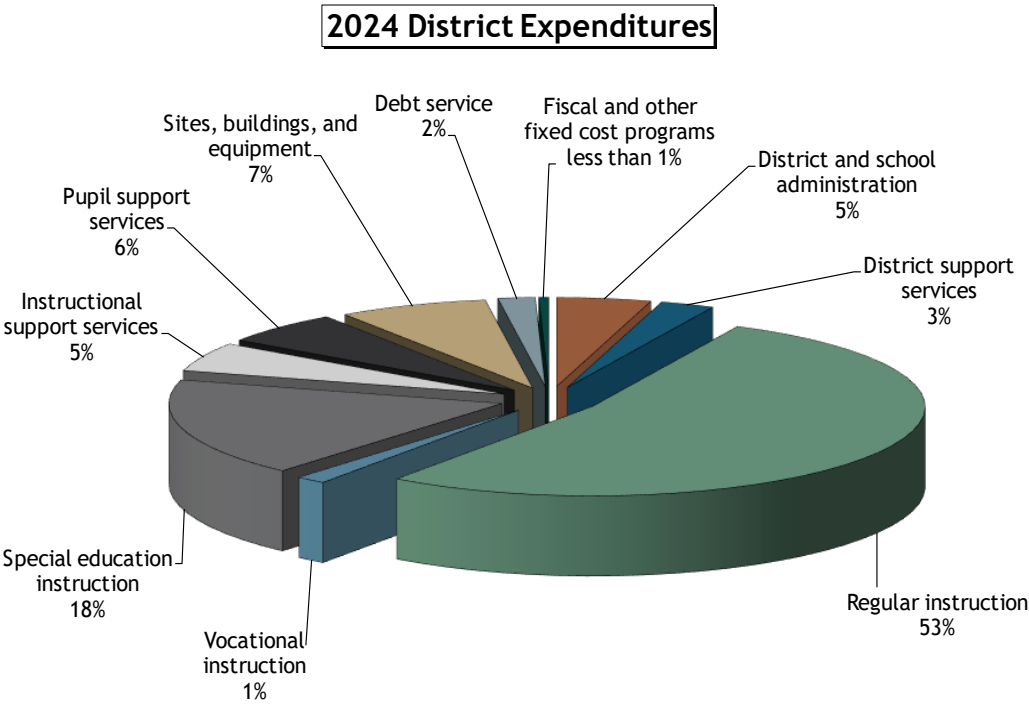
Total General Fund revenues increased \$3,793,599, or 9.6%, from \$39,526,668 in 2023 to \$43,320,267 in 2024.

State revenue, which makes up the largest percentage of the District's revenue at 74.0%, increased from the prior year by \$2,472,725 due to an increase in the formula allowance, compensatory revenue and the special education entitlement. Local property taxes, which represent 5.8% of the District's revenues, increased \$142,402. Other revenues make up the remaining 20.2% and increased \$1,178,472 from the prior year due to increased investment revenue received due to improving market conditions along with increased miscellaneous revenue including donations.

Independent School District No. 94
Financial Analysis

General Fund Expenditures

The following charts outline a comparison of General Fund expenditures for the past two years:



The three instruction categories of regular, vocational, and special education stayed relatively consistent and made up 66% and 72% of the total expenditures for 2023 and 2024, respectively.

Independent School District No. 94 Financial Analysis

General Fund Revenue per Student (ADM) Served

The table below shows a comparison of total revenue per ADM received by Minnesota school districts and the District.

ISD No. 94	2020	2021	2022	2023	2024
Property taxes	\$ 567	\$ 850	\$ 847	\$ 792	\$ 945
State aid	10,194	10,798	10,440	10,648	12,011
Other	1,345	1,278	1,902	2,806	3,280
Total	\$ 12,106	\$ 12,926	\$ 13,189	\$ 14,246	\$ 16,236

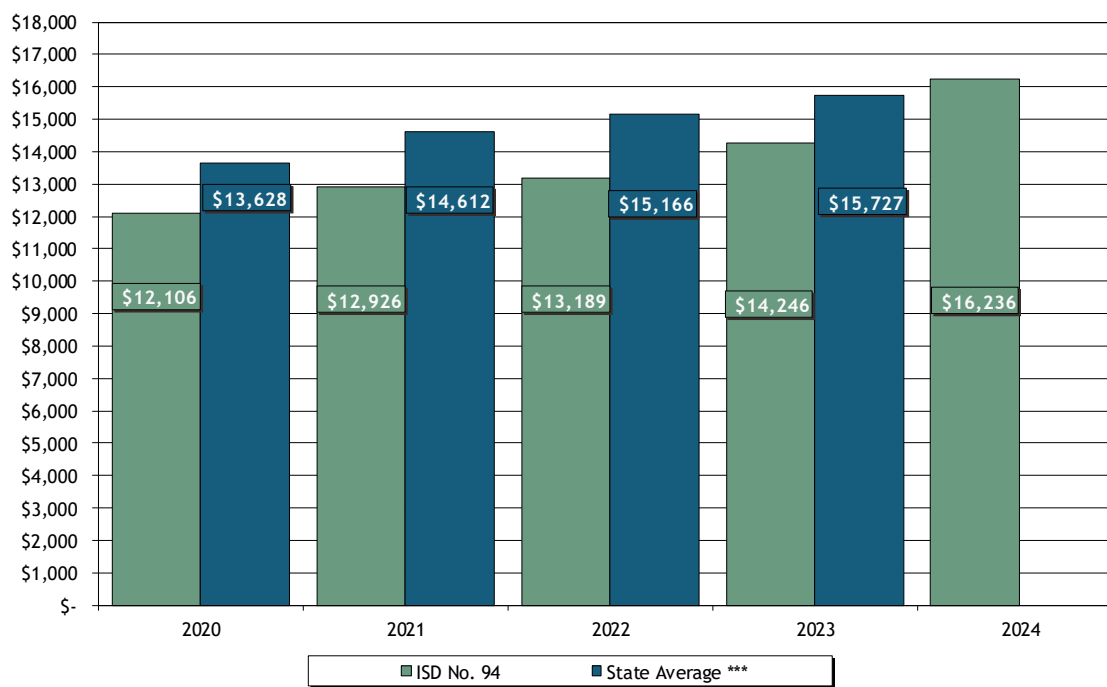
State Average ***	2020	2021	2022	2023	2024
Property taxes	\$ 2,180	\$ 2,381	\$ 2,443	\$ 2,545	N/A
State aid	10,393	10,758	10,782	11,073	N/A
Other	1,055	1,473	1,941	2,109	N/A
Total	\$ 13,628	\$ 14,612	\$ 15,166	\$ 15,727	N/A

** Source: State-wide averages were taken from the MDE publication, *School District Profiles*.

* Estimate

The mix of revenue components from district-to-district varies due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria. The District revenue per ADM served increased \$1,990 in 2024, primarily due to the overall revenue increase as discussed earlier. The District's revenue per student served has consistently been below state-wide averages.

General Fund Revenues Per ADM Served



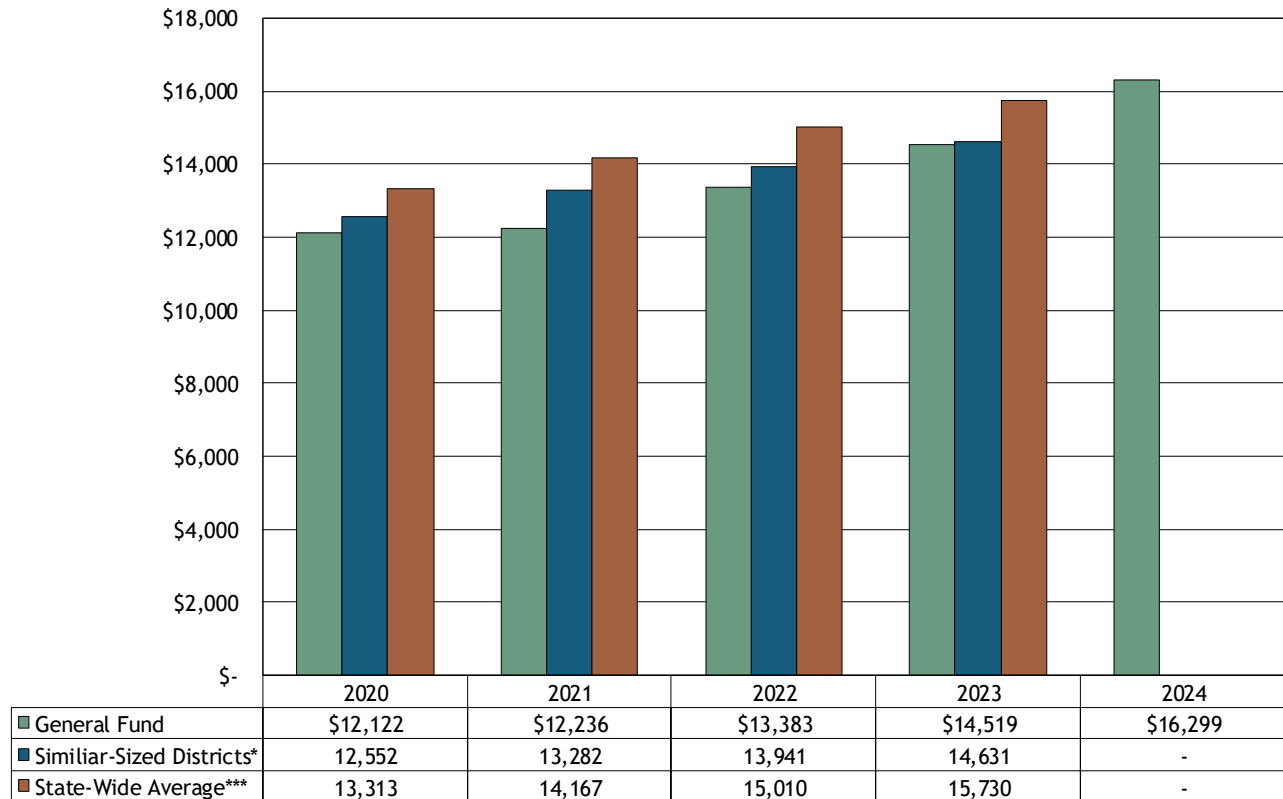
*** Source: Minnesota Department of Education (MDE) publication, *School District Profiles*, 2023 data not yet available

Independent School District No. 94 Financial Analysis

General Fund Expenditures Per Student (ADM) Served

The District's expenditures per ADM served increased \$1,780 in 2024. The District's spending per student has been below state-wide averages but has been more consistent with that of similar-sized districts.

General Fund Expenditures Per ADM Served



* Source: *School District Profiles*, Total PK-12 General Fund expenditures, average sized districts in the 2,000-3,999 range for 2019-2022

** Estimate, other district and State information not yet available

*** Source: Minnesota Department of Education (MDE) publication, *School District Profiles*.

Independent School District No. 94 Financial Analysis

General Fund Operations

The following table presents five years of comparative operating results for the District's General Fund:

Total revenues for the General Fund increased in 2024 by 9.4% and expenditures increased by 3.4%, as previously discussed. The result of operations produced a decrease in fund balance of \$236,678.

Year Ended June 30,	2020	2021	2022	2023	2024
Revenues	\$ 34,089,820	\$ 35,803,033	\$ 36,935,439	\$ 39,526,668	\$ 43,320,267
Expenditures	34,133,755	35,236,481	38,274,778	42,042,549	43,489,357
Excess of revenues over (under) expenditures	(43,935)	566,552	(1,339,339)	(2,515,881)	(169,090)
Net other financing sources	-	-	798,077	1,761,670	-
Net change in fund balance	(43,935)	566,552	(541,262)	(754,211)	(169,090)
Change in accounting principle	328,583	-	-	-	-
Fund balance, July 1	8,815,146	9,099,794	9,666,346	9,125,084	8,370,873
Fund balance, June 30	9,099,794	9,666,346	9,125,084	8,370,873	8,201,783
Less nonspendable fund balance	(87,909)	(55,079)	(31,836)	(162,936)	(139,174)
Less restricted fund balance	(787,075)	(924,491)	(909,228)	(799,862)	(904,220)
Less committed fund balance	(1,710,582)	(1,710,582)	(1,710,582)	(1,710,582)	(1,710,582)
Less assigned fund balance	(798,418)	(1,193,074)	(1,216,493)	(1,016,244)	(677,642)
Unassigned					
Fund Balance, June 30	\$ 5,715,810	\$ 5,783,120	\$ 5,256,945	\$ 4,681,249	\$ 4,770,165

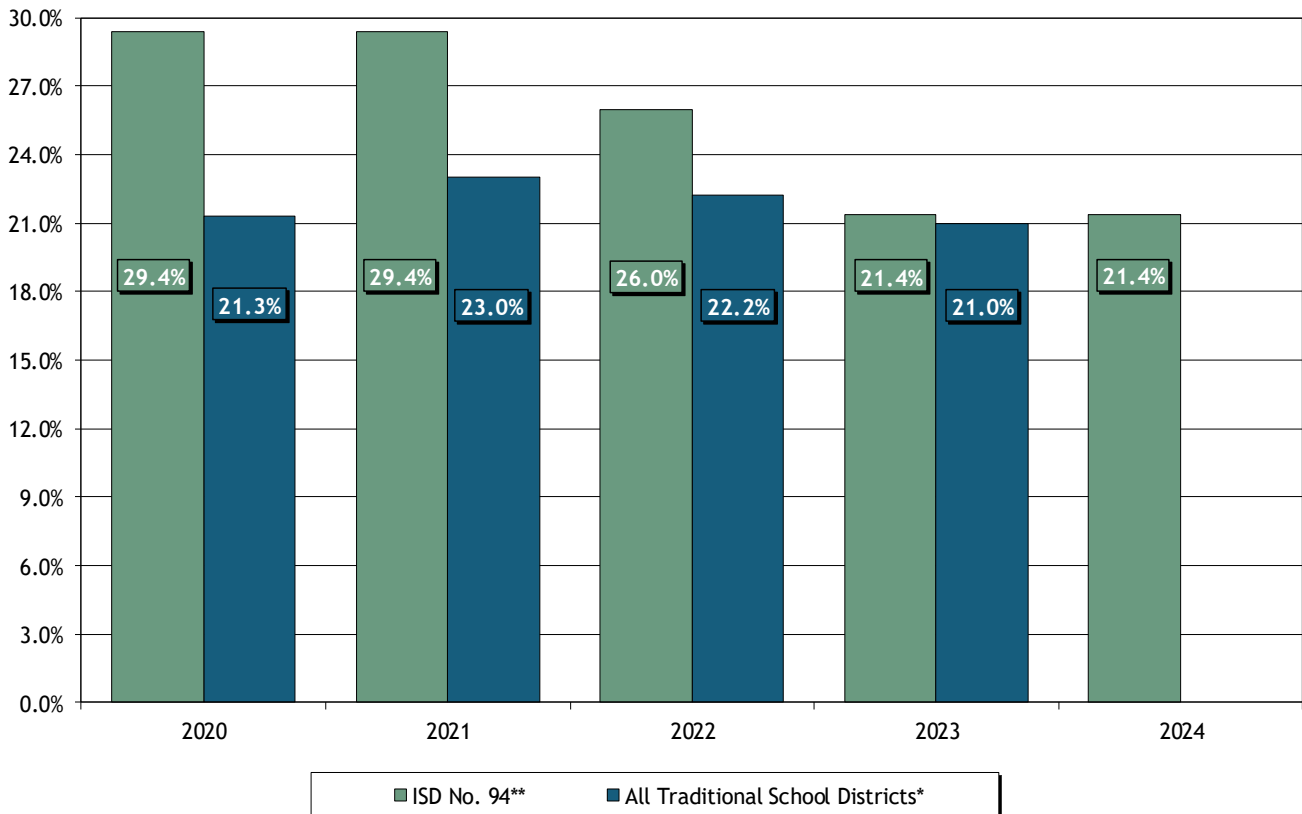
he decrease in total fund balance is primarily in the assigned fund balance category, which decreased by \$338,602. Unassigned fund balance increased by \$88,916.

Independent School District No. 94 Financial Analysis

General Fund Financial Health

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

Unrestricted Fund Balance as a Percent of Expenditures



* Information was obtained from the MDE web site report *Fiscal Year 2013-2022 General Fund Unreserved Balance*. 2023 information is not available.

** Obtained from MDE Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Report.

Since June 30, 2020, unrestricted fund balance has decreased \$945,645 while expenditures have increased \$9.3 million. The District's fund balance percentage has exceeded the state-wide average for each of the four years presented.

Independent School District No. 94 Financial Analysis

Food Service Fund

The following table presents comparative operating results for the District's Food Service Fund:

Year Ended June 30,	2020	2021	2022	2023	2024
Revenues	\$ 1,120,582	\$ 1,230,199	\$ 1,669,749	\$ 1,400,343	\$ 1,832,525
Expenditures	1,150,145	1,093,691	1,272,324	1,394,985	1,522,575
Excess of revenues over (under) expenditures	(29,563)	136,508	397,425	5,358	309,950
Fund balance, July 1	364,871	335,308	471,816	869,241	874,599
Fund Balance, June 30	\$ 335,308	\$ 471,816	\$ 869,241	\$ 874,599	\$ 1,184,549

Food Service Fund revenues exceeded expenditures for four of the five years presented. In 2024, fund balance increased by \$309,950 to \$1,184,549. Revenues increased from 2023 to 2024 due to a new state meal program. Expenditures increased due to increased food costs.

At June 30, 2024, the District had seven months of expenditures in fund balance based on a nine-month operating year.

Community Service Fund

The following table presents comparative operating results for the District's Community Service Fund:

Year Ended June 30,	2020	2021	2022	2023	2024
Revenues	\$ 1,812,584	\$ 1,834,335	\$ 2,026,954	\$ 2,173,845	\$ 2,510,223
Expenditures	1,815,213	1,700,089	1,943,068	2,340,659	2,329,678
Excess of revenues over (under) expenditures	(2,629)	134,246	83,886	(166,814)	180,545
Fund balance, July 1	498,659	496,030	630,276	714,162	547,348
Fund Balance, June 30	\$ 496,030	\$ 630,276	\$ 714,162	\$ 547,348	\$ 727,893

Community Service Fund revenues exceeded expenditures during 2024, resulting in a increase in fund balance of \$180,545. Revenues increased due to an increase in investment earnings, while expenditures decreased from the prior year due to having building costs in 2023, that were not in 2024.

Independent School District No. 94 Legislative Summary

The following is a brief summary of current legislative changes and issues affecting the funding of Minnesota school districts. More detailed and extensive summaries are available from the Minnesota Department of Education (MDE).

American Indian Education Aid

The period in which this aid can be carried over has been revised from six months to one year to be consistent with district financial reporting. Permanent School Fund Supplemental Aid is set at \$40,000 in 2025 for tribal contract schools.

American Rescue Plan (ARP) Act

The ARP Act was signed into law on March 11, 2021, and focuses on returning to, and maintaining, safe in-person learning for all students.

The ARP includes \$1.3 billion for E-12 education in ESSER funds for Minnesota to help schools returning to, and maintaining, safe in-person learning for all students. Per the federal law, 90% of these funds have been allocated to eligible districts and charter schools. 9.5% of these funds are for flexible use by each state education agency to create a plan to meet the needs of students. Funds are eligible for spending through September 30, 2024.

Area Learning Center (ALC) Transportation Aid

ALC transportation aid reimburses school districts for costs associated with transportation of students to and from an ALC program. School districts can apply for this new funding stream for 2024 and beyond. Allowable recipients for this aid have been modified to include cooperative units that provide their own transportation for ALCs.

Basic Alternative Teacher Compensation Aid (Q-Comp)

The total cap for basic alternative teacher compensation aid increased from \$88,118,000 to \$88,461,000 for 2024 and 2025, and \$89,486,000 for 2026 and beyond. Unspent "Q Comp" funds must be reserved in a restricted fund balance and used only for their intended purpose.

Basic General Education Aid

The formula allowance for 2024 was set at \$7,138 and for 2025, the formula allowance increases to \$7,281, which is a 2% increase over 2024. For fiscal years 2026 and beyond, the actual increase will be equal to the Consumer Price Index - Urban with a floor of 2% and a cap of 3%.

Basic Skills Revenue

School districts are permitted to execute a one-time transfer of restricted balance sheet funds into another restricted balance sheet that is in alignment with uses.

Charter School Lease Aid Review

The Commissioner may develop a system of analyzing charter school lease aid applications. The system will support consistency in applications and allow for the evaluation of the financial viability of multiple charter school leases.

Compensatory Education Revenue

The compensatory allowance for 2024 was updated and corresponds to increases in the basic formula allowance. A hold-harmless provision has been added for 2025 so that compensatory revenue for each site is the greater of its calculated revenue for 2025 or the 2024 actual revenue.

Independent School District No. 94 Legislative Summary

English Learner Aid and Cross Subsidy

For 2024-2026, aid is \$1,228 times the greater of 20 or total English learner ADM and \$436 times English learner pupil units (concentration). For 2027, this increases to \$1,775 times the greater of 20 or total English learner ADM and \$4630 times English learner pupil units (concentration), and 25% Cross Subsidy Aid Reduction based on second prior year qualifying services.

Facilities

Districts subject to non-voter approved building projects that require a review and comment do not need to publish or hold a public hearing on the results of the review and comment except districts eligible for non-voter construction projects under Minnesota Statutes § 126C.40, subd. 6 must hold a public meeting within 45 days of a review and comment decision. The dates of publication of review and comment have been changed to at least 48 days and not more than 70 days before a referendum. Prior legislation was not more than 60 days before a referendum.

Food Service Fund

Lunchroom furniture, including tables and chairs used by pupils to eat, were added as an eligible expense in the food service fund if a surplus exists for three consecutive years.

Local Optional Revenue

The second-tier equalization threshold for 2024 remained at \$510,000 before increasing to \$587,244 for 2025, \$642,038 for 2026, and \$671,345 for 2027 and later.

Paraprofessionals

For the 2024-2025 school year, districts are required to provide 6 hours of training and may be reimbursed for up to 6 hours. A separate payment equal to 2 hours of the district average wage rate will be made. Consultation with the union representative must be made before planning required trainings.

Special education paraprofessionals employed and paid with special education funding during 2024 may continue to be paid with State special education fund (not federal) for 2025 if they meet competencies 4 and 9 in the competency grid or are enrolled in a qualifying training and testing program.

MDE and the Professional Educator Licensing and Standards Board (PELSB) are required to review paraprofessional qualifications.

Pension Bill and Pension Adjustment Revenue

The pension adjustment rate for districts (besides ISD No. 625, St. Paul) is 1.25% for fiscal years 2024 and 2025 and 2.0% for fiscal year 2026 and 2027. For fiscal year 2028 and later, pension adjustment revenue must not exceed the fiscal year 2027 amount, and the revenue will be prorated, as necessary.

Special Education Aid

The Special Education Cross Subsidy Reduction Aid paid to districts increased from 6.43% to 44% beginning in 2024. A further increase to 50% begins in 2027.

Student Support Personnel Aid

Districts and charters may retain unspent aid in a restricted fund balance, limited to the amount of the prior year's aid allocation.

Independent School District No. 94 Legislative Summary

Student Teacher Stipend Pilot Program

Funding of \$6,543,000 has been approved for 8 teacher preparation programs to provide student teachers placed in Minnesota schools during the 2024-2025 school year. Stipends should be awarded at approximately \$6,880 per student teacher.

Unemployment Insurance Aid

Effective May 28, 2023, certain non-certified hourly school workers may qualify for “between term” summer unemployment benefits. A new aid has been created to reimburse districts for between term unemployment insurance costs, which are not eligible for levy reimbursement. The total aid available is \$135 million in fiscal year 2024 and is available until fiscal year 2027 or depletion. This aid now required to be paid on a 90/10 basis.

Voluntary Prekindergarten (VPK)

VPK seats were increased to 12,360 in 2025 using a \$50 million set aside from 2023. Minneapolis and St. Paul districts are individual regions for purposes of seat allocations, so the allocations of other regions are not impacted by this change. Districts were notified of the new allocation by July 1, 2024.

Independent School District No. 94 Emerging Issues

Executive Summary

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

Accounting Standard Update - GASB Statement No. 101 - *Compensated Absences*

GASB has issued GASB Statement No. 101 relating to accounting and financial reporting for compensated absences. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

Accounting Standard Update - GASB Statement No. 102 - *Certain Risk Disclosures*

GASB has issued GASB Statement No. 102 relating to risk disclosures. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements*

GASB has issued GASB Statement No. 103 relating to changes in financial reporting requirements. The changes provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities.

The following is an extensive summary of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your District.

Independent School District No. 94 Emerging Issues

Accounting Standard Update - GASB Statement No. 101 - *Compensated Absences*

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave - not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 101 is effective for fiscal years beginning after December 15, 2023. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

**Independent School District No. 94
Emerging Issues**

Accounting Standard Update - GASB Statement No. 102 - *Certain Risk Disclosures*

The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability.

This Statement provides definitions for concentration and constraint. A concentration is a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority.

This Statement requires a government to assess whether a concentration or constraint could present a risk of financial difficulty. The District will need to make a disclosure in the notes to the financial statements if all three of the following criteria are true:

- ◆ The District knows about the concentration or constraint prior to financial statement issuance.
- ◆ The concentration or constraint makes the District is vulnerable to risk of a substantial impact.
- ◆ An event or events associated with the concentration or constraint that could cause a substantial impact have either (1) happened; (2) started to happen; or (3) are more likely than not to start happening within 12 months of the financial statements being issued.

If a government determines the above criteria for disclosure have been met, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Disclosures are required for the government as a whole as well as any opinion unit in the financial statements that includes outstanding revenue debt. Disclosures can be combined to avoid unnecessary duplication (e.g., a subsequent event footnote).

GASB Statement No. 102 is effective for fiscal years beginning after June 15, 2024. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

Independent School District No. 94 Emerging Issues

Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements*

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

This Statement addresses 5 areas of the financial statements (1) Management's Discussion and Analysis (MD&A), (2) Unusual or Infrequent Items, (3) Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, (4) Major Component Unit Information, and (5) Budgetary Comparison Information.

This Statement continues the requirement that the MD&A precede the basic financial statements as part of the Required Supplementary Information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. The Statement stresses that detailed analyses should explain why balances and results of operations changed, rather than stating amounts and "boilerplate" discussions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The Statement provides clarification regarding operating and nonoperating revenues and expenses. Also, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

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

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

GASB Statement No. 103 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

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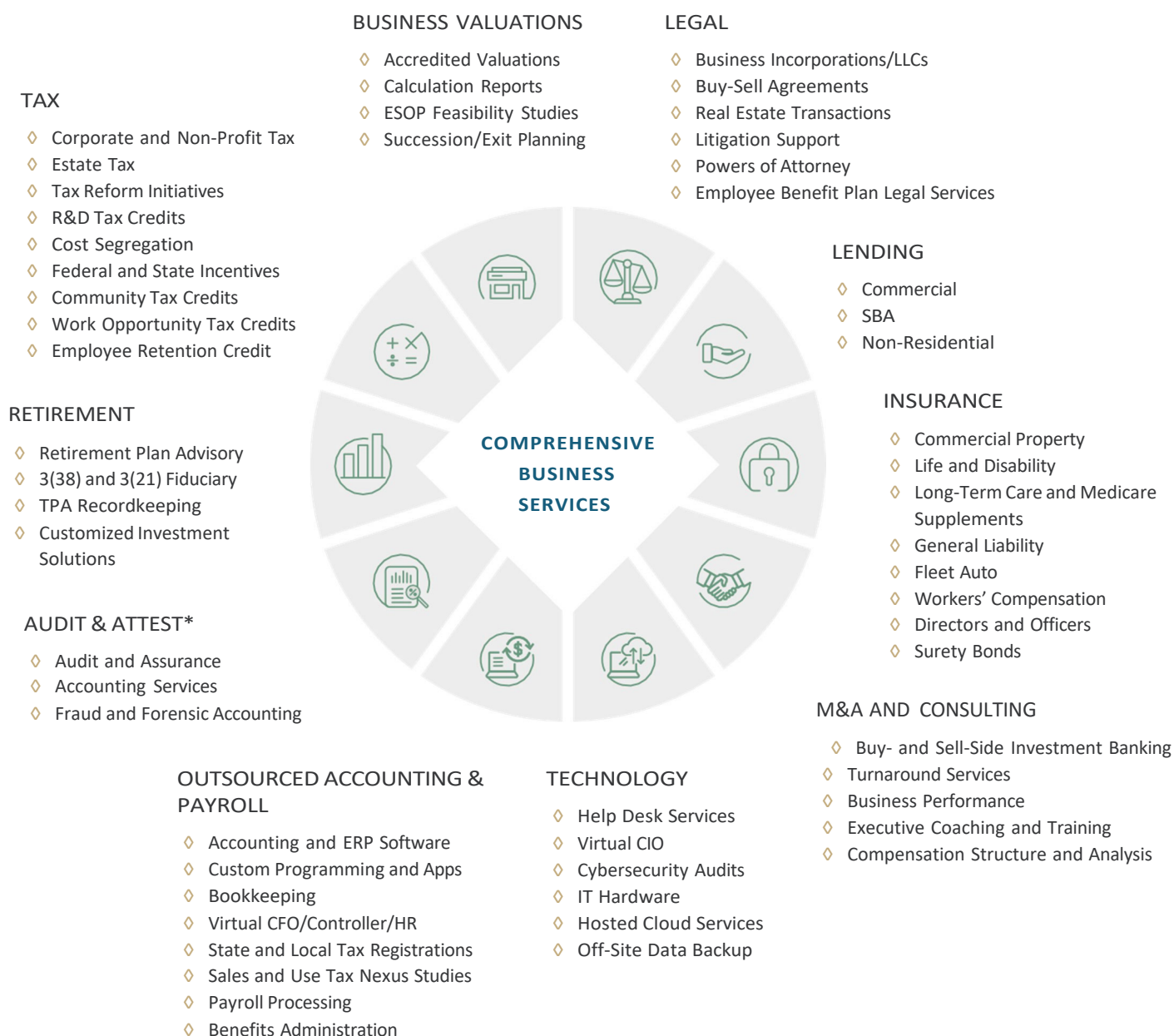


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**Independent School District No. 94
Cloquet, Minnesota**

Basic Financial Statements

June 30, 2024

**Independent School District No. 94
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**Independent School District No. 94
Board of Education and Administration
June 30, 2024**

<u>Board of Education</u>	<u>Position</u>	<u>Term Expires</u>
Nate Sandman	Chairperson	January 2025
Melissa Juntunen	Clerk	January 2025
David Battaglia	Treasurer	January 2027
Gary Huard	Director	January 2027
Sarah Buhs	Director	January 2027
Ken Scarbrough	Director	January 2025

<u>Administration</u>
Dr. Michael Cary

Superintendent

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Independent Auditor's Report

To the School Board
Independent School District No. 94
Cloquet, Minnesota

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 94, Cloquet, Minnesota, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 94, as of June 30, 2023, and the respective changes in financial position, 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 (GAAS) 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 Independent School District No. 94 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The management of Independent School District No. 94 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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, which raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information 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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Bogenkoff, Ltd.

St. Cloud, Minnesota
October 21, 2024

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Independent School District No. 94
Management's Discussion and Analysis
June 30, 2024

As management of Independent School District No. 94 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

Financial Highlights

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

- ◆ Revenues were \$54,319,801 of which 65% were state aids, 15% were property taxes and the balance of 20% in other categories.
- ◆ Net position increased by \$6,733,752 during the current year.
- ◆ The General Fund total unassigned fund balance increased by \$88,916.
- ◆ The District increased its long-term liabilities in outstanding bonds, financed purchases, compensated absences and leases by \$286,837.

Overview of the Financial Statements

The financial section of the annual financial statements consists of four parts - Independent Auditor's Report, required supplementary information which includes Management's Discussion and Analysis (this section), the basic financial statements and supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The *statement of net position (deficit)* includes all of the District's assets, deferred outflows of resources, and 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 statements report the District's net position (deficit) and how they have changed.

The *statement of net position* presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position (deficit). Over time, increases or decreases in net position (deficit) may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The *statement of activities* presents information showing how the District's net position (deficit) changed during the fiscal year. All changes in net position (deficit) are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (i.e., uncollected taxes and earned but unused compensated absences).

Independent School District No. 94
Management's Discussion and Analysis
June 30, 2024

Government-Wide Statements (Continued)

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of non-instructional services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, state statutes, and to control and manage money for particular purposes. All of the funds of the District can be divided into two categories: *governmental funds* and *fiduciary funds*.

Governmental funds - Most of the District's basic services are included in governmental funds. Governmental fund financial statements focus on near-term inflows of cash and other financial assets that can readily be converted to cash, as well as the balances at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Because this information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. A reconciliation is provided to facilitate a comparison between governmental fund financial statements and government-wide financial statements.

Fiduciary funds - The District is the trustee, or fiduciary, for assets that belong to others, such as the postemployment benefit trust. The District is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operation.

Independent School District No. 94
Management's Discussion and Analysis
June 30, 2024

Financial Analysis of the District as a Whole

Net position (deficit) may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$3,602,567 as of June 30, 2024.

Statement of Net Position (Deficit)
June 30, 2024

	<u>2023</u>	<u>2024</u>
Current and other assets	\$ 28,008,233	\$ 30,571,621
Capital assets	<u>62,134,865</u>	<u>63,616,802</u>
Total assets	<u>90,143,098</u>	<u>94,256,011</u>
Deferred outflows of resources	<u>9,575,472</u>	<u>6,828,788</u>
Long-term liabilities	82,734,402	82,489,897
Other liabilities	<u>13,637,357</u>	<u>11,248,570</u>
Total liabilities	<u>96,371,759</u>	<u>93,738,467</u>
Deferred inflows of resources	<u>14,138,092</u>	<u>10,881,311</u>
Net position (deficit)		
Net investment in capital assets	9,100,504	13,658,325
Restricted	2,897,794	3,748,123
Unrestricted (deficit)	<u>(22,789,579)</u>	<u>(20,941,427)</u>
Total net position (deficit)	<u>\$ (10,791,281)</u>	<u>\$ (3,534,979)</u>

Independent School District No. 94
Management's Discussion and Analysis
June 30, 2024

Financial Analysis of the District as a Whole (Continued)

Changes in Net Position (Deficit)
June 30, 2024

	<u>2023</u>	<u>2024</u>
Revenues		
Program revenues		
Charges for services	\$ 2,596,765	\$ 3,279,523
Operating grants and contributions	5,430,896	17,937,714
Capital grants and contributions	543,364	526,780
General revenues		
Property taxes	6,983,476	7,404,056
State and federal aids	22,381,825	22,924,446
Other	636,616	2,330,654
Total revenues	<u>48,572,942</u>	<u>54,403,173</u>
Expenses		
District and school administration	1,826,726	1,898,917
District support services	1,165,718	973,749
Regular instruction	16,527,571	21,743,298
Vocational instruction	477,369	592,727
Exceptional instruction	6,256,583	7,408,890
Instructional support services	1,583,868	2,232,457
Pupil support services	2,393,065	2,511,616
Sites and buildings	3,546,796	1,428,261
Fiscal and other fixed cost programs	200,550	208,662
Food service	1,445,825	1,545,324
Community service	2,255,238	2,225,060
Unallocated depreciation expense	3,009,257	2,946,111
Interest and fiscal charges on long-term debt	2,009,381	1,954,349
Total expenses	<u>42,697,947</u>	<u>47,669,421</u>
Change in net position (deficit)	5,874,995	6,733,752
Net position (deficit), beginning of year	(16,666,276)	(10,791,281)
Change in accounting principle	<u>-</u>	<u>522,550</u>
Net position, end of the year	<u><u>\$(10,791,281)</u></u>	<u><u>\$ (3,534,979)</u></u>

Financial Analysis of the District's Funds

The government-wide presentations are designed to present users with a more complete picture of the District's financial position and results of operation, traditional fund accounting basis provides users with information that can be used by the District to make decisions in the near-term.

**Independent School District No. 94
Management's Discussion and Analysis
June 30, 2024**

General Fund Budgetary Highlights

The General Fund (which includes the District's general, transportation and capital activities) adopted an original revenue budget of \$40,242,711, which was revised to \$38,713,820, as a result of change in pupil unit projections and federal covid funding. The General Fund adopted an original expenditure budget of \$40,063,389, which was revised to \$38,400,392, as a result of settled contracts, federal covid expenses and supply budgets.

While the District's final budget for the General Fund anticipated that revenues would exceed expenses by \$313,428 the actual results for the year showed expenditures exceeded revenues and other financing sources by \$169,090.

- ◆ Actual revenues were \$4,606,447 more than anticipated, largely due to spending more COVID-19 related grant dollars, other grant funding, and revenues from local sources to cover the athletic complex.
- ◆ Actual expenditures were \$5,088,965 more than anticipated due to COVID-19 related grant expenditures, other grant expenses, the athletic complex expenses.

Debt Service Fund

The Debt Service Fund balance increased \$210,112 during fiscal year 2024. Fund balance was \$1,595,117 at June 30, 2024.

Capital Asset and Debt Administration

Capital Assets

By the end of fiscal year 2024, the District had invested \$102,655,419 in a broad range of capital and right to use assets, including school buildings, athletic facilities, computer equipment and administrative offices. Total depreciation/amortization expense for the year was \$3,467,816. More detailed information about the District's capital assets is presented in Note 3 to the financial statements.

Debt Administration

At June 30, 2024, the District had \$58,199,731, in general obligation bonds, financed purchase and lease obligations. The District's debt rating from Moody's was A1, underlying rating of Aa2 enhanced rating. Under current state statutes, the District's general obligation bonded debt issuances are subject to a legal limitation of 10 percent of the fair market value of property in the District. The District is within its legal authority for bonded debt.

The District also had \$27,746,753 of net pension liability, \$572,524 of compensated absences payable, and a \$676,650 net OPEB liability at June 30, 2024.

More detailed information about the District's long-term liabilities is presented in Notes 4, 6, and 7 to the financial statements.

Factors Bearing on the District's Future

In FY 25, the District is expecting a decrease in student enrollment. We anticipate approximately 1% increase from 2023-2024 to 2024-2025 and 1% decrease per year over the coming years. Cloquet Schools has benefited from the covid funding streams to add District supports for our students. We have been able to continue to offer great programming because of our positive fund balance over the last few years.

**Independent School District No. 94
Management's Discussion and Analysis
June 30, 2024**

Contacting the District's Financial Management

This financial report is 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 this report or need additional financial information, contact the Business Office, Independent School District No. 94, 302 14th Street, Cloquet, Minnesota, 55720, or call 218-879-6721.

BASIC FINANCIAL STATEMENTS

Independent School District No. 94
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash and investments	\$ 19,022,550
Current property taxes receivable	3,560,227
Delinquent property taxes receivable	96,186
Accounts receivable	145,277
Due from Department of Education	6,355,256
Due from other Minnesota school districts	1,225,389
Inventory	27,562
Prepaid items	139,174
Capital assets not being depreciated	
Land	1,365,665
Capital assets net of accumulated depreciation (amortization)	
Land improvements	6,409,790
Buildings and improvements	52,853,663
Equipment	1,599,369
Leased assets	1,388,315
Total assets	<u>94,256,011</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	6,780,460
Deferred outflows of resources related to OPEB	48,328
Total deferred outflows of resources	<u>6,828,788</u>
 Total assets and deferred outflows of resources	 <u>\$ 101,084,799</u>
Liabilities	
Accounts payable	\$ 1,090,113
Salaries and benefits payable	4,199,932
Interest payable	856,078
Due to other Minnesota school districts	356,686
Unearned revenue	40,000
Bond principal payable (net of premium)	
Payable within one year	4,345,000
Payable after one year	52,484,433
Leases payable:	
Payable within one year	190,870
Payable after one year	1,179,428
Compensated absences payable	
Payable within one year	169,891
Payable after one year	402,633
Net pension liability payable after one year	27,746,753
Net OPEB liability payable after one year	676,650
Total liabilities	<u>93,738,467</u>
Deferred Inflows of Resources	
Property taxes levied for subsequent year's expenditures	7,463,246
Deferred inflows of resources related to OPEB	1,518,675
Deferred inflows of resources related to pensions	1,899,390
Total deferred inflows of resources	<u>10,881,311</u>
Net Position	
Net investment in capital assets	13,658,325
Restricted for	
Debt service	924,541
Food service	1,184,549
Community service	734,813
Other purposes	904,220
Unrestricted	<u>(20,941,427)</u>
Total net position	<u>(3,534,979)</u>
 Total liabilities, deferred inflows of resources, and net position	 <u>\$ 101,084,799</u>

Independent School District No. 94
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental activities					Governmental Activities
Administration	\$ 1,898,917	\$ -	\$ -	\$ -	\$ (1,898,917)
District support services	973,749	-	-	-	(973,749)
Elementary and secondary regular instruction	21,743,298	708,725	7,410,448	-	(13,624,125)
Vocational education instruction	592,727	-	82,122	-	(510,605)
Special education instruction	7,408,890	931,277	5,587,144	-	(890,469)
Instructional support services	2,232,457	663	1,429,316	-	(802,478)
Pupil support services	2,511,616	-	1,047,733	-	(1,463,883)
Sites and buildings	1,428,261	-	-	526,780	(901,481)
Fiscal and other fixed cost programs	208,662	-	-	-	(208,662)
Food service	1,545,324	80,597	1,751,928	-	287,201
Community education and services	2,225,060	1,558,261	629,023	-	(37,776)
Unallocated depreciation	2,946,111	-	-	-	(2,946,111)
Interest and fiscal charges on long-term debt	1,954,349	-	-	-	(1,954,349)
Total governmental activities	<u>\$ 47,669,421</u>	<u>\$ 3,279,523</u>	<u>\$ 17,937,714</u>	<u>\$ 526,780</u>	(25,925,404)
General revenues					
Taxes					
Property taxes, levied for general purposes					2,525,381
Property taxes, levied for community service					312,467
Property taxes, levied for debt service					4,566,208
State and federal aid-formula grants					22,924,446
Other general revenues					1,648,460
Investment income					682,194
Total general revenues					<u>32,659,156</u>
Change in net position					6,733,752
Net position - beginning					<u>(10,791,281)</u>
Change in accounting principle (see Note 8)					522,550
Net position - beginning, as restated					<u>(10,268,731)</u>
Net position - ending					<u>\$ (3,534,979)</u>

Independent School District No. 94
Balance Sheet - Governmental Funds
June 30, 2024

	General Fund	Debt Service Fund	Capital Projects	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 7,178,249	\$ 3,834,094	\$ 5,559,533	\$ 2,450,674	\$ 19,022,550
Current property taxes receivable	1,229,047	2,017,049	-	314,131	3,560,227
Delinquent property taxes receivable	30,418	54,972	-	10,796	96,186
Accounts receivable	145,277	-	-	-	145,277
Due from Department of Education	6,095,105	204,774	-	55,377	6,355,256
Due from other Minnesota school districts	1,225,389	-	-	-	1,225,389
Due from other governmental units	67,588	-	-	-	67,588
Inventory	-	-	-	27,562	27,562
Prepaid items	139,174	-	-	-	139,174
Total assets	\$ 16,110,247	\$ 6,110,889	\$ 5,559,533	\$ 2,858,540	\$ 30,639,209
Liabilities					
Accounts payable	\$ 1,073,784	\$ -	\$ -	\$ 16,329	\$ 1,090,113
Salaries and benefits payable	4,113,223	-	-	86,709	4,199,932
Due to other Minnesota school districts	356,686	-	-	-	356,686
Unearned revenue	40,000	-	-	-	40,000
Total liabilities	5,583,693	-	-	103,038	5,686,731
Deferred Inflows of Resources					
Property taxes levied for subsequent year's expenditures	2,294,353	4,460,800	-	708,093	7,463,246
Unavailable revenue - delinquent taxes	30,418	54,972	-	10,796	96,186
Total deferred inflows of resources	2,324,771	4,515,772	-	718,889	7,559,432
Fund Balances					
Nonspendable	139,174	-	-	27,562	166,736
Restricted	904,220	1,595,117	5,559,533	2,011,534	10,070,404
Committed	1,710,582	-	-	-	1,710,582
Assigned	677,642	-	-	-	677,642
Unassigned	4,770,165	-	-	(2,483)	4,767,682
Total fund balances	8,201,783	1,595,117	5,559,533	2,036,613	17,393,046
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,110,247	\$ 6,110,889	\$ 5,559,533	\$ 2,858,540	\$ 30,639,209

Independent School District No. 94
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
June 30, 2024

Total fund balances - governmental funds	\$ 17,393,046
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, are not reported as assets in governmental funds.	
Cost of capital assets	102,655,419
Less accumulated depreciation	(39,038,617)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of:	
Bond principal payable	(53,960,000)
Premium on bonds payable	(2,869,433)
Lease payable	(1,370,298)
Compensated absences payable	(572,524)
Net pension liability	(27,746,753)
Net OPEB liability	(676,650)
Deferred outflows of resources and deferred inflows of resources are created as a result of differences in timing and estimates related to pension and OPEB that are not recognized in the governmental funds.	
Deferred outflows of resources related to pensions	6,780,460
Deferred inflows of resources related to pensions	(1,899,390)
Deferred outflows of resources related to OPEB	48,328
Deferred inflows of resources related to OPEB	(1,518,675)
Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	96,186
Governmental funds do not report a liability for accrued interest on bonds until due and payable.	<u>(856,078)</u>
Total net position - governmental activities	<u><u>\$ (3,534,979)</u></u>

Independent School District No. 94
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2024

	General Fund	Debt Service Fund	Capital Projects	Nonmajor Funds	Total Governmental Funds
Revenues					
Local property taxes	\$ 2,522,411	\$ 4,062,648	\$ -	\$ 808,503	\$ 7,393,562
Other local and county revenues	4,361,490	-	42,954	1,873,318	6,277,762
Revenue from state sources	32,046,494	2,037,647	-	1,066,288	35,150,429
Revenue from federal sources	4,389,872	-	-	1,028,338	5,418,210
Sales and other conversion of assets	-	-	-	79,838	79,838
Total revenues	<u>43,320,267</u>	<u>6,100,295</u>	<u>42,954</u>	<u>4,856,285</u>	<u>54,319,801</u>
Expenditures					
Current					
Administration	1,989,961	-	-	-	1,989,961
District support services	968,344	-	-	-	968,344
Elementary and secondary regular instruction	21,028,654	-	-	-	21,028,654
Vocational education instruction	625,130	-	-	-	625,130
Special education instruction	7,733,121	-	-	-	7,733,121
Instructional support services	2,250,330	-	-	-	2,250,330
Pupil support services	2,507,191	-	-	-	2,507,191
Sites and buildings	3,158,307	-	89,800	-	3,248,107
Fiscal and other fixed cost programs	208,662	-	-	-	208,662
Food service	-	-	-	1,520,772	1,520,772
Community education and services	-	-	-	2,257,546	2,257,546
Capital outlay					
Administration	2,719	-	-	-	2,719
District support services	170,570	-	-	-	170,570
Elementary and secondary regular instruction	1,922,790	-	-	-	1,922,790
Vocational education instruction	5,402	-	-	-	5,402
Special education instruction	22,272	-	-	-	22,272
Instructional support services	32,036	-	-	-	32,036
Pupil support services	78,304	-	-	-	78,304
Sites and buildings	2,494	-	1,717,417	-	1,719,911
Food service	-	-	-	1,803	1,803
Community education and services	-	-	-	15,382	15,382
Debt service					
Principal	691,647	3,780,000	-	466,750	4,938,397
Interest and fiscal charges	91,423	2,110,183	-	80,167	2,281,773
Total expenditures	<u>43,489,357</u>	<u>5,890,183</u>	<u>1,807,217</u>	<u>4,342,420</u>	<u>55,529,177</u>
Excess of revenues over (under) expenditures	(169,090)	210,112	(1,764,263)	513,865	(1,209,376)
Other Financing Sources (Uses)					
Bond issuance	-	-	5,500,000	-	5,500,000
Bond premium	-	-	116,470	-	116,470
Proceeds from leases	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>5,616,470</u>	<u>-</u>	<u>5,616,470</u>
Net change in fund balances	(169,090)	210,112	3,852,207	513,865	4,407,094
Fund Balances					
Beginning of year	8,370,873	1,385,005	-	3,230,074	12,985,952
Change within financial reporting entity (Note 8)	-	-	1,707,326	(1,707,326)	-
Beginning of year, restated	<u>8,370,873</u>	<u>1,385,005</u>	<u>1,707,326</u>	<u>3,230,074</u>	<u>12,985,952</u>
End of year	<u>\$ 8,201,783</u>	<u>\$ 1,595,117</u>	<u>\$ 5,559,533</u>	<u>\$ 3,743,939</u>	<u>\$ 17,393,046</u>

**Independent School District No. 94
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances to the
Statement of Activities - Governmental Funds
Year Ended June 30, 2024**

Net change in fund balances - total governmental funds	\$ 4,407,094
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlay is reported in governmental funds as an expenditure. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation/amortization expense.

Capital outlay	4,427,203
Depreciation/amortization	(3,467,816)

Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	78,282
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Principal payments on long-term debt are recognized as expenditures in the governmental funds but as an increase in the net position in the Statement of Activities.	4,938,397
--	-----------

Governmental funds recognize pension contributions as expenditures at the time of payment in the funds, whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.	1,300,451
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Governmental funds recognize OPEB contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to OPEB on a full accrual perspective.	328,693
--	---------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	14,470
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Governmental funds report the effect of bond discounts and premiums and deferred amounts on refunding when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	196,484
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Proceeds from the sale of long-term debt are recognized as other financing sources in the governmental funds increasing fund balance but having no effect on net position in the Statement of Activities.	(5,500,000)
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Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	10,494
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Change in net position - governmental activities	\$ 6,733,752
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Independent School District No. 94
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Over (Under)
Revenues				
Local property taxes	\$ 2,545,958	\$ 2,539,238	\$ 2,522,411	\$ (16,827)
Other local and county revenues	1,450,280	1,421,280	4,361,490	2,940,210
Revenue from state sources	32,347,000	31,480,364	32,046,494	566,130
Revenue from federal sources	3,899,473	3,272,938	4,389,872	1,116,934
Total revenues	<u>40,242,711</u>	<u>38,713,820</u>	<u>43,320,267</u>	<u>4,606,447</u>
Expenditures				
Current				
Administration	2,071,023	1,960,547	1,989,961	29,414
District support services	530,757	853,104	968,344	115,240
Elementary and secondary regular instruction	20,096,394	19,389,664	21,028,654	1,638,990
Vocational education instruction	623,041	597,769	625,130	27,361
Special education instruction	7,956,400	7,598,960	7,733,121	134,161
Instructional support services	1,766,203	1,725,353	2,250,330	524,977
Pupil support services	2,618,682	2,511,568	2,507,191	(4,377)
Sites and buildings	2,892,160	2,819,698	3,158,307	338,609
Fiscal and other fixed cost programs	640,000	130,000	208,662	78,662
Capital outlay				
Administration	25,000	25,000	2,719	(22,281)
District support services	96,825	96,825	170,570	73,745
Elementary and secondary regular instruction	151,800	76,800	1,922,790	1,845,990
Vocational education instruction	-	-	5,402	5,402
Special education instruction	10,000	10,000	22,272	12,272
Instructional support services	9,925	9,925	32,036	22,111
Pupil support services	6,000	6,000	78,304	72,304
Sites and buildings	99,000	119,000	2,494	(116,506)
Debt service				
Principal	450,480	450,480	691,647	241,167
Interest and fiscal charges	19,699	19,699	91,423	71,724
Total expenditures	<u>40,063,389</u>	<u>38,400,392</u>	<u>43,489,357</u>	<u>5,088,965</u>
Excess of revenues under expenditures	<u>\$ 179,322</u>	<u>\$ 313,428</u>	(169,090)	<u>\$ (482,518)</u>
Fund Balances				
Beginning of year			<u>8,370,873</u>	
End of year			<u>\$ 8,201,783</u>	

Independent School District No. 94
Statement of Fiduciary Net Position
June 30, 2024

	Scholarships	OPEB Irrevocable Trust Fund
Assets		
Cash and investments	\$ 66,589	\$ 3,462,556
Net Position		
Held in trust for OPEB	<u>\$ 66,589</u>	<u>\$ 3,462,556</u>

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2024

	Scholarships	OPEB Irrevocable Trust Fund
Additions		
Contributions	\$ 34,047	\$ 234,795
Investment income	-	397,594
Total additions	<u>34,047</u>	<u>632,389</u>
Deductions		
Payments to retirees	<u>-</u>	<u>700,949</u>
Change in net position	34,047	(68,560)
Net Position		
Beginning of year	<u>32,542</u>	<u>3,531,116</u>
End of year	<u>\$ 66,589</u>	<u>\$ 3,462,556</u>

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Independent School District No. 94
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District operates under a school board form of government for the purpose of providing educational services to individuals within the District areas. The governing body consists of a six member board elected by the voters of the District to serve four-year terms.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

A. Reporting Entity

The basic financial statements present the District and its component units. The District includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the District are financially accountable and are included within the basic financial statements of the District because of the significance of their operational or financial relationships with the District.

The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District.

As a result of applying the component unit definition criteria above, it has been determined the District has no component units.

The student activity accounts of the District are under board control and are reported in the General Fund.

B. Basic Financial Statement Information

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position at the fund financial statement level.

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

Depreciation/amortization expense that can be specifically identified by function is included in the direct expenses of that function. Depreciation/amortization expense relating to assets that serve multiple functions is presented as unallocated depreciation in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. The effect of interfund activity has been removed from these statements.

**Independent School District No. 94
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statement Information (Continued)

Separate fund financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Private Purpose Trust and Custodial Funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to *Minnesota Statutes* and accounting principles generally accepted in the United States of America. *Minnesota Statutes* include state aid funding formulas for specific years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within 60 days.

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. The exceptions to this general rule are that interest and principal expenditures in the Debt Service Fund, compensated absences and claims and judgments are recognized when payment is due.

The District applies restricted resources first when an expenditure is incurred for a purpose for which both restricted and unrestricted fund balances are available. Further, the District applies unrestricted funds in this order if various levels of restricted fund balances exist: committed, assigned, and unassigned.

Description of Funds:

Major Funds:

General Fund - This fund is the basic operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

**Independent School District No. 94
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Description of Funds: (Continued)

Major Funds: (Continued)

Debt Service Fund - This fund is used to account for the accumulation of resources for, and payment of, general obligation (G.O.) bond principal, interest, and related costs.

Building Construction Fund - Capital Projects - This fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue.

Nonmajor Funds:

Food Service Special Revenue Fund - This fund is used to account for the financial activities of the District's Food Service Program.

Community Service Special Revenue Fund - This fund is used to account for services provided to residents in the areas of community education, school readiness, early childhood and family education, or other similar services.

Postemployment Debt Service Fund - Debt Service - This fund is used for the accumulation of levy proceeds and the repayment of the principal and interest on the OPEB bonds.

Fiduciary Funds:

Custodial Fund - This fund is used to account for the financial resources relating to scholarships.

OPEB Irrevocable Trust Fund - This fund is used to account for the financial resources relating to post-employment benefits.

D. Deposits and Investments

The District's total deposits and investments are comprised of two major components, each with its own set of legal and contractual provisions as described below and on the following page.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs. Investments held by investment pools are measured at amortized cost.

1. District Funds Other than the OPEB Trust Fund

Cash and 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 individual funds based on the average of month-end cash and investment balances.

**Independent School District No. 94
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments (Continued)

1. District Funds Other than the OPEB Trust Fund (Continued)

Cash and investments at June 30, 2024, were comprised of deposits and investments as outlined in Note 2.B.

Minnesota Statutes requires all deposits be protected by federal deposit insurance, corporate surety bonds or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

Minnesota Statutes authorizes the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase, and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days.

In accordance with GASB Statement No. 79, the various MSDLAF, and MNTrust Funds are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from MSDLAF liquid class, or MNTrust Investment Shares Funds. Investments in MSDLAF Max class must be deposited for a minimum of 14 calendar days. 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 redemptions.

2. OPEB Trust Fund

These funds represent investments administered by the District's OPEB Trust Fund investment managers. As of June 30, 2024, they were comprised of investments as outlined in Note 2.B.

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Minnesota Statutes authorize the OPEB Trust Fund to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, corporate bonds, common stock, and foreign stock of the highest quality, mutual funds, repurchase and reverse agreements, commercial paper of the highest quality with a maturity no longer than 270 days and in the State Board of Investments.

In accordance with GASB Statement No 79 the money market funds and MNTrust Investments shares portfolio are valued at amortized cost which approximates fair value. There are no restrictions or limitations on withdrawals from these accounts.

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Property Tax Receivable

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represents uncollected taxes for the past six years and are deferred and included in the deferred inflows of resources section of the fund financial statements as unavailable revenue because they are not available to finance the operations of the District in the current year.

F. Property Taxes Levied for Subsequent Year's Expenditures

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2023, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in fiscal year 2024. The remaining portion of the levy will be recognized when measurable and available.

G. Inventories

Inventories of commodities donated directly by the U.S. Department of Agriculture are recorded at market value. Other inventories are stated at cost as determined on a first-in, first-out (FIFO) basis. Inventories are recorded as expenditures when consumed rather than when purchased.

H. Prepaid Items

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

I. Property Taxes

The District levies its property tax during the month of December. December 28 is the last day the District can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. Carlton and Saint Louis Counties are the collecting agency for the levy and remit the collections to the District three times a year. The Tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

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

J. Capital Assets

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements.

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at its acquisition value at the date of donation.

**Independent School District No. 94
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized.

Capital assets are depreciated using the straight-line method with a half year depreciation convention over the estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purpose. Useful lives vary from 5 to 20 years for equipment, 20 to 50 years for buildings and building improvements, and 20 years for land improvements.

Capital assets not being depreciated at year-end include land and construction in progress. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

K. Right-to-Use Lease Assets/Lease Liabilities

The District recorded right-to-use lease assets as a result of implementing GASB Statement No. 87, Leases. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Key estimates and judgments related to leases include (1) the discount rate, (2) lease term, (3) lease payments, and (4) amortization.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District determines its estimated borrowing rate based on the applicable State and Local Government Securities rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a re-measurement of the leases and will remeasure the right-to-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. A deferred outflows of resources related to pensions and OPEB is recorded for various estimate differences that will be amortized and recognized over future years.

**Independent School District No. 94
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Financial Position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property taxes levied for subsequent year's expenditures, which represent property taxes received or reported as a receivable before the period for which the taxes are levied and is reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. The third and fourth items are deferred inflows of resources related to pensions and OPEB which is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years. Deferred inflows of resources related to lease receivable is reported in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet.

M. 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 Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

N. Compensated Absences

Certain District employees are entitled to payment of unused sick and vacation leave days at various rates upon retirement. A liability is recorded on the statement of Net Position for earned but unpaid amounts.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and Teachers Retirement Association (TRA) and additions to/deductions from PERA's and TRA's fiduciary net position have been determined on the same basis as they are reported by PERA and 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.

**Independent School District No. 94
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Pensions (Continued)

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 Teacher's Retirement Fund Association (DTRFA) in 2015.

P. Post Employment Benefits other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for the MNTrust securities are valued at amortized cost, which approximates fair value.

Q. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters, and injuries to employees for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage during the year ending June 30, 2024.

R. Fund Equity

In the fund financial statements, governmental funds report various levels of spending constraints.

- ◆ Nonspendable Fund Balances - These are amounts that cannot be spent because they are not in spendable form as they are legally or contractually required to be maintained intact and include prepaids and inventory.
- ◆ Restricted Fund Balances - These amounts are subject to externally enforceable legal restrictions.
- ◆ Committed Fund Balances - These amounts are comprised of unrestricted funds used for a specific purpose. The government's highest level of decision-making authority is the School Board. A majority vote of the school board is required to establish or modify a commitment.
- ◆ Assigned Fund Balances - The School Board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The School Board also delegates the power to assign fund balances to the Business Manager or to the Superintendent. Assignments so made shall be reported to the school board on a monthly basis.
- ◆ Minimum Fund Balance Policy - The District will strive to maintain a minimum unassigned General Fund balance of 20% of the subsequent annual expenditure budget.

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Net Position

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

T. Use of Estimates

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

U. Budgetary Information

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Superintendent submits to the School Board, a proposed operating budget for the year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the School Board.
3. Formal budgetary integration is employed as a management control device during the year for the General, Debt Service, Capital Project, and Special Revenue Funds.
4. Budgets for the General, Debt Service, Capital Project, and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Budgets are as originally adopted or as amended by the School Board. Budgeted expenditure appropriations lapse at year-end.

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.

Custodial Credit Risk - Deposits: This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy requires the District's deposits be collateralized as required by *Minnesota Statutes* § 118.03 for an amount exceeding FDIC, SAIF, BIF, or FCUA coverage. As of June 30, 2024, the District's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the District's name.

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits (Continued)

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

District checking	\$ 751,770
Non-pooled Cash - OPEB	3,101
Total deposits	<u><u>\$ 754,871</u></u>

B

. Investments

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

Investment	Amount	Maturities			Percentage of Pool	S&P/Moodys Rating
		Less than 1 Year	1-2 Years	2-5 years		
Pooled Investments						
MSDLAF+ Max Class	\$ 7,561,519	\$ 7,561,519	\$ -	\$ -	63.90%	AAAm
MSDLAF Liquid Class	951,935	951,935	-	-	8.04%	AAAm
State and Local Government Obligations	517,401	-	133,464	383,937	4.37%	AA-AA+
Federal Home Loan Bank Bonds	679,724	-	679,724	-	5.74%	Aaa
Money Market Accounts	317	317	-	-	0.00%	N/A
US Treasuries	1,308,893	1,308,893	-	-	11.06%	N/A
Negotiable CDs	811,784	14,996	198,586	598,202	6.86%	N/A
MN Trust Investment Shares Portfolio	2,053	2,053	-	-	0.02%	AAAm
Total pooled investments	<u>11,833,626</u>	<u>9,839,713</u>	<u>1,011,774</u>	<u>982,139</u>	<u>100.00%</u>	
Non-Pooled Investments						
- School Building Bonds						
MN Trust Investment Shares Portfolio	39,387	39,387	-	-	0.71%	AAAm
Money Market Account	1,599	1,599	-	-	0.03%	N/A
US Treasury	5,533,789	5,533,789	-	-	99.26%	A1
Total non-pooled investments - School building bonds	<u>5,574,775</u>	<u>5,574,775</u>	<u>-</u>	<u>-</u>	<u>100.00%</u>	
Non-Pooled Investments						
- Irrevocable OPEB Trust						
Vanguard TOT ETF	1,110,795	1,110,795	-	-	25.31%	N/A
Vanguard TSM ETF	1,295,866	1,295,866	-	-	29.53%	N/A
US Treasuries	882,425	503,408	379,017	-	20.11%	N/A
Money Market Account	1,099,337	1,099,337	-	-	25.05%	AAAm
Total non-pooled investments - Irrevocable OPEB Trust	<u>4,388,423</u>	<u>4,009,406</u>	<u>379,017</u>	<u>-</u>	<u>100.00%</u>	
Total investments - Pooled and Non-pooled district funds	<u><u>\$ 21,796,824</u></u>	<u><u>\$ 19,423,894</u></u>	<u><u>\$ 1,390,791</u></u>	<u><u>\$ 982,139</u></u>		

Credit Risk: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to be in the top two ratings issued by nationally recognized statistical rating organizations. The District's policy limits investments to securities that meet the ratings requirements set by state statute. The District's investments were rated, as applicable, in the tables, on the previous page, by Standard & Poor's (S&P) and Moody's Investor Services.

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of an investment in a single issuer. The District's policy places no limit on the amount the District may invest in any one issuer, although the investment policy states that the District may diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. The District was not exposed to concentration of credit risk at June 30, 2024.

Interest Rate Risk: This is the risk that the market value of securities will fall due to the changes in market interest rates. The District's policy states investments will be managed in a manner to attain a market rate of return through various economic and budgetary cycles while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements.

Custodial Credit Risk - Investments: This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy states that securities will be held by an independent third-party custodian.

The District has the recurring fair value measurements for pooled investments and as of June 30, 2024:

◆ \$9,734,016 of pooled investments were valued at Level 2.

C. Deposits and Investments

The following is a summary of total deposits and investments:

Total deposits (Note 2.A.)	\$ 754,871
Total investments (Note 2.B.)	<u>21,796,824</u>
Total deposits and investments	<u><u>\$ 22,551,695</u></u>
Statement of Net Position	
Cash and investments	\$ 19,022,550
Statement of Fiduciary Net Position	
Cash and investments	
OPEB Irrevocable Trust	3,462,556
Scholarships	<u>66,589</u>
Total deposits and investments	<u><u>\$ 22,551,695</u></u>

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 3 - CAPITAL ASSETS

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

	Beginning Balance	Change in Accounting	Increases	Decreases	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 1,365,665	\$ -	\$ -	\$ -	\$ 1,365,665
Construction in progress	2,009,083	-	2,292,821	4,301,904	-
Total capital assets not being depreciated	3,374,748	-	2,292,821	4,301,904	1,365,665
Other Capital assets					
Land improvements	2,437,001	-	5,533,672	-	7,970,673
Buildings and improvements	86,210,293	-	341,360	-	86,551,653
Equipment	3,106,800	522,550	475,046	-	4,104,396
Leased Equipment	893,338	-	86,208	34,730	944,816
Leased Building	1,718,216	-	-	-	1,718,216
Total other assets at historical cost	94,365,648	522,550	6,436,286	34,730	101,289,754
Less accumulated depreciation for					
Land improvements	1,348,971	-	211,912	-	1,560,883
Buildings and improvements	31,121,353	-	2,576,637	-	33,697,990
Equipment	2,336,942	-	168,085	-	2,505,027
Less accumulated amortization for					
Leased Equipment	452,760	-	285,633	34,730	703,663
Leased Building	345,505	-	225,549	-	571,054
depreciation and amortization	35,605,531	-	3,467,816	34,730	39,038,617
Total capital assets being depreciated, net	58,760,117	522,550	2,968,470	-	62,251,137
Governmental activities, capital assets, net	\$ 62,134,865	\$ 522,550	\$ 5,261,291	\$ 4,301,904	\$ 63,616,802

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 3 - CAPITAL ASSETS (CONTINUED)

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

Administration	1,764
District support services	2,999
Elementary and secondary regular instruction	15,032
Special education instruction	834
Instructional support services	38,138
Pupil support services	28,808
Sites and buildings	362,576
Food service	23,418
Community education and services	3,073
Unallocated depreciation	2,991,174
Total depreciation/amortization expense	<u><u>\$ 3,467,816</u></u>

NOTE 4 - LONG-TERM DEBT

A. Components of Long-Term Liabilities

	Issue Date	Interest Rates	Original Issue	Final Maturity	Principal Outstanding	Due Within One year
Long-term liabilities						
G.O. Bonds						
2015B School						
Building Bonds	6/11/2015	2.00%-5.00%	\$ 45,450,000	2/1/2036	\$ 40,850,000	\$ 2,615,000
2016A Alternative Facilities						
Refunding Bonds	6/29/2016	3.00%	4,080,000	2/1/2027	735,000	250,000
2016B Taxable OPEB						
Refunding Bonds	6/29/2016	2.25%-2.88%	4,660,000	2/1/2030	2,675,000	410,000
2021A Capital						
Facilities Bonds	2/18/2021	1.00%-3.00%	1,860,000	2/1/2031	1,485,000	195,000
2023A Capital						
Facilities Bonds	6/15/2023	4.60%-6.00%	2,715,000	2/1/2036	2,715,000	90,000
2024A Capital						
Facilities Bonds	6/17/2024	4.00%	5,500,000	2/1/2021	5,500,000	785,000
Total bonds					53,960,000	4,345,000
Premium on bonds					2,869,433	-
Lease payable					1,370,298	199,870
Compensated absences payable					572,524	169,891
Total all long-term liabilities					<u><u>\$ 58,772,255</u></u>	<u><u>\$ 4,714,761</u></u>

General Obligation Bonds are paid from the Debt Service Fund. The General Obligation Taxable OPEB Bond is paid from Postemployment Benefit Debt Service Fund. The financed purchase and leases are payable from the General Fund. Compensated absences are paid from the General, Food Service and Community Service Funds.

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 4 - LONG-TERM DEBT (CONTINUED)

B. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance
Long-term liabilities				
G.O. Bonds	\$ 52,650,000	\$ 5,500,000	\$ 4,190,000	\$ 53,960,000
Lease liability	1,828,615	-	458,317	1,370,298
Financed purchase	290,080	-	290,080	-
Compensated absences payable	650,806	205,427	283,709	572,524
Premium on bonds	3,065,917	116,470	312,954	2,869,433
	<u>\$ 58,485,418</u>	<u>\$ 5,821,897</u>	<u>\$ 5,535,060</u>	<u>\$ 58,772,255</u>
Total long-term liabilities	<u>\$ 58,485,418</u>	<u>\$ 5,821,897</u>	<u>\$ 5,535,060</u>	<u>\$ 58,772,255</u>

C. Minimum Debt Payments for Bonds

Minimum annual principal and interest payments required to retire G.O. bond liabilities:

Year Ending June 30,	G.O. Bonds		Lease Liability		Total
	Principal	Interest	Principal	Interest	
2025	\$ 4,345,000	\$ 2,197,971	\$ 199,870	\$ 64,477	\$ 6,807,318
2026	4,430,000	2,092,790	50,703	57,392	6,630,885
2027	4,620,000	1,897,678	54,956	54,760	6,627,394
2028	4,565,000	1,693,378	62,022	51,857	6,372,257
2029	4,770,000	1,486,253	69,856	48,579	6,374,688
2030-2034	22,055,000	4,575,145	478,546	176,545	27,285,236
2035-2036	9,175,000	563,630	454,345	38,666	10,231,641
Total	<u>\$ 53,960,000</u>	<u>\$ 14,506,845</u>	<u>\$ 1,370,298</u>	<u>\$ 492,276</u>	<u>\$ 70,329,419</u>

D. Lease Obligations

The District entered into multiple lease agreements shown per schedules above. These leases have varying start dates, monthly loan payment amounts, and end dates.

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 5 - FUND BALANCES/NET POSITION

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities or as required by other outside parties.

A. Fund Balances

Fund balances are classified on the following page to reflect the limitations and restrictions of the respective funds.

	General Fund	Debt Service	Building Construction	Other Nonmajor Funds	Total
Nonspendable for					
Inventory	\$ -	\$ -	\$ -	\$ 27,562	\$ 27,562
Prepaid items	139,174	-	-	-	139,174
Total nonspendable	<u>139,174</u>	<u>-</u>	<u>-</u>	<u>27,562</u>	<u>166,736</u>
Restricted/reserved for					
Staff Development	255	-	-	-	255
American Indian Ed Aid	21,310	-	-	-	21,310
Safe School Crime	3,981	-	-	-	3,981
Operating Capital	175,000	-	-	-	175,000
English Learner	24,564	-	-	-	24,564
Impact Aid	484,448	-	-	-	484,448
Achievement and Integration	82,043	-	-	-	82,043
Learning and Development	17,976	-	-	-	17,976
Building Construction	-	-	-	-	-
Gifted and Talented	2,868	-	-	-	2,868
Long-term Facilities Maintenance	91,775	-	5,559,533	-	5,651,308
Community Education	-	-	-	387,634	387,634
Early Childhood and Family Education	-	-	-	163,752	163,752
School Readiness	-	-	-	156,232	156,232
Community Service	-	-	-	22,758	22,758
Food Service	-	-	-	1,156,987	1,156,987
Debt Service	-	1,595,117	-	124,171	1,719,288
Total restricted/reserved	<u>904,220</u>	<u>1,595,117</u>	<u>5,559,533</u>	<u>2,011,534</u>	<u>10,070,404</u>
Committed for					
Severance	<u>1,710,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,710,582</u>
Assigned for					
Curriculum	(212,718)	-	-	-	(212,718)
Transporation	330,754	-	-	-	330,754
Extracurricular activities	559,606	-	-	-	559,606
Total assigned	<u>677,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>677,642</u>
Unassigned	<u>4,770,165</u>	<u>-</u>	<u>-</u>	<u>(2,483)</u>	<u>4,767,682</u>
Total fund balance	<u>\$ 8,201,783</u>	<u>\$ 1,595,117</u>	<u>\$ 5,559,533</u>	<u>\$ 2,036,613</u>	<u>\$ 17,393,046</u>

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 5 - FUND BALANCES/NET POSITION (CONTINUED)

A. Fund Balances (Continued)

Restricted/Reserved for American Indian Education Aid - This balance represents resources remaining in the American Indian Education Funds.

Restricted/Reserved for Safe Schools Revenue - The unspent resources available from the Safe Schools revenue must be restricted in this account for future use.

Restricted/Reserved for English Learner - This balance represents resources available for English Learner students per *Minnesota Statutes* § 2023, 124D.59, subd. 2.

Restricted/Reserved for Learning and Development - Learning and development is funded by general education revenue. This reserve represents available general education revenues for learning and development, which is mainly for reducing the pupil to staff ratio.

Restricted/Reserved for Gifted and Talented - The part of General Education Aid revenue for the gifted and talented program that is unspent at year end must be restricted in this Balance Sheet account.

Nonspendable for Inventory - This balance represents the portion of fund balance that is not available as amounts have already been spent on inventory.

Nonspendable for Prepaid Items - This balance represents the portion of fund balance that is not available as the amounts have already been spent by the District on items for the next year.

Restricted/Reserved for Operating Capital - This balance represents available resources in the General Fund to be used to purchase equipment and facilities.

Restricted/Reserved for Medical Assistance - This balance represents available resources to be used for medical assistance expenditures (*Minnesota Statutes* § 125A.21, subd. 3).

Restricted/Reserved for Title VII - Impact Aid Funds - This balance represents the unspent resources from the Title VII - Impact Aid Funds.

Restricted/Reserved for Achievement and Integration Revenue - This balance represents unspent resources available from the achievement and integration program.

Restricted/Reserved for Staff Development - This balance represents unspent staff development revenues set aside from general education revenue that were restricted/reserved for staff development related to Finance Code 316. Expenditures for staff development must equal at least 2% of the basic general education revenue, unless legal stipulations are met (*Minnesota Statutes* § 122A.61, subdivision 1).

Restricted for Building Construction - This balance represents available resources in the District's Building Construction Fund restricted for future construction projects.

Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) - This balance represents available resources to be used for LTFM projects in accordance with the 10-year plan (*Minnesota Statutes* § 123B.595, subd. 12).

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 5 - FUND BALANCES/NET POSITION (CONTINUED)

A. Fund Balances (Continued)

Restricted/Reserved for Community Education - This balance represents the resources available to provide programming such as: nonvocational, recreational and leisure time activities, programs for adults with disabilities, noncredit summer programs, youth development and youth service programming, early childhood and family education and extended day programs.

Restricted/Reserved for Early Childhood and Family Education - This balance represents the resources available to provide for services for early childhood and family education programming.

Restricted/Reserved for School Readiness - This balance represents the resources available to provide for services for school readiness programs (*Minnesota Statutes* § 124D.16).

Restricted for Community Service - This balance represents amounts restricted for the activities of the Community Service program not otherwise restricted/reserved.

Restricted for Food Service - This balance represents the positive remaining fund balance of the Food Service Fund.

Restricted for Debt Service - This balance represents the positive fund balance of the debt service funds.

Committed for Severance- This balance represents resources set aside for future severance payments.

Assigned Fund Balance - These balances represent amount set aside by management for specific uses as noted in the table on the previous page. Assigned for curriculum is negative due to the District spending more than the annual assigned amount, this amount will be replenished in future year's allocations.

NOTE 6 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE

The District participates in various pension plans. Total pension expense for the year ended June 30, 2024, was \$1,012,975. The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the Liability related to the pensions.

Teachers' Retirement Association

A. Plan Description

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

**Independent School District No. 94
Notes to Basic Financial Statements**

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

Teachers' Retirement Association (Continued)

A. Plan Description (Continued)

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 teachers employed by St. Paul Schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Defined Contribution Plan (DCP) administered by Minnesota State.

B. Benefits Provided

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

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

Tier 1 Benefits

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

With these provisions:

- ◆ Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- ◆ 3% per year early retirement reduction factor for all years under normal retirement age.
- ◆ Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

Or

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

Independent School District No. 94
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

B. Benefits Provided (Continued)

Tier II Benefits

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

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

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

C. Contribution Rate

Per *Minnesota Statutes* Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2021, June 30, 2022, and June 30, 2023, were:

	June 30, 2022		June 30, 2023		June 30, 2024	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.0 %	12.34 %	11.0 %	12.55 %	11.3 %	12.75 %
Coordinated	7.5	8.34	7.5	8.55	7.8	8.75

Independent School District No. 94
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

C. Contribution Rate (Continued)

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

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

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

Independent School District No. 94
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

D. Actuarial Assumptions

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

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information

Valuation date	July 1, 2023
Measurement date	June 30, 2023
Experience study	June 28, 2019 (demographic and economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% after June 30, 2028.
Projected salary increase	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% after June 30, 2028.
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Mortality Assumption

Pre-retirement	RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
Post-retirement	RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projections uses the MP 2015 scale.
Post-disability	RP 2014 disabled retiree mortality table, without

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

Independent School District No. 94
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

A. Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	33.5 %	5.10 %
International stocks	16.5	5.30
Private markets	25.0	5.90
Fixed income	<u>25.0</u>	0.75
 Total	 <u><u>100.0 %</u></u>	

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2023 is six years. The "Difference Between Expected and Actual Experience", "Changes of Assumptions", and "Changes in Proportion" use the amortization period of six years in the schedule presented. The amortization period for "Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments" is five years as required by GASB 68.

Changes in actuarial assumptions since the 2022 valuation:

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

- ◆ The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025.
- ◆ The employee contribution rate will increase from 7.75% to 8.0% on July 1, 2025.
- ◆ The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.

The 2024 Omnibus Pensions and Retirement Bill:

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

E. Discount Rate

The discount rate used to measure the total pension liability was 7.0%. 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 (SEIR).

Independent School District No. 94
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

F. Net Pension Liability

On June 30, 2024, the District reported a liability of \$16,239,993 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. District proportionate share was 0.19670% at the end of the measurement period and 0.2780% for the beginning of the year.

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

District's proportionate share of net pension liability	\$ 23,340,345
State's proportionate share of the net pension liability associated with the District	1,634,944

For the year ended June 30, 2024, the District recognized pension expense of \$434,439. Included in this amount, the District recognized \$230,213 as pension expense for the support provided by direct aid.

On 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 experience	\$ 220,548	\$ 331,242
Net collective difference between projected and actual earnings on plan investments	161,235	-
Changes in actuarial assumptions	2,539,215	-
Changes in proportion	831,331	81,269
District's contributions to TRA subsequent to the measurement date	<u>1,667,310</u>	<u>-</u>
Total	<u><u>\$ 5,419,639</u></u>	<u><u>\$ 412,511</u></u>

The \$1,667,310 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a relation of the net pension liability in the year ended June 30, 2025.

Independent School District No. 94
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

F. Net Pension Liability (Continued)

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2025	\$ 556,046
2026	183,317
2027	2,701,854
2028	(121,413)
2029	20,014
Total	<u>\$ 3,339,818</u>

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) and 1 percentage point higher (8.0%) than the current rate.

District Proportionate Share of NPL		
1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
\$ 37,226,134	\$ 23,340,345	\$ 11,973,137

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

H. Pension Plan Fiduciary Net Position

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

**Independent School District No. 94
Notes to Basic Financial Statements**

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

Public Employees' Retirement Association

A. Plan Description

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

General Employees Retirement Plan

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

B. Benefits Provided

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

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1 the annuity accrual rate for a Coordinated Plan member is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% 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 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. 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. 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.

C. Contributions

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

Independent School District No. 94
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

C. Contributions (Continued)

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2024, were \$485,372. The District's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At June 30, 2024, the District reported a liability of \$4,406,408 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 non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$121,511.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0788% at the end of the measurement period and 0.0797% for the beginning of the period.

School's proportionate share of net pension liability	\$ 4,406,408
State of Minnesota's proportionate share of the net pension liability associated with the School	<u>121,511</u>
Total	<u><u>\$ 4,527,919</u></u>

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or the year ended June 30, 2023, the District recognized pension expense of \$578,536 for its proportionate share of the General Employees Plan's pension expense. Included in this amount, the District recognized \$546 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

Independent School District No. 94
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

At June 30, 2024, the District reported its proportionate share of deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 145,105	\$ 30,431
Changes in actuarial assumptions	715,398	1,207,759
Net Collective Difference between projected and actual investments earnings	-	144,268
Changes in proportion	14,946	104,421
(second part to be determined by the district)	-	-
District's contributions to PERA subsequent to the measurement date	<u>485,372</u>	<u>-</u>
Total	<u><u>\$ 1,360,821</u></u>	<u><u>\$ 1,486,879</u></u>

The \$485,372 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 ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
	<u> </u>
2025	\$ 58,621
2026	(665,969)
2027	91,508
2028	<u>(95,590)</u>
Total	<u><u>\$ (611,430)</u></u>

Independent School District No. 94
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

E. Long-Term Expected Return on Investment

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

Asset Class	Final Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5 %	5.10 %
International stocks	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	100.0 %	

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. 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. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.5%. 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 7.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service.

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

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

Independent School District No. 94
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

F. Actuarial Methods and Assumptions (Continued)

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

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- ◆ An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- ◆ The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- ◆ The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- ◆ A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

G. Discount Rates

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

H. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the 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 (6%)	Current Discount Rate (7%)	1% Increase in Discount Rate (8%)
District's proportionate share of the PERA net pension liability	\$ 7,795,289	\$ 4,406,408	\$ 1,618,924

I. Pension Plan Fiduciary Net Position

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

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description

The District administers a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) which provides medical, dental and life insurance benefits to eligible retired employees and their dependents in accordance with the terms of the plan.

The District has established an irrevocable trust fund to account for accumulated plan assets available to pay for current and future postemployment health care costs. The Trust does not issue a stand-alone financial report but is included in this report of the District.

B. Benefits Paid

At retirement, employees of the District receiving a retirement or disability benefit, or eligible to receive a benefit from a Minnesota public pension plan may continue to participate in the District's group insurance plan. The District contributes a portion of the premium and HSA or HRA contributions as established by contracts with bargaining units or other employment contracts. These contracts state the years, age, and retiring dates needed to qualify for these postemployment benefits. The General Fund typically liquidates the liability related to OPEB.

C. Members

As of the June 30, 2022, valuation date, the following were covered by the benefit terms:

Active employees electing coverage	215
Active employees waiving coverage	176
Retirees electing coverage	<u>117</u>
Total	<u><u>508</u></u>

D. Contributions

Retirees contribute to the health care plan at the same rate as District employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the District, based on the contract terms with insurance providers.

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation on as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Discount Rate	4.74%
Investment rate of return	6.00%
Inflation	2.50%
Healthcare cost trend increases	6.8%, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.
Mortality Assumptions	
Teachers	RP-2014 mortality tables with projected mortality improvements based on scale MP-2015 and other adjustments.
Non-teachers	Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.

estimated geometric nominal rates of return for each major asset class included in the OPEB plan's asset allocation as of the measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Domestic equity	28 %	7.41 %
International equity	17	7.82
Fixed income	50	4.8
Real estate and alternatives	5	6.29
Cash and equivalents	0	3.27
 Total	 <u>100 %</u>	 <u>6.52 %</u>

The details of the investments and the investment policy are described in Note 2 of the District's financial statements. For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 11.27%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

F. Total OPEB Liability

The District's net OPEB liability of \$676,650 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2022.

Changes in the Total OPEB liability are as follows:

	Liability (a)	Position (b)	Liability (a) - (b)
Balances at July 1, 2023	\$ 4,317,268	\$ 3,531,116	\$ 786,152
Changes for the year			
Service cost	128,663	-	128,663
Interest	193,542	-	193,542
Difference between expected and actual experience	(6,911)	-	(6,911)
Changes in assumptions	(27,202)	-	(27,202)
Employer contributions	-	-	-
Net investment income	-	397,844	(397,844)
Benefit payments	(476,986)	(476,986)	-
Administrative expense	-	(250)	250
Net changes	(188,894)	(79,392)	(109,502)
Balances at June 30, 2024	\$ 4,128,374	\$ 3,451,724	\$ 676,650

Changes of assumptions and other inputs reflect a change in the discount rate from 4.60% in 2023 to 4.74% in 2024 based on an increase in the index rate for 20-year, tax exempt municipal bond rates from 3.86% to 3.97%. The long-term investment return assumption was changed from 5.00% to 6.00% based on updated capital market assumptions.

The following presents the District's net OPEB asset calculated using the discount rate of 4.74% as well as the liability measured using 1 percentage point lower and 1 percentage point higher than the current discount rate.

	1% Decrease in Discount Rate (3.74%)	Current Discount Rate (4.74%)	1% Increase in Discount Rate (5.74%)
Net OPEB Liability	\$ 871,989	\$ 676,650	\$ 484,500

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 7 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

G. OPEB Liability Sensitivity

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using trend rates that are 1% lower and 1% higher than the trend rates.

	1% Decrease in Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase in Discount Rate (7.80%)
Net OPEB Liability	\$ 358,510	\$ 676,650	\$ 1,036,287

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB**

For the year ended June 30, 2024, the District recognized OPEB expense of (\$328,693). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 5,694	\$ -
Differences between expected and actual liability	-	546,498
Changes of assumptions	42,634	972,177
Total	<u>\$ 48,328</u>	<u>\$ 1,518,675</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Total
2025	\$ (433,545)
2026	(292,790)
2027	(330,813)
2028	(168,248)
2029	(137,529)
Thereafter	(107,422)
Total	<u>\$ (1,470,347)</u>

Independent School District No. 94
Notes to Basic Financial Statements

NOTE 8 - ACCOUNTING CHANGES

Due to the issuance of the 2024A General Obligation Facilities Maintenance Bond the Capital Project fund qualifies as a major fund for the year ended June 30, 2024.

During the year ended June 30, 2024, the District implemented *Implementation Guide No. 2021-1-Amending Capitalization Requirements*. This resulted in an increase in capital assets, net of accumulated depreciation, of \$522,550.

	Reporting Unit Affected by Restatements of Beginning Balances		
	Funds		Government-Wide
	Major Capital Projects	Nonmajor Funds	Governmental Activities
6/30/2023 as previously reported	\$ -	\$ 1,707,326	\$ (10,791,281)
Change in accounting principle	-	-	522,550
Change from nonmajor to major fund	1,707,326	(1,707,326)	-
6/30/2023 as restated	<u>\$ 1,707,326</u>	<u>\$ -</u>	<u>\$ (10,268,731)</u>

REQUIRED SUPPLEMENTARY INFORMATION

**Independent School District No. 94
Cloquet Schools
Schedule of Changes in Net OPEB Liability
and Related Ratios**

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Total OPEB Liability			
Service cost	\$ 375,729	\$ 364,255	\$ 343,389
Interest	322,047	364,859	376,722
Differenced between expected and actual experience	-	-	(666,377)
Changes of assumptions	(246,684)	(593,835)	(1,285,849)
Benefit payments	(532,516)	(553,702)	(643,982)
Net change in total OPEB liability	<u>(81,424)</u>	<u>(418,423)</u>	<u>(1,876,097)</u>
Beginning of year	<u>8,343,199</u>	<u>8,261,775</u>	<u>7,843,352</u>
End of year	<u><u>\$ 8,261,775</u></u>	<u><u>\$ 7,843,352</u></u>	<u><u>\$ 5,967,255</u></u>
Plan Fiduciary Net Pension (FNP)			
Employer contributions	\$ 194,229	\$ 223,683	\$ 224,963
Net investment income	428,743	372,040	63,167
Other additions	-	-	-
Benefit payments	(532,516)	(553,702)	(643,982)
Administrative expense	(250)	(250)	(250)
Other changes	-	-	-
Net change in plan fiduciary net position	<u>90,206</u>	<u>41,771</u>	<u>(356,102)</u>
Beginning of year	<u>5,089,935</u>	<u>5,180,141</u>	<u>5,221,912</u>
End of year	<u><u>\$ 5,180,141</u></u>	<u><u>\$ 5,221,912</u></u>	<u><u>\$ 4,865,810</u></u>
Net OPEB liability	<u><u>\$ 3,081,634</u></u>	<u><u>\$ 2,621,440</u></u>	<u><u>\$ 1,101,445</u></u>
Plan FNP as a percentage of the total OPEB liability	62.70%	66.58%	81.54%
Covered-employee payroll	\$ 19,035,000	\$ 20,222,000	\$ 20,717,000
Net OPEB liability as a percentage of covered-employee payroll	16.19%	12.96%	5.32%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
\$ 230,324	\$ 258,644	\$ 173,951	\$ 146,252	\$ 128,663
266,552	239,010	163,514	203,019	193,542
-	(270,816)	(30,591)	(207,554)	(6,911)
100,404	(400,565)	(291,853)	(25,416)	(27,202)
(522,032)	(500,499)	(669,540)	(512,791)	(476,986)
<u>75,248</u>	<u>(674,226)</u>	<u>(654,519)</u>	<u>(396,490)</u>	<u>(188,894)</u>
 5,967,255	 6,042,503	 5,368,277	 4,713,758	 4,317,268
 <u>\$ 6,042,503</u>	 <u>\$ 5,368,277</u>	 <u>\$ 4,713,758</u>	 <u>\$ 4,317,268</u>	 <u>\$ 4,128,374</u>
 \$ -	 \$ 150,302	 \$ 218,156	 \$ (218,156)	 \$ -
215,398	700,796	(444,266)	255,986	397,844
-	874	-	-	-
(522,032)	(500,499)	(669,540)	(512,791)	(476,986)
(250)	(250)	(250)	(250)	(250)
-	-	(7,922)	-	-
<u>(306,884)</u>	<u>351,223</u>	<u>(903,822)</u>	<u>(475,211)</u>	<u>(79,392)</u>
 4,865,810	 4,558,926	 4,910,149	 4,006,327	 3,531,116
 <u>\$ 4,558,926</u>	 <u>\$ 4,910,149</u>	 <u>\$ 4,006,327</u>	 <u>\$ 3,531,116</u>	 <u>\$ 3,451,724</u>
 <u>\$ 1,483,577</u>	 <u>\$ 458,128</u>	 <u>\$ 707,431</u>	 <u>\$ 786,152</u>	 <u>\$ 676,650</u>
 75.45%	 91.47%	 84.99%	 81.79%	 83.61%
 \$ 21,450,928	 \$ 19,839,548	 \$ 23,739,308	 \$ 21,053,815	 \$ 23,991,718
 6.92%	 2.31%	 2.98%	 3.73%	 2.82%

**Independent School District No. 94
Cloquet Schools
Schedule of Investment Returns**

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Annual money-weighted rate of return, net of investment expense	8.71%	7.46%	1.21%	4.78%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
16.13%	-9.05%	6.39%	11.27%

Independent School District No. 94
Schedule of District's and Non-Employer Proportionate Share
(if Applicable) of Net Pension Liability
Last Ten Years General Employees Retirement Fund

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate d Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension of	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.0842%	\$ 3,955,294	\$ -	\$ 3,955,294	\$ 4,421,821	89.4%	78.75%
2015	0.0791%	4,099,373	-	4,099,373	4,573,467	89.6%	78.19%
2016	0.0810%	6,576,798	85,940	6,662,738	5,026,373	130.8%	68.91%
2017	0.0832%	5,311,433	66,804	5,378,237	5,351,427	99.3%	75.90%
2018	0.0851%	4,720,999	154,872	4,875,871	5,718,440	82.6%	79.53%
2019	0.0829%	4,583,355	142,494	4,725,849	5,865,920	78.1%	80.23%
2020	0.0824%	4,940,257	152,446	5,092,703	5,877,653	84.1%	79.06%
2021	0.0790%	3,373,654	103,135	3,476,789	5,690,387	59.3%	87.00%
2022	0.0797%	6,312,266	185,200	6,497,466	5,970,853	105.7%	76.67%
2023	0.0788%	4,406,408	121,511	4,527,919	6,265,507	70.3%	83.10%

Schedule of District's and Non-Employer Proportionate Share
(if Applicable) of Net Pension Liability
Last Ten Years TRA Retirement Fund

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate d Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension of Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.2526%	\$ 11,639,626	\$ 818,923	\$ 12,458,549	\$ 11,532,629	100.9%	81.50%
2015	0.2364%	14,623,678	1,793,756	16,417,434	11,978,373	122.1%	76.77%
2016	0.2442%	58,247,527	5,846,286	64,093,813	12,702,213	458.6%	44.88%
2017	0.2500%	49,904,535	4,824,697	54,729,232	13,457,507	370.8%	51.57%
2018	0.2605%	16,361,838	1,537,381	17,899,219	14,394,147	113.7%	78.07%
2019	0.2616%	16,674,439	1,475,892	18,150,331	14,853,593	112.3%	78.21%
2020	0.2662%	19,667,213	1,648,122	21,315,335	15,467,475	127.2%	75.48%
2021	0.2640%	11,553,429	974,520	12,527,949	15,798,672	73.1%	86.63%
2022	0.2780%	22,260,769	1,650,731	23,911,500	17,182,938	129.6%	76.17%
2023	0.2827%	23,340,345	1,634,944	24,975,289	17,975,977	129.8%	76.42%

**Independent School District No. 94
Schedule of District Contributions
General Employees Retirement Fund
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 343,010	\$ 343,010	\$ -	\$ 4,573,467	7.50%
2016	376,978	376,978	-	5,026,373	7.50%
2017	401,357	401,357	-	5,351,427	7.50%
2018	428,883	428,883	-	5,718,440	7.50%
2019	439,944	439,944	-	5,865,920	7.50%
2020	440,824	440,824	-	5,877,653	7.50%
2021	426,779	426,779	-	5,690,387	7.50%
2022	447,814	447,814	-	5,970,853	7.50%
2023	469,913	469,913	-	6,265,507	7.50%
2024	485,372	485,372	-	6,471,627	7.50%

**Schedule of District Contributions
TRA Retirement Fund
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 898,378	\$ 898,378	\$ -	\$ 11,978,373	7.50%
2016	952,666	952,666	-	12,702,213	7.50%
2017	1,009,313	1,009,313	-	13,457,507	7.50%
2018	1,079,561	1,079,561	-	14,394,147	7.50%
2019	1,145,212	1,145,212	-	14,853,593	7.71%
2020	1,225,024	1,225,024	-	15,467,475	7.92%
2021	1,284,432	1,284,432	-	15,798,672	8.13%
2022	1,433,057	1,433,057	-	17,182,938	8.34%
2023	1,536,946	1,536,946	-	17,975,977	8.55%
2024	1,667,310	1,667,310	-	19,054,971	8.75%

Independent School District No. 94
Notes to Required Supplementary Information

TRA Retirement Fund

2023 Changes

Changes of Benefit Terms

- ◆ The 2023 Tax Finance and Policy Bill, effective July 1, 2025:
- ◆ The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025.
- ◆ The employee contribution rate will increase from 7.75% to 8.0% on July 1, 2025.
- ◆ The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.

The 2024 Omnibus Pensions and Retirement Bill:

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

2022 Changes

Changes in Actuarial Assumptions

- ◆ None

2021 Changes

Changes in Actuarial Assumptions

- ◆ The investment return assumption was changed from 7.5% to 7.0%.

2020 Changes

Changes in Actuarial Assumptions

- ◆ Assumed termination rates were changed to more closely reflect actual experience.
- ◆ The pre-retirement mortality assumption was changed to the 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.
- ◆ Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

2019 Changes

Changes in Actuarial Assumptions

- ◆ None

2018 Changes

Changes in Actuarial Assumptions

- ◆ The discount rate was increased to 7.5% from 5.12%.
- ◆ The cost-of-living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% 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 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.

Independent School District No. 94
Notes to Required Supplementary Information

TRA Retirement Fund (Continued)

2018 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- ◆ Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019, and ending July 1, 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 0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- ◆ The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 Changes

Changes in Actuarial Assumptions

- ◆ The discount rate was increased to 5.12% from 4.66%.
- ◆ The cost-of-living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- ◆ The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- ◆ Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- ◆ The investment return assumption was changed from 8.0% to 7.5%.
- ◆ The price inflation assumption was lowered from 2.75% to 2.5%.
- ◆ The payroll growth assumption was lowered from 2.5% to 3.0%.
- ◆ The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- ◆ The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

2016 Changes

Changes in Actuarial Assumptions

- ◆ The discount rate was decreased to 4.66% from 8.0%.
- ◆ The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- ◆ The price inflation assumption was lowered from 3% to 2.75%.
- ◆ The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- ◆ Minor changes as some durations for the merit scale of the salary increase assumption.
- ◆ The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- ◆ The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.

Independent School District No. 94
Notes to Required Supplementary Information

TRA Retirement Fund (Continued)

2016 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- ◆ The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- ◆ Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- ◆ Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- ◆ A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

2015 Changes

Changes of Benefit Terms

- ◆ The DFRFA was merged into TRA on June 30, 2015

Changes in Actuarial Assumptions

- ◆ The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%.

Independent School District No. 94
Notes to Required Supplementary Information

General Employees Fund

2023 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- ◆ An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- ◆ The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- ◆ The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- ◆ A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- ◆ There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- ◆ The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- ◆ The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- ◆ The price inflation assumption was decreased from 2.5% to 2.25%.
- ◆ The payroll growth assumption was decreased from 3.25% to 3.0%.
- ◆ 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% 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 2-5 and slightly higher thereafter.
- ◆ Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- ◆ The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- ◆ The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.

Independent School District No. 94
Notes to Required Supplementary Information

General Employees Fund (Continued)

2020 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- ◆ 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% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- ◆ Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023, and 0.0% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- ◆ The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- ◆ The mortality projection scale was changed from MP-2015 to MP-2017.
- ◆ The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

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 4.0% to 3.0%, beginning July 1, 2018.
- ◆ Deferred augmentation was changed to 0.0%, 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 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, 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. This 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.

Independent School District No. 94
Notes to Required Supplementary Information

General Employees Fund (Continued)

2017 Changes

Changes in Actuarial Assumptions

- ◆ The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- ◆ The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- ◆ The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- ◆ The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions

- ◆ The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- ◆ The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- ◆ Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- ◆ The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- ◆ On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 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.

Independent School District No. 94
Notes to Required Supplementary Information

Post Employment Benefits

2024 Changes

Changes in Actuarial Assumptions

- ◆ Change in the discount rate from 4.60% to 4.74% based on updated investment return assumptions, 20-year municipal bond rates, and updated asset sufficiency projections.

2023 Changes

Changes in Actuarial Assumptions and Plan Provisions

- ◆ Change in the discount rate from 4.41% in 2022 to 4.60% in 2023 based on updated investment return assumptions, 20-year municipal bond rates, and updated asset sufficiency projections.
- ◆ The long-term expected rate of return on OPEB plan investments was changed from 5.00% to 6.00% based on updated capital market assumptions.
- ◆ Healthcare trend rates were reset to reflect updated cost increase expectations.
- ◆ Medical per capita claims costs were updated to reflect recent experience.
- ◆ Mortality rates were updated from the rates used in the 7/1/2020 PERA General Employees Plan valuation to the rates used in the 7/1/2022 valuation.
- ◆ The percentage of future retirees not eligible for a medical explicit subsidy assumed to elect medical coverage at retirement from 20% to 15% to reflect recent plan experience.
- ◆ The inflation assumption was changed from 2.25% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

2022 Changes

Changes in Actuarial Assumptions and Plan Provisions

- ◆ Change in the discount rate from 3.14% in 2021 to 4.41% in 2022 based on an increase in the index rate for 20-year, tax exempt municipal Bonds from 1.92% in 2021 to 3.69% in 2022.

2021 Changes

Changes in Actuarial Assumptions and Plan Provisions

- ◆ The discount rate was changed from 3.95% to 3.14% based on updated expectations of long-term returns on trust assets and 20-year municipal bond rates.
- ◆ The long-term expected rate of return on OPEB plan investments was changed from 6.00% to 5.00% based on updated capital market assumptions.
- ◆ Healthcare trend rates were reset to reflect updated cost increase expectations.
- ◆ Medical per capita claims costs were updated to reflect recent experience, including an adjustment to reflect age/gender-based risk scores published by the Society of Actuaries.
- ◆ Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the 7/1/2018 PERA General Employees Plan and 7/1/2018 Teachers Retirement Association valuations to the rates used in the 7/1/2020 valuations.
- ◆ The inflation assumption was changed from 2.50% to 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.

2020 Changes

Changes in Actuarial Assumptions and Plan Provisions

- ◆ Changes of assumptions and other inputs reflect a change in the discount rate from 4.49% in 2019 to 3.95% in 2020 based on a decrease in the index rate for 20-year, tax exempt municipal bonds from 3.13% in 2019 to 2.45% in 2020.
- ◆ The medical trend rates were updated to exclude the Affordable Care Act's excise tax on high cost health insurance plans due to its repeal.

Independent School District No. 94
Notes to Required Supplementary Information

Post Employment Benefits (Continued)

2019 Changes

Changes in Actuarial Assumptions and Plan Provisions

- ◆ Changes of assumptions and other inputs reflect a change in the discount rate from 4.79% in 2018 to 4.49% in 2019 based on a decrease in the expected long-term rate of return on assets from 6.25% in 2018 to 6.0% in 2019.
- ◆ Retiree premiums and active District subsidy amount have been updated to current levels.
- ◆ Eligible participants of the plans have been updated based on contracts.

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SUPPLEMENTARY INFORMATION

Independent School District No. 94
Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue		
	Food Service	Community Service	Total Special Revenue
Assets			
Cash and investments	\$ 1,152,537	\$ 923,754	\$ 2,076,291
Current property taxes receivable	-	113,222	113,222
Delinquent property taxes receivable	-	4,437	4,437
Due from Department of Education	26,733	26,926	53,659
Inventory	27,562	-	27,562
Total assets	<u>\$ 1,206,832</u>	<u>\$ 1,068,339</u>	<u>\$ 2,275,171</u>
Liabilities			
Accounts payable	\$ 3,989	\$ 12,340	\$ 16,329
Salaries and benefits payable	18,294	68,415	86,709
Total liabilities	<u>22,283</u>	<u>80,755</u>	<u>103,038</u>
Deferred Inflows of Resources			
Property taxes levied for subsequent year's expenditures	-	255,254	255,254
Unavailable revenue - delinquent taxes	-	4,437	4,437
Total deferred inflows of resources	<u>-</u>	<u>259,691</u>	<u>259,691</u>
Fund Balances			
Nonspendable	27,562	-	27,562
Restricted	1,156,987	730,376	1,887,363
Unassigned	-	(2,483)	(2,483)
Total fund balances	<u>1,184,549</u>	<u>727,893</u>	<u>1,912,442</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,206,832</u>	<u>\$ 1,068,339</u>	<u>\$ 2,275,171</u>

Post- Employment Benefits Debt Service Fund	Total Nonmajor Funds
\$ 374,383	\$ 2,450,674
200,909	314,131
6,359	10,796
1,718	55,377
-	27,562
<u>\$ 583,369</u>	<u>\$ 2,858,540</u>
\$ -	\$ 16,329
-	86,709
<u>-</u>	<u>103,038</u>
452,839	708,093
6,359	10,796
<u>459,198</u>	<u>718,889</u>
-	27,562
124,171	2,011,534
-	(2,483)
<u>124,171</u>	<u>2,036,613</u>
<u>\$ 583,369</u>	<u>\$ 2,858,540</u>

Independent School District No. 94
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue		
	Food Service	Community Service	Total Special Revenue
Revenues			
Local property taxes	\$ -	\$ 312,145	\$ 312,145
Other local and county revenues	1,000	1,872,318	1,873,318
Revenue from state sources	723,590	325,519	1,049,109
Revenue from federal sources	1,028,338	-	1,028,338
Sales and other conversion of assets	79,597	241	79,838
Total revenues	<u>1,832,525</u>	<u>2,510,223</u>	<u>4,342,748</u>
Expenditures			
Current			
Food service	1,520,772	-	1,520,772
Community education and services	-	2,257,546	2,257,546
Capital outlay			
Food service	1,803	-	1,803
Community education and services	-	15,382	15,382
Debt service			
Principal	-	56,750	56,750
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,522,575</u>	<u>2,329,678</u>	<u>3,852,253</u>
Fund Balances			
Beginning of year	874,599	547,348	1,421,947
Change within financial reporting entity (Note 8)	-	-	-
Beginning of year, restated	<u>874,599</u>	<u>547,348</u>	<u>1,421,947</u>
End of year	<u>\$ 1,184,549</u>	<u>\$ 727,893</u>	<u>\$ 1,912,442</u>

Building Construction Fund	Post- Employment Benefits Debt Service Fund	Total Nonmajor Funds
\$ -	\$ 496,358	\$ 808,503
-	-	1,873,318
-	17,179	1,066,288
-	-	1,028,338
-	-	79,838
-	513,537	4,856,285
-	-	1,520,772
-	-	2,257,546
-	-	1,803
-	-	15,382
-	410,000	466,750
-	80,167	80,167
-	490,167	4,342,420
1,707,326	100,801	3,230,074
(1,707,326)	-	(1,707,326)
-	100,801	1,522,748
\$ -	\$ 124,171	\$ 2,036,613

Independent School District No. 94
Uniform Financial Accounting and Reporting Standards
Compliance Table
Year Ended June 30, 2024

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION FUND			
Total revenue	\$ 43,320,267	\$ 43,320,266	\$ 1	Total revenue	\$ 42,954	\$ 42,954	\$ -
Total expenditures	43,489,357	43,489,357	-	Total expenditures	1,807,217	1,807,216	1
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
4.60 Nonspendable fund balance	139,174	139,174	-	4.60 Nonspendable fund balance	-	-	-
<i>Restricted/reserved:</i>				<i>Restricted/reserved:</i>			
4.01 Student Activities	-	-	-	4.07 Capital Projects Levy	-	-	-
4.02 Scholarships	-	-	-	4.13 Building Projects Funded by COP/LP	-	-	-
4.03 Staff Development	255	255	-	4.67 LTFM	5,559,533	5,559,533	-
4.07 Capital Projects Levy	-	-	-	<i>Restricted:</i>			
4.08 Cooperative Programs	-	-	-	4.64 Restricted fund balance	-	-	-
4.12 Literacy Incentive Aid	-	-	-	<i>Unassigned:</i>			
4.13 Building Projects Funded by COP/LP	-	-	-	4.63 Unassigned fund balance	-	-	-
4.14 Operating Debt	-	-	-				
4.16 Levy Reduction	-	-	-	07 DEBT SERVICE FUND			
4.17 Taconite Building Maintenance	-	-	-	Total revenue	\$ 6,100,295	\$ 6,100,296	\$ (1)
4.20 American Indian Ed Aid	21,310	21,310	-	Total expenditures	5,890,183	5,890,183	-
4.24 Operating Capital	175,000	175,000	-	<i>Nonspendable:</i>			
4.26 \$25 Taconite	-	-	-	4.60 Nonspendable Fund Balance	-	-	-
4.27 Disabled Accessibility	-	-	-	<i>Restricted/reserved:</i>			
4.28 Learning and Development	17,976	17,976	-	4.25 Bond refunding	-	-	-
4.34 Area Learning Center	-	-	-	4.33 Maximum effort loan aid	-	-	-
4.35 Contracted Alternative Programs	-	-	-	4.51 QZAB payments	-	-	-
4.36 State Approved Alternative Program	-	-	-	4.67 LTFM	-	-	-
4.38 Gifted and Talented	2,868	2,868	-	<i>Restricted:</i>			
4.39 English Learner	24,564	24,564	-	4.64 Restricted fund balance	1,595,117	1,595,117	-
4.41 Basic Skills Programs	-	-	-	<i>Unassigned:</i>			
4.43 School Library Aid	-	-	-	4.63 Unassigned fund balance	-	-	-
4.48 Achievement and Integration	82,043	82,043	-				
4.49 Safe School Revenue	3,981	3,981	-	08 TRUST FUND			
4.51 QZAB Payments	-	-	-	Total revenue	\$ -	\$ -	\$ -
4.52 OPEB Liabilities not Held in Trust	-	-	-	Total expenditures	-	-	-
4.53 Unfunded Severance and Retirement Levy	-	-	-	4.01 Student Activities	-	-	-
4.59 Basic Skills Extended Time	-	-	-	4.02 Scholarships	-	-	-
4.67 LTFM	91,775	91,775	-	4.22 Net position	-	-	-
4.71 Student Support Personnel Aid	-	-	-				
<i>Restricted:</i>				18 CUSTODIAL FUND			
4.64 Restricted fund balance	-	-	-	Total revenue	\$ 34,047	\$ 34,046	\$ 1
4.72 Medical Assistance	-	-	-	Total expenditures	-	-	-
4.75 Title VII - Impact Aid	484,448	484,448	-	4.01 Student Activities	-	-	-
4.76 Payments in Lieu of Taxes	-	-	-	4.02 Scholarships	66,589	66,589	-
<i>Committed:</i>				4.48 Achievement and Integration	-	-	-
4.18 Committed for separation	1,710,582	1,710,582	-	4.64 Restricted fund balance	-	-	-
4.61 Committed	-	-	-				
<i>Assigned:</i>				20 INTERNAL SERVICE FUND			
4.62 Assigned fund balance	677,642	677,644	(2)	Total revenue	\$ -	\$ -	\$ -
<i>Unassigned:</i>				Total expenditures	-	-	-
4.22 Unassigned fund balance	4,770,165	4,770,161	4	<i>Unassigned:</i>			
				4.22 Net position	-	-	-
02 FOOD SERVICE FUND							
Total revenue				25 OPEB REVOCABLE TRUST			
Total expenditures	\$ 1,832,525	\$ 1,832,525	\$ -	Total revenue	\$ -	\$ -	\$ -
<i>Nonspendable:</i>	1,522,575	1,522,576	(1)	Total expenditures	-	-	-
<i>Restricted/reserved:</i>				<i>Unassigned:</i>			
4.60 Nonspendable fund balance	27,562	27,562	-	4.22 Net position	-	-	-
<i>Restricted:</i>							
4.52 OPEB liabilities not held in trust	-	-	-	45 OPEB IRREVOCABLE TRUST			
<i>Unassigned:</i>				Total revenue	\$ 632,389	\$ 632,388	\$ 1
4.64 Restricted fund balance	1,156,987	1,156,986	1	Total expenditures	700,949	700,949	-
4.63 Unassigned fund balance	-	-	-	<i>Unassigned:</i>			
04 COMMUNITY SERVICE FUND				4.22 Net position	3,462,556	3,462,556	-
Total revenue							
Total expenditures	\$ 2,510,223	\$ 2,510,222	\$ 1	47 OPEB DEBT SERVICE			
<i>Nonspendable:</i>	2,329,678	2,329,676	2	Total revenue	\$ 513,537	\$ 513,538	\$ (1)
4.60 Nonspendable fund balance	-	-	-	Total expenditures	490,167	490,169	(2)
<i>Restricted/reserved:</i>				<i>Nonspendable:</i>			
4.26 \$25 Taconite	-	-	-	4.60 Nonspendable fund balance	-	-	-
4.31 Community Education	387,634	387,634	-	<i>Restricted:</i>			
4.32 ECFE	163,752	163,752	-	4.64 Restricted fund balance	124,171	124,171	-
4.40 Teacher Development and Evaluation	-	-	-	<i>Unassigned:</i>			
4.44 School Readiness	156,232	156,232	-	4.63 Unassigned fund balance	-	-	-
4.47 Adult Basic Education	-	-	-				
4.52 OPEB Liabilities not Held in Trust	-	-	-				
<i>Restricted:</i>							
4.64 Restricted fund balance	22,758	22,758	-				
<i>Unassigned:</i>							
4.63 Unassigned fund balance	(2,483)	(2,483)	-				

Independent School District No. 94
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

<u>Federal Agency/Pass Through Agency/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture		
Through Minnesota Department of Education		
Child Nutrition Cluster		
Noncash Assistance - Commodities	10.555	\$ 132,996
School Breakfast Program	10.553	173,623
National School Lunch Program	10.555	694,074
Summer Food Service Program for Children	10.559	<u>27,645</u>
Total Child Nutrition Cluster and U. S. Department of Agriculture		<u>\$ 1,028,338</u>
U.S. Department of Interior		
Through Fond du Lac Band of Lake Superior Chippewa		
Indian Education Assistance to Schools	15.130	<u>71,717</u>
U.S. Department of Education		
Direct Programs		
Impact Aid	84.041	134,218
Title VII - Indian Education	84.060	167,157
Through Minnesota Department of Education		
Title I, Part A	84.010	440,361
Title II, Part A	84.367	27
Title IV, Part A - Safe and Drug Free Schools	84.186	26,659
Comprehensive Literacy State Development Grant	84.371	743,392
Special Education Cluster		
Special Education	84.027	579,326
Special Education - Preschool Grants	84.173	<u>21,649</u>
Total Special Education Cluster		<u>600,975</u>
Grants for Infants and Families	84.181	31,618
Special Education - State Personnel Development	84.323	199,111
COVID-19 ESSER III - 90% Formula Allocation	84.425U	1,486,404
COVID-19 ESSER II Fund - 90% Formula Allocation	84.425D	<u>29,741</u>
Total Education Stabilization Funds		<u>1,516,145</u>
Through Independent School District No. 704		
Career and Technical Education Grants	84.048	<u>10,052</u>
Total U.S. Department of Education		<u>3,869,715</u>
Total Federal Expenditures		<u>\$ 4,969,770</u>

Independent School District No. 94
Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes of net assets, or cash flows of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - PASS-THROUGH GRANT NUMBERS

All pass-through entities listed above use the same Assistance Listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 4 - INVENTORY

Inventories of commodities donated by the U.S. Department of Agriculture are recorded at market value in the Food Service Fund as inventory. Revenue and expenditures are recorded when commodities are used.

NOTE 5 - INDIRECT COST RATE

The District did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.



**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Basic Financial Statements Performed in Accordance
with *Government Auditing Standards***

Independent Auditor's Report

To the School Board
Independent School District No. 94
Cloquet, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 94, Cloquet, Minnesota, as of and for the year ending June 30, 2024, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 21, 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance, that we consider to be a significant deficiency identified as audit finding 2024-001.

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*.

District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



St. Cloud, Minnesota
October 21, 2024



**Report on Compliance for Each Major Federal Program
and Report on Internal Control over Compliance in Accordance with
the Uniform Guidance**

Independent Auditor's Report

To the School Board
Independent School District No. 94
Cloquet, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the District's compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Cost in Accordance with the Uniform Guidance.

In our opinion, the District complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District 's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District 's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- ◆ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ Identify and assess the risks of material noncompliance, 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 District 's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- ◆ Obtain an understanding of the District 's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



St. Cloud, Minnesota
October 21, 2024

**Independent School District No. 94
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).
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Internal control over financial reporting:	
◆ Material weakness identified?	No
◆ Significant deficiency identified?	Yes, Audit Finding 2024-001

Noncompliance material to financial statements noted?	No
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Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
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Internal control over major programs:	
◆ Material weakness(es) identified?	No
◆ Significant deficiency(ies) identified?	None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516?	No
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Identification of Major Programs

Assistance Listing No:	10.553, 10.555, and 10.559
Name of Federal Program or Cluster:	Child Nutrition Cluster

Assistance Listing No:	84.371
Name of Federal Program or Cluster:	Comprehensive Literacy State Development Grant

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low risk auditee?	Yes
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**Independent School District No. 94
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION II - FINANCIAL STATEMENT FINDINGS

Audit Finding 2024-001

Criteria:

Internal control that supports the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

Condition:

The District does not have adequate segregation of accounting duties.

Context:

During the year ended June 30, 2023, the District had a lack of segregation of accounting duties due to a limited number of office employees. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- ◆ The Business Manager can reconcile receipts received, enter receipts into the accounting system, and prepare the bank reconciliation.
- ◆ The Business Manager has access to all areas of the accounting system.
- ◆ The Business Manager reconciles property taxes and state and federal receivables and capital assets without review.
- ◆ Activities advisors collect receipts for certain extracurricular activities. We noted that adequate documentation of receipts related to certain extracurricular activities is not retained.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation. However, due to the small accounting staff needed to handle all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct.

This finding impacts internal control for all significant accounting functions.

Cause:

There are a limited number of office employees.

Effect or Potential Effect:

The lack of adequate segregation of accounting duties could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

**Independent School District No. 94
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

Audit Finding 2023-001 (Continued)

Recommendation:

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

Views of Responsible Officials and Planned Corrective Actions:

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
Administration will add additional internal controls where the benefit exceeds the cost.
3. Official Responsible for Ensuring CAP
Candace Nelis, Business Manager is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP
The planned completion date for the CAP is June 30, 2025.
5. Plan to Monitor Completion of CAP
The School Board will be monitoring this CAP.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no questioned costs.

SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None



Minnesota Legal Compliance

Independent Auditor's Report

To the School Board
Independent School District No. 94
Cloquet, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 94, Cloquet, Minnesota, as of and for the year ended June 30, 2024, and the related notes to basic financial statements, and have issued our report thereon dated October 21, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting - bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for school districts 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 as 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.

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

BerganKDV, Ltd.

St. Cloud, Minnesota
October 21, 2024

Independent School District No. 94 Cloquet, MN

Nancy Schulzetenberg, CPA



The Audit

Independent Auditor's Report

- ◆ Management is responsible for the financial statements
- ◆ Auditor is responsible to express an opinion on the financial statements
- ◆ Unmodified Opinion - best opinion an auditor is able to offer
- ◆ Provides assurance that the financial statements are fairly presented in all material respects
- ◆ *Government Auditing Standards* - no compliance findings; significant deficiency related to lack of segregation of accounting duties
- ◆ *Uniform Guidance* - Unmodified opinion on compliance, no internal control findings
- ◆ Minnesota Legal Compliance Audit - no compliance findings

Financial Communications

General Education Aid – Formula Allowance

Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%

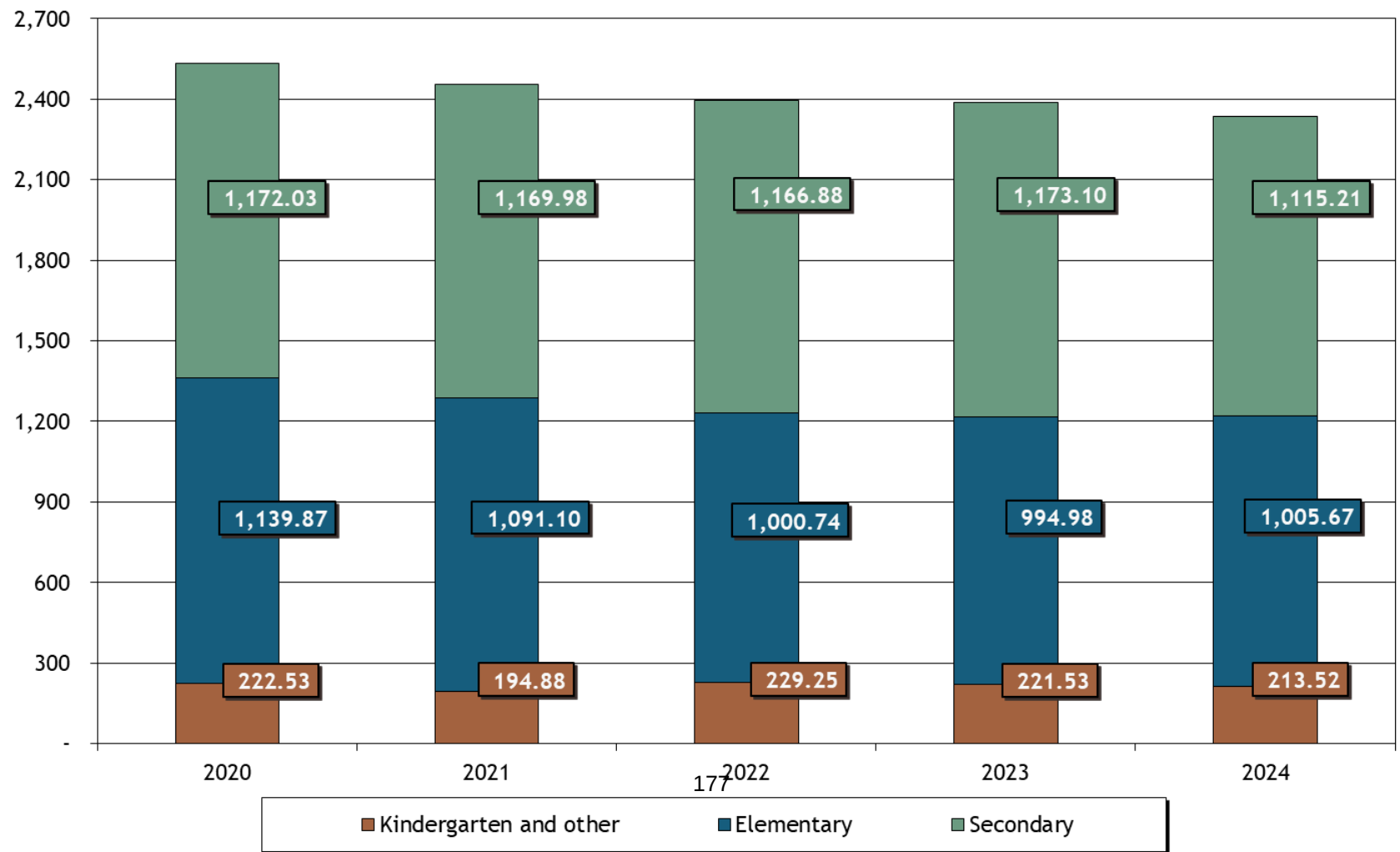
* General Education Aid - Of the \$529 increase over 2014, \$105 is for inflation at 1.9%; the remaining \$424 is a shifting of revenue to adjust for pupil weight changes, pension adjustments changes, and other restructuring.

Average Daily Membership and Pupil Units

- Resident ADM

ADM	2020	2021	2022	2023	2024
Kindergarten and other	222.53	194.88	229.25	221.53	213.52
Elementary	1,139.87	1,091.10	1,000.74	994.98	1,005.67
Secondary	1,172.03	1,169.98	1,166.88	1,173.10	1,115.21
Total Resident ADM	2,534.43	2,455.96	2,396.87	2,389.61	2,334.40

Average Daily Membership and Pupil Units - Resident Students (ADM)

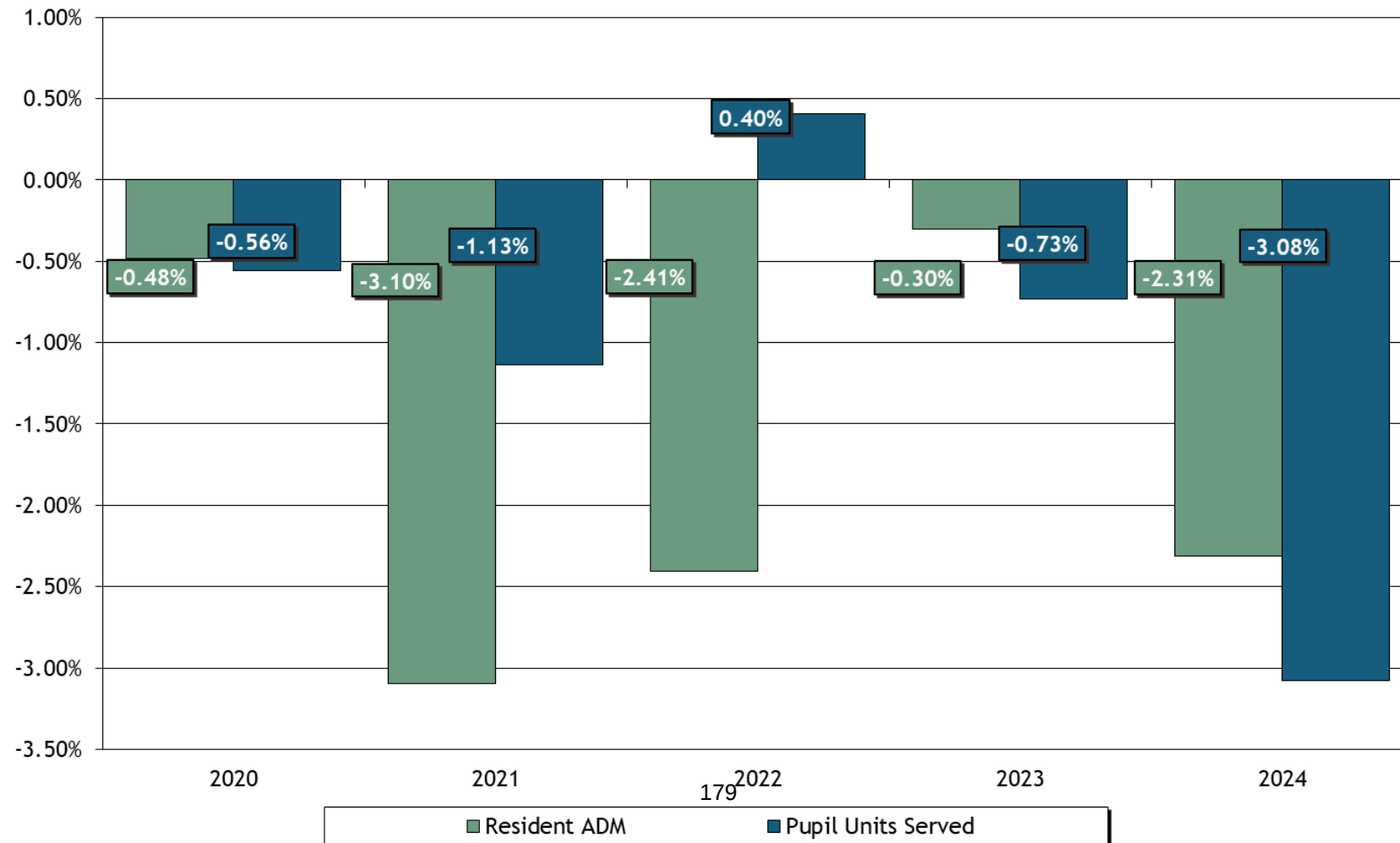


Average Daily Membership and Pupil Units

- Pupil Units Weighting and Adjusted PUN

Pupil Units Weighting						
	Pre-Kindergarten	Handicapped Kindergarten	Half/Full Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
Year 2020-2024	1.000	1.000	1.000	1.000	1.000	1.200
Adjusted Pupil Units	2020	2021	2022	2023	2024	
Residents	2,761.92	2,681.63	2,625.52	2,617.48	2,555.31	
Residents going elsewhere	(360.69)	(343.22)	(332.73)	(299.24)	(312.67)	
Nonresidents coming in	627.23	655.73	713.46	666.08	649.76	
Total Adjusted Pupil Units	3,028.46	2,994.14	3,006.25	2,984.32	2,892.40	

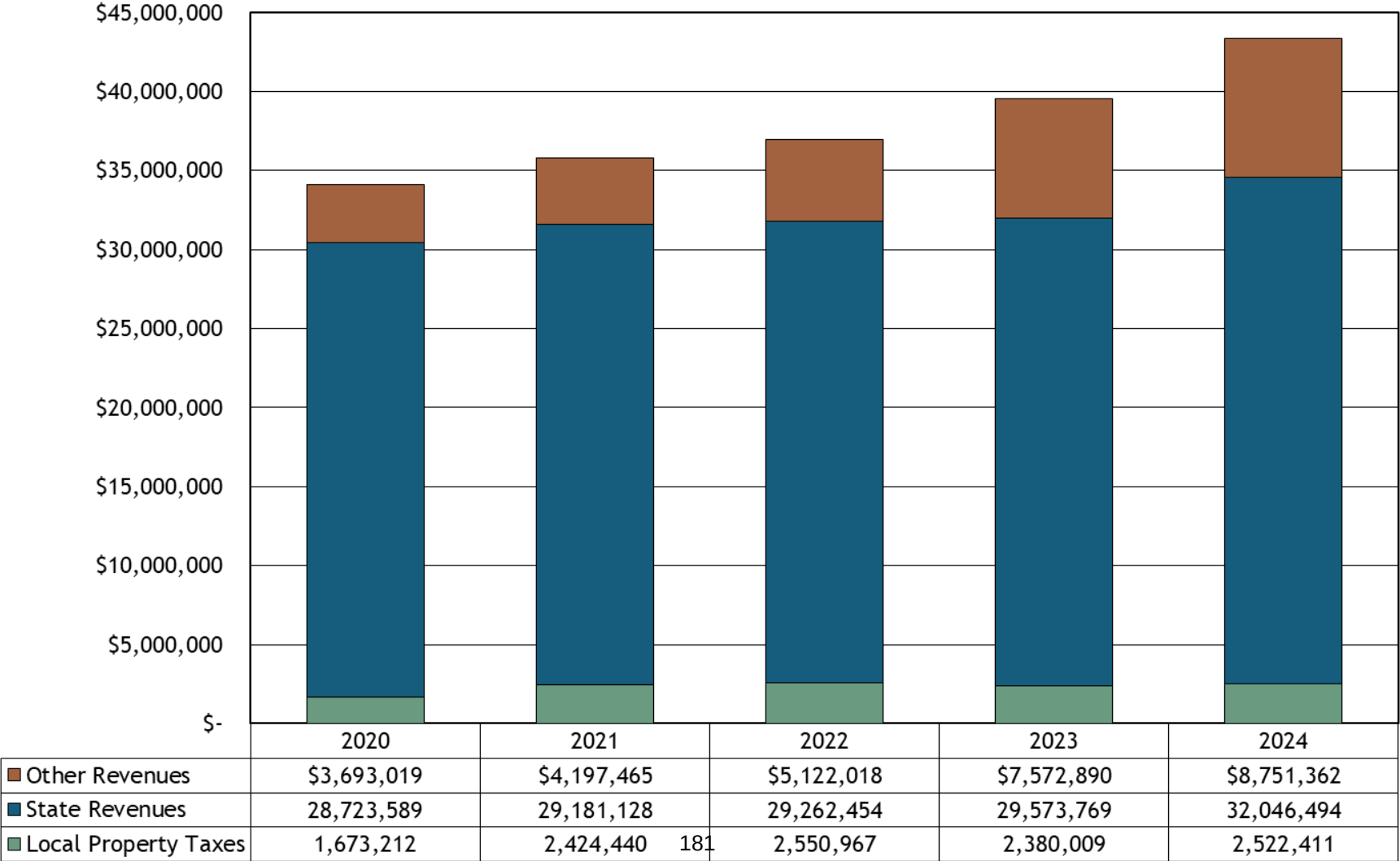
Change in Resident ADM and Pupil Units Served



General Fund – Budget and Actual

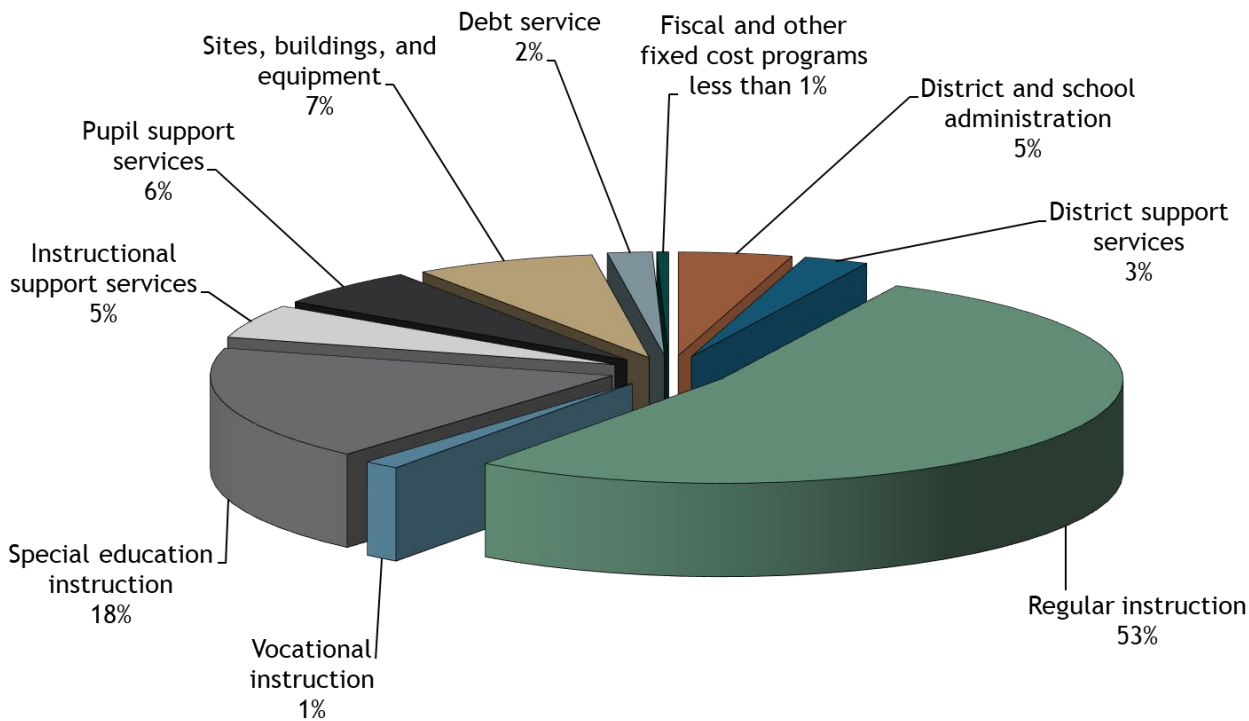
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	\$ 2,545,958	\$ 2,539,238	\$ 2,522,411	\$ (16,827)
Revenue from state sources	32,347,000	31,480,364	32,046,494	566,130
Other sources	5,349,753	4,694,218	8,751,362	4,057,144
Total revenues	40,242,711	38,713,820	43,320,267	4,606,447
Expenditures				
Administration	2,096,023	1,985,547	1,992,680	7,133
District support services	627,582	949,929	1,138,914	188,985
Regular instruction	20,248,194	19,466,464	22,951,444	3,484,980
Vocational education instruction	623,041	597,769	630,532	32,763
Special education instruction	7,966,400	7,608,960	7,755,393	146,433
Instructional support services	1,776,128	1,735,278	2,282,366	547,088
Pupil support services	2,624,682	2,517,568	2,585,495	67,927
Sites, buildings, and equipment	2,991,160	2,938,698	3,160,801	222,103
Debt service	470,179	470,179	783,070	312,891
Fiscal and other fixed cost program	640,000	130,000	208,662	78,662
Total expenditures	40,063,389	38,400,392	43,489,357	5,088,965
Net change in fund balance	\$ 179,322	\$ 313,428	\$ (169,090)	\$ (482,518)

General Fund Sources of Revenue

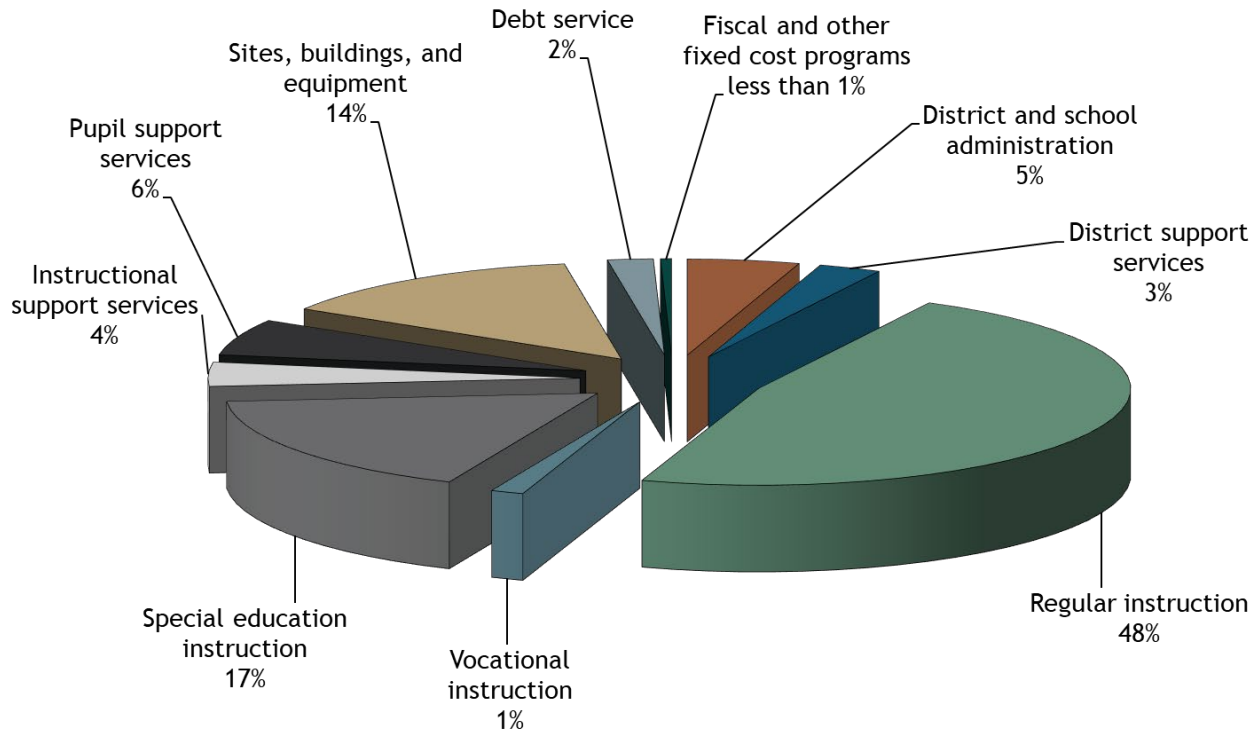


General Fund Expenditures

2024 District Expenditures



2023 District Expenditures

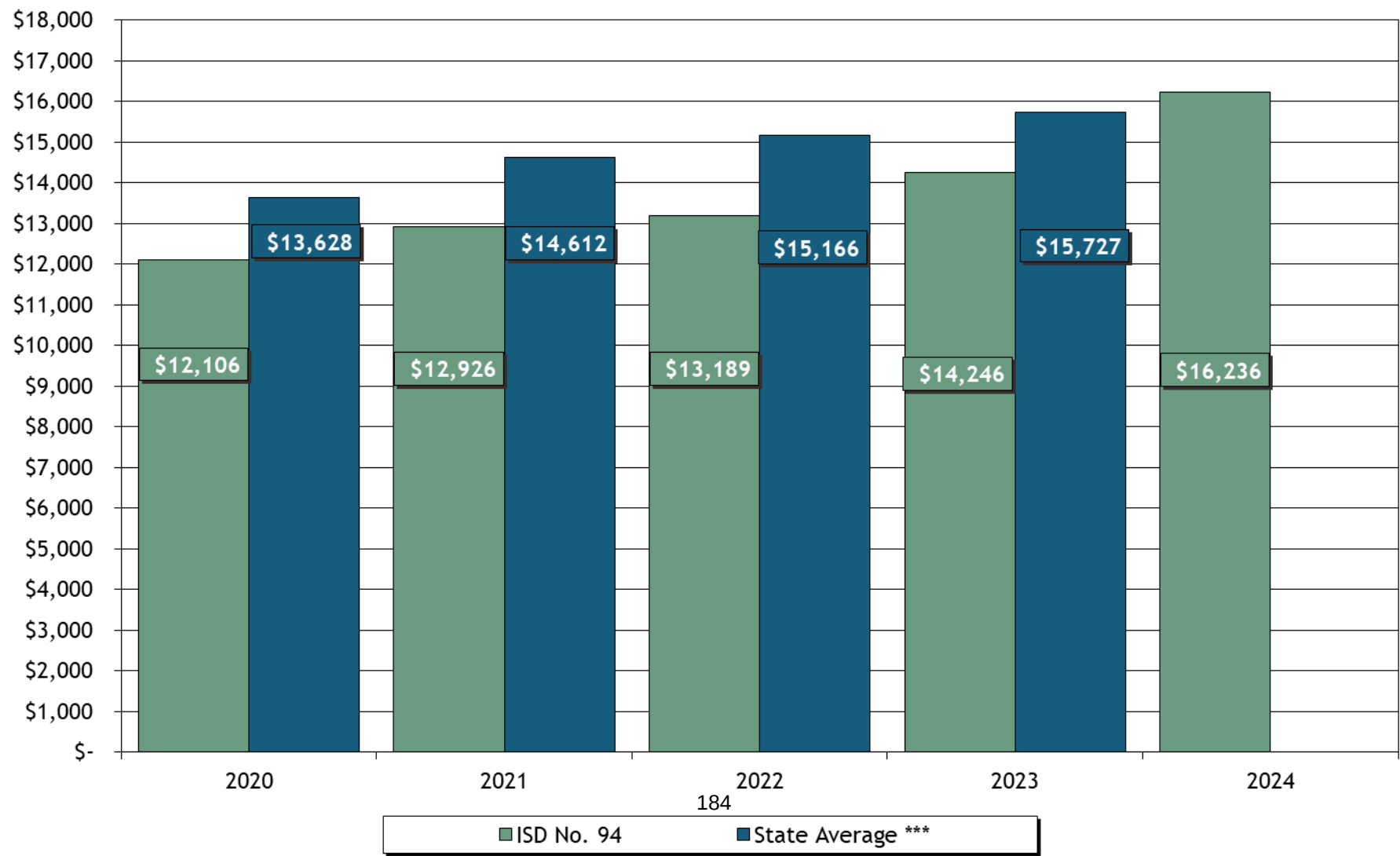


General Fund Revenue Per Student (ADM) Served

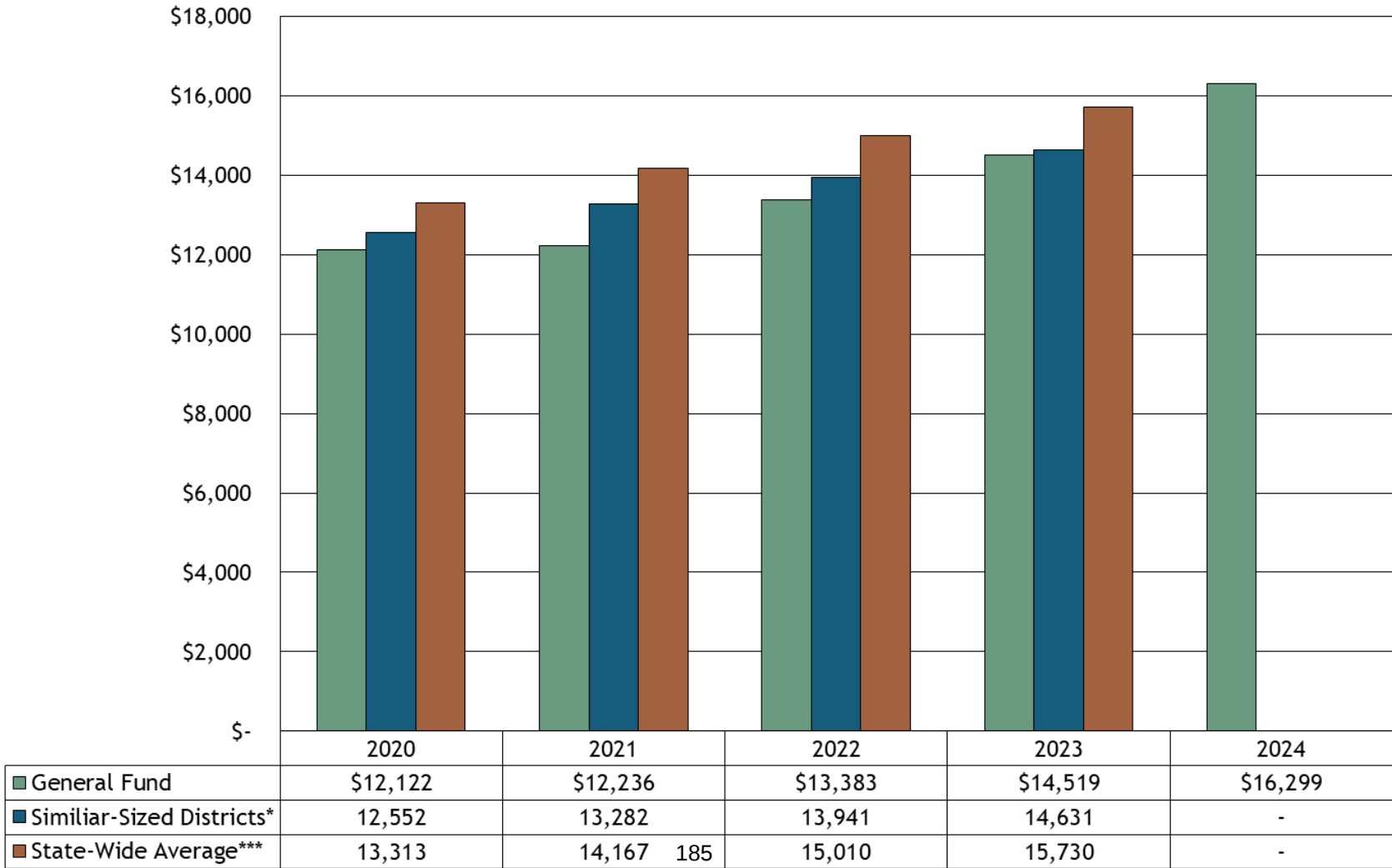
ISD No. 94	2020	2021	2022	2023	2024
Property taxes	\$ 567	\$ 850	\$ 847	\$ 792	\$ 945
State aid	10,194	10,798	10,440	10,648	12,011
Other	1,345	1,278	1,902	2,806	3,280
Total	\$ 12,106	\$ 12,926	\$ 13,189	\$ 14,246	\$ 16,236

State Average ***	2020	2021	2022	2023	2024
Property taxes	\$ 2,180	\$ 2,381	\$ 2,443	\$ 2,545	N/A
State aid	10,393	10,758	10,782	11,073	N/A
Other	1,055	1,473	1,941	2,109	N/A
Total	\$ 13,628	\$ 14,612	\$ 15,166	\$ 15,727	N/A

General Fund Revenues Per ADM Served



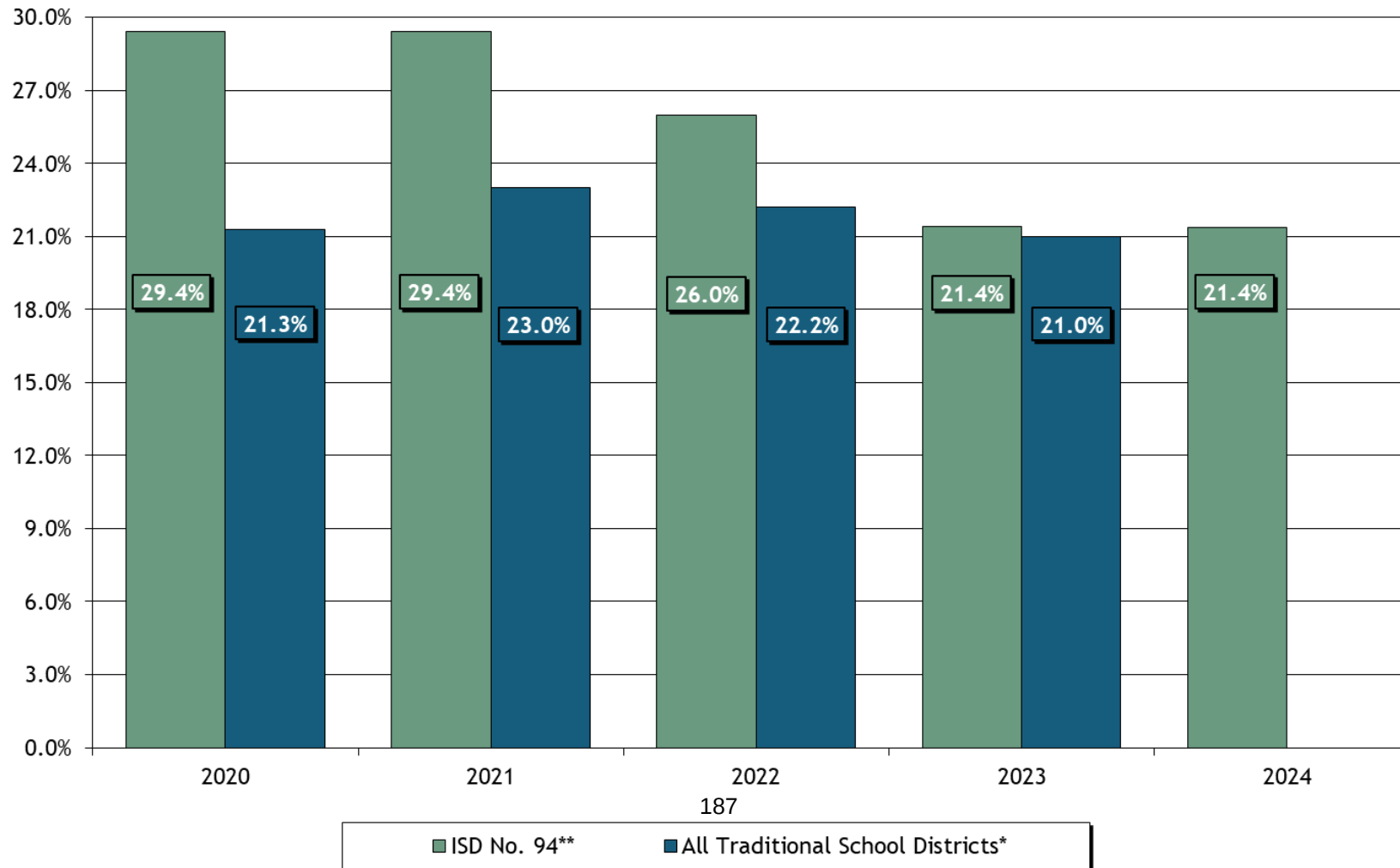
General Fund Expenditures Per ADM Served



General Fund Operations

Year Ended June 30,	2020	2021	2022	2023	2024
Revenues	\$ 34,089,820	\$ 35,803,033	\$ 36,935,439	\$ 39,526,668	\$ 43,320,267
Expenditures	34,133,755	35,236,481	38,274,778	42,042,549	43,489,357
Excess of revenues over (under) expenditures	(43,935)	566,552	(1,339,339)	(2,515,881)	(169,090)
Net other financing sources	-	-	798,077	1,761,670	-
Net change in fund balance	(43,935)	566,552	(541,262)	(754,211)	(169,090)
Change in accounting principle	328,583	-	-	-	-
Fund balance, July 1	8,815,146	9,099,794	9,666,346	9,125,084	8,370,873
Fund balance, June 30	9,099,794	9,666,346	9,125,084	8,370,873	8,201,783
Less nonspendable fund balance	(87,909)	(55,079)	(31,836)	(162,936)	(139,174)
Less restricted fund balance	(787,075)	(924,491)	(909,228)	(799,862)	(904,220)
Less committed fund balance	(1,710,582)	(1,710,582)	(1,710,582)	(1,710,582)	(1,710,582)
Less assigned fund balance	(798,418)	(1,193,074)	(1,216,493)	(1,016,244)	(677,642)
Unassigned					
Fund Balance, June 30	\$ 5,715,810	\$ 5,783,120	\$ 5,256,945	\$ 4,681,249	\$ 4,770,165

Unrestricted Fund Balance as a Percent of Expenditures



Food Service Fund

Year Ended June 30,	2020	2021	2022	2023	2024
Revenues	\$ 1,120,582	\$ 1,230,199	\$ 1,669,749	\$ 1,400,343	\$ 1,832,525
Expenditures	1,150,145	1,093,691	1,272,324	1,394,985	1,522,575
Excess of revenues over (under) expenditures	(29,563)	136,508	397,425	5,358	309,950
Fund balance, July 1	364,871	335,308	471,816	869,241	874,599
Fund Balance, June 30	\$ 335,308	\$ 471,816	\$ 869,241	\$ 874,599	\$ 1,184,549

Community Service Fund

Year Ended June 30,	2020	2021	2022	2023	2024
Revenues	\$ 1,812,584	\$ 1,834,335	\$ 2,026,954	\$ 2,173,845	\$ 2,510,223
Expenditures	1,815,213	1,700,089	1,943,068	2,340,659	2,329,678
Excess of revenues over (under) expenditures	(2,629)	134,246	83,886	(166,814)	180,545
Fund balance, July 1	498,659	496,030	630,276	714,162	547,348
Fund Balance, June 30	\$ 496,030	\$ 630,276	\$ 714,162	\$ 547,348	\$ 727,893

Thank You



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This commentary is provided for general information purposes only, should not be construed as investment, tax or legal advice, and does not constitute an attorney/client relationship. Past performance of any market results is no assurance of future performance. The information contained herein has been obtained from sources deemed reliable but is not guaranteed.

EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 94
(CLOQUET PUBLIC SCHOOLS)
CARLTON AND ST. LOUIS COUNTIES, MINNESOTA

Pursuant to due call and notice thereof a regular meeting of the School Board of Independent School District No. 94 (Cloquet Public Schools), Carlton and St. Louis Counties, Minnesota, was held in the School District on October 28, 2024 at 6:00 o'clock p.m.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION STATING THE INTENTION OF THE SCHOOL
BOARD TO ISSUE GENERAL OBLIGATION SCHOOL BUILDING
REFUNDING BONDS, SERIES 2025A, IN THE AGGREGATE
PRINCIPAL AMOUNT OF APPROXIMATELY \$38,680,000; AND
TAKING OTHER ACTIONS WITH RESPECT THERETO**

BE IT RESOLVED by the School Board (the “Board”) of Independent School District No. 94 (Cloquet Public Schools), Carlton and St. Louis Counties, Minnesota (the “District”), as follows:

1. Background. It is hereby determined that:

(a) On June 11, 2015, the District issued its General Obligation School Building Bonds, Series 2015B (the “Series 2015B Bonds”), in the original aggregate principal amount of \$45,450,000 pursuant to Minnesota Statutes, Chapter 475, as amended (the “Act”) and a special election held February 10, 2015, to finance the acquisition and betterment of school sites and facilities, including the construction and equipping of a new middle school on the existing high school site; and the remodeling, repair, renovation, upgrading and completion of deferred maintenance and safety and security projects and teaching and learning space improvements at various school sites and facilities districtwide. The Series 2015B Bonds are currently outstanding in the principal amount of \$40,850,000, of which \$38,235,000 is subject to optional redemption and prepayment on or after February 1, 2025.

(b) The District is authorized by Section 475.67 of the Act (“Section 475.67”) to issue and sell its general obligation bonds to refund outstanding bonds when determined by the Board to be necessary and desirable for the reduction of debt service costs to the District.

(c) The Board hereby finds and determines that it is necessary and desirable for the reduction of debt service costs to the District that the District issue its General Obligation School Building Refunding Bonds, Series 2025A in the aggregate principal amount of approximately \$38,680,000 (the “Bonds”), pursuant to the Act, including Section 475.67, to optionally redeem and prepay all or a portion of the Series 2015B Bonds.

2. Covenant as to State Credit Enhancement.

(a) The District hereby covenants and obligates itself to notify the Commissioner of Education (the “Commissioner”) of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 (the “Credit Enhancement Act”) to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the paying agent for the Bonds (the “Paying Agent”), or any successor paying agent, three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner that it will be unable to make all or a portion of that payment. The Paying Agent is authorized and directed to notify the Commissioner if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds on deposit with the Paying Agent to make that payment. The District understands that as a result of its covenant to be bound by the provisions of the Credit Enhancement Act, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now and hereafter established by the Minnesota Departments of Management and Budget and Education pursuant to subdivision 2(c) of the Credit Enhancement Act and otherwise to take such actions as necessary to comply with that section. The Board Chair, Clerk, Treasurer, Superintendent, or Business Manager of the District are authorized to execute any applicable Minnesota Department of Education forms.

3. Sale of Bonds. The Board has retained Ehlers and Associates, Inc. (the “Municipal Advisor”), to serve as the District’s independent municipal advisor with respect to the offer and sale of the Bonds and, therefore, is authorized by Section 475.60, subdivision 2(9), of the Act to sell the Bonds other than pursuant to a competitive sale.

4. Procedure for Review of Proposals and Selection of Purchaser. The Board hereby authorizes and directs the Superintendent or Business Manager and any Board member (the “Authorized Officials”), with the advice of the Municipal Advisor, to review proposals for the purchase of the Bonds and award the sale of the Bonds to the prospective purchaser (the “Purchaser”) based on the recommendation of the Municipal Advisor and the following parameter: a minimum estimated future value savings amount of \$1,000,000.

5. Acceptance of Proposal. The Board will meet at a regular or special meeting on the first practicable date after acceptance by the Authorized Officials of the proposal of the Purchaser, to ratify such acceptance and take any other appropriate actions with respect to the Bonds.

6. Authority of Municipal Advisor. The Municipal Advisor is authorized and directed to assist the District in the preparation and dissemination of a Preliminary Official Statement to be distributed to potential purchasers of the Bonds. The Municipal Advisor is further authorized and directed to assist the District in the award and sale of the Bonds on behalf of the District after receipt of written proposals and to assist the District in the preparation and dissemination of a final Official Statement with respect to the Bonds.

7. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, is authorized to act as bond counsel for the District (“Bond Counsel”), and to assist in the preparation and review of necessary documents, certificates, and instruments related to the Bonds. The officers, employees, and agents of the District are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

(The remainder of this page is intentionally left blank.)

The motion for the adoption of the foregoing resolution was duly seconded by _____, and upon vote being taken thereon, the following voted in favor of the motion:

and the following voted against:

whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
)
COUNTIES OF CARLTON)
AND ST. LOUIS) ss.
)
INDEPENDENT SCHOOL)
DISTRICT NO. 94)

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 94 (Cloquet Public Schools), Carlton and St. Louis Counties, Minnesota (the “District”), hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the School Board of the District held on the date specified above, with the original minutes on file in my office and the extract is a full, true, and correct copy of the minutes, insofar as they relate to authorizing the issuance of the District’s General Obligation School Building Refunding Bonds, Series 2025A, in the aggregate principal amount of approximately \$38,680,000.

WITNESS My hand as such Clerk this ____ day of October, 2024.

Clerk of the School Board
Independent School District No. 94 (Cloquet Public
Schools), Carlton and St. Louis Counties, Minnesota



Cloquet Public Schools

October 28, 2024

Overview of Proposed Bond Refunding

Purpose of Proposed Bond Issue

- “Current Refunding” (refinancing) of existing
 - ✓ School Building Bonds, Series 2015B

Overview of Refunding Bonds

- Opportunity to reduce future debt service payments and tax levies
- Similar to refinancing a mortgage, but subject to certain restrictions and requirements under state law and federal regulations
- Basic concept is to issue new refunding bonds at lower interest rates and use proceeds to pay off existing bonds

Existing Bonds

- Original School Building bonds were issued in 2015
 - ✓ Par amount of \$45,450,000
 - ✓ Result of successful election held February 10, 2015
 - ✓ Financed acquisition and betterment of school sites and facilities
- \$38,235,000 Bonds are callable (eligible to be prepaid) on or after February 1, 2025
- Federal regulations allow a current refunding – closing on bonds 90 days prior to call date (11/04/2024) or anytime after call date

Proposed Refunding Bonds

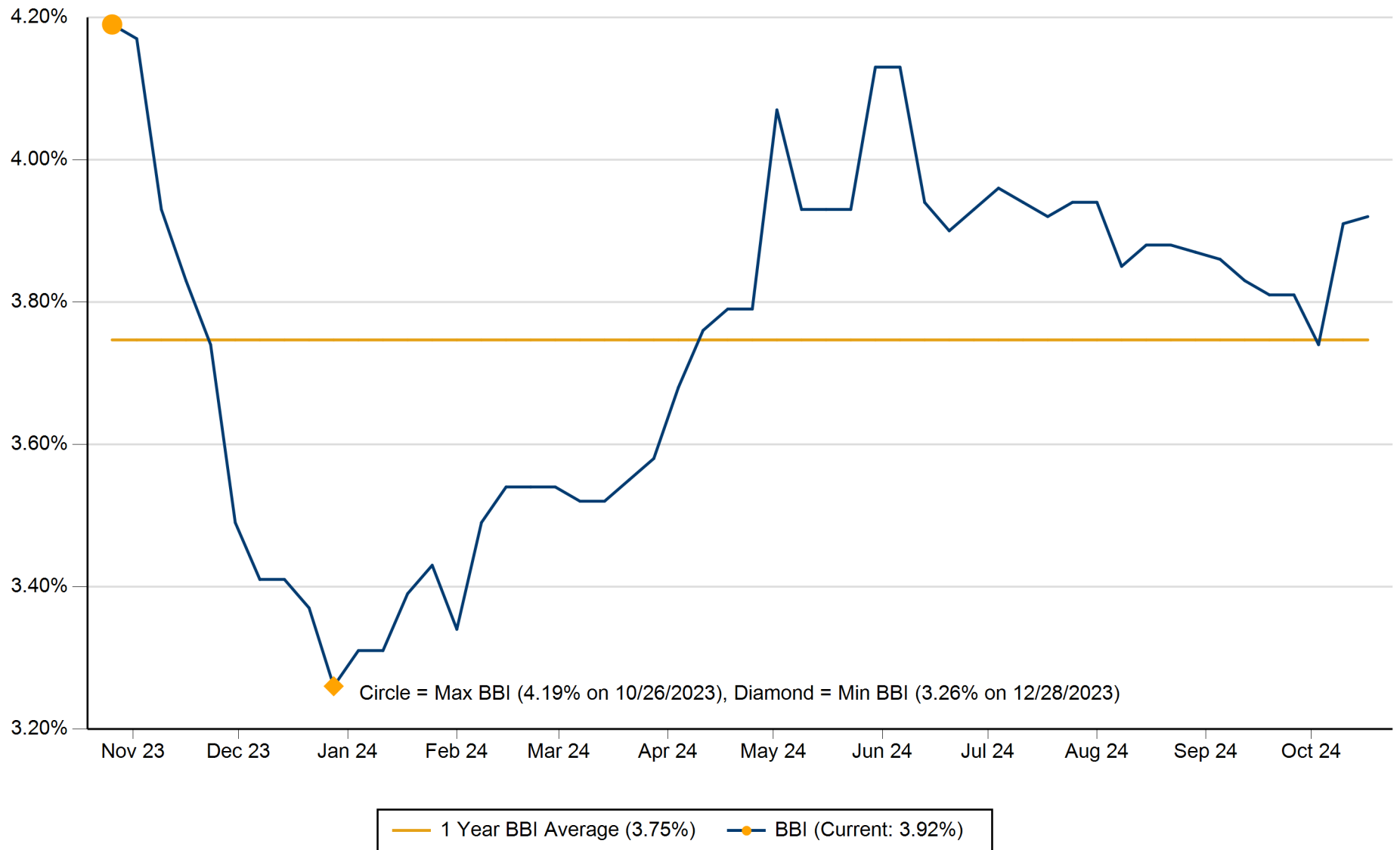
Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2025	-	(4,969.63)	-	4,969.63
02/01/2026	4,178,306.67	4,178,306.67	4,412,506.26	234,199.59
02/01/2027	4,178,800.00	4,178,800.00	4,415,256.26	236,456.26
02/01/2028	4,179,300.00	4,179,300.00	4,416,006.26	236,706.26
02/01/2029	4,178,300.00	4,178,300.00	4,414,506.26	236,206.26
02/01/2030	4,180,550.00	4,180,550.00	4,415,131.26	234,581.26
02/01/2031	4,180,550.00	4,180,550.00	4,416,131.26	235,581.26
02/01/2032	4,178,050.00	4,178,050.00	4,413,881.26	235,831.26
02/01/2033	4,177,800.00	4,177,800.00	4,413,131.26	235,331.26
02/01/2034	4,179,300.00	4,179,300.00	4,415,562.50	236,262.50
02/01/2035	4,177,050.00	4,177,050.00	4,413,000.00	235,950.00
02/01/2036	4,180,800.00	4,180,800.00	4,414,800.00	234,000.00
Total	\$45,968,806.67	\$45,963,837.04	\$48,559,912.58	\$2,596,075.54

Each change of 10 basis points (0.10%) in the overall True Interest Cost (TIC) rate results in a \$225,000¹ change in the total savings amount.

1 YEAR TREND IN MUNICIPAL BOND INDICES

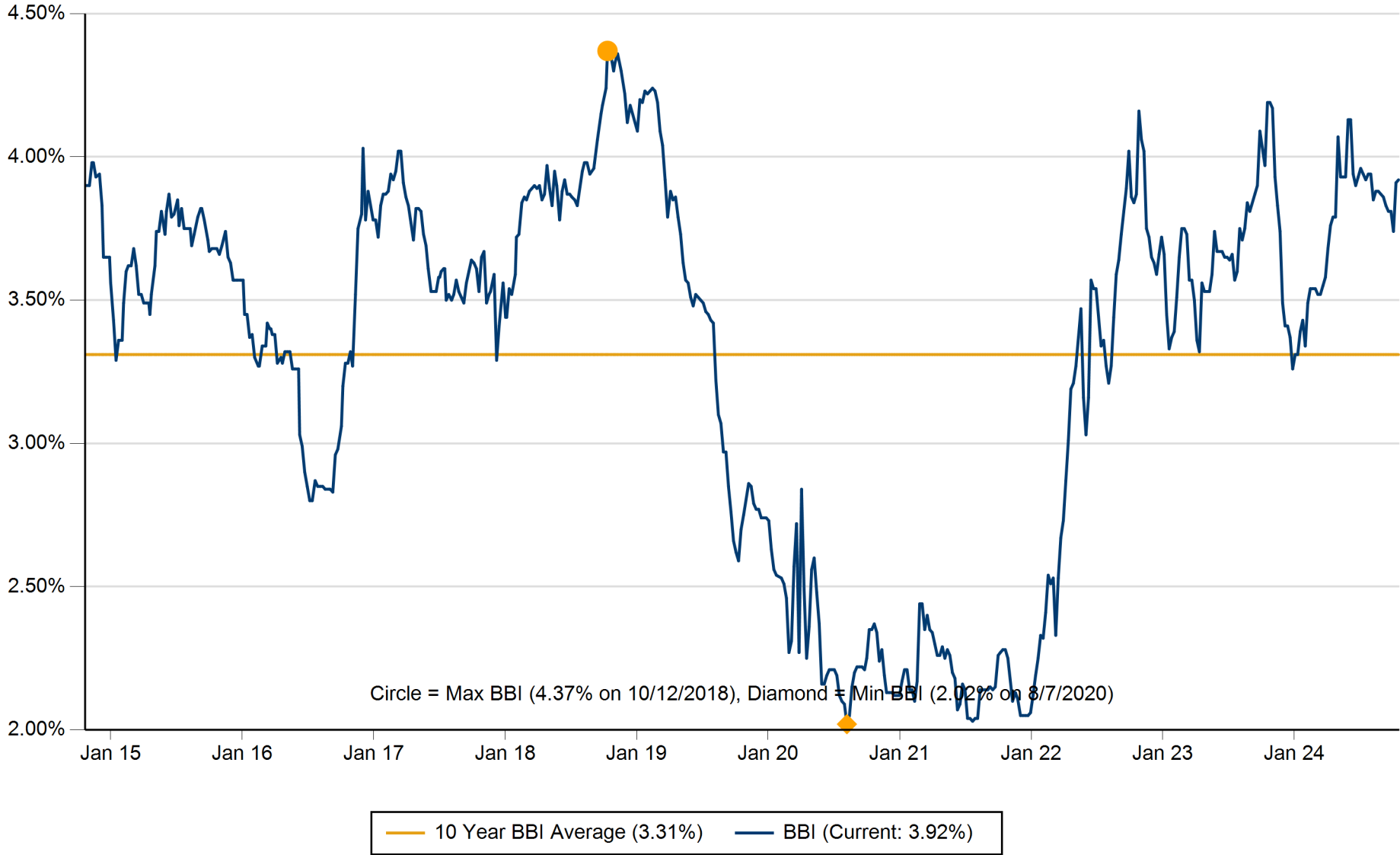
Weekly Rates October, 2023 - October, 2024



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

10 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates October, 2014 - October, 2024



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Possible Timeline – School Board

- October 28, 2024 Regular School Board Meeting
 - ✓ School Board approves Resolution of Intent to issue bonds
- December 9, 2024 School Board Meeting
 - ✓ Ehlers provides Pre-Sale Report (informational item; no action required)
- Week of January 6, 2025
 - ✓ Ehlers accepts bids on behalf of district; designated officials award sale of bonds
- January 13, 2025 School Board Meeting
 - ✓ School Board approves ratifying resolution

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Intent Resolution with Parameter

- Approval of resolution
 - ✓ Allows Ehlers to move forward with refunding bond process
- Parameter in resolution sets minimum future value savings amount the School Board will approve
 - ✓ Provides flexibility in scheduling bond sale
 - ✓ If no bids meet established parameter, all bids are rejected

Review of Extracurricular Positions - Schedule C

I. Request for Review is being made by:

Name: Robbi Mondati and David Wangen Job Title: Elementary Principals

II. Title of Position: Elementary Gifted and Talented Coordinator (both buildings)

III. Check One:

1. ☒ This position is being reviewed for possible addition to Schedule C
2. ☐ This position is being reviewed for possible removal of Schedule C
3. ☐ This position is being reviewed for possible expansion.
4. ☐ This position is being reviewed for possible reduction.

IV. Rationale for Action Being Requested:

Attach an explanation if more room is needed.

We would like to request permission to create a Gifted & Talented Coordinator position at both Washington and Churchill Elementary Schools.

The position would oversee G/T programming at each site and would include but not be limited to supporting the following programming:

1st Grade Junior Great Books, Lego Robotics Math Masters and Battle of the Books. The site coordinator would be responsible for securing volunteers to oversee offerings, to prep materials/supplies/regulations, to oversee the budget needs of programs to work collaboratively with the site coordinator from the other school and secondary coordinator, and to expand opportunities for OT programming at the elementary level. The salary for this position would be \$1,500 annually at each elementary site.

V. Action Taken:

1. Principal

☒ Request Approved ☐ Request Denied

Principal Signature [Signature] Date: 10/8/24

2. Superintendent

☒ Request Approved ☐ Request Denied

Superintendent Signature [Signature] Date: 10/10/24

3. School Board

☐ Request Preliminarily Approved ☐ Request Denied

Board Chair Signature [Signature] Date: 10/14/24

4. Schedule C Committee

☒ Request Approved ☐ Request Denied

Committee Chair [Signature] Date: 10/16/24

VI. Final School Board Action (if needed):

☐ Request Approved ☐ Request Denied

Board Chair Signature _____ Date: _____

Cloquet Students Win Big in 2024 at International Science Fair Events



Left to right-Johanna Bernu, Cloquet junior, and Grace Lavan, Cloquet senior finalists at the Regeneron International Science and Engineering fair in Los Angeles, CA.

The top two projects at the Northeastern Minnesota and American Indian Regional Science and Engineering fair were selected to attend the Regeneron International Science and Engineering fair in Los Angeles in May. The Cloquet students, mentored by Dr. Cynthia Welsh, and William Bauer, going to Los Angeles were senior Grace Lavan and junior Johanna Bernu.

The Regeneron International Science and Engineering Fair (Regeneron ISEF), a program of Society for Science for over 70 years, is the world's largest global science competition for high school students. Through a global network of local, regional and national science fairs, millions of students are encouraged to explore their passion for scientific inquiry. Each spring, a group of these students is selected as finalists and offered the opportunity to compete for approximately \$9 million in awards and scholarships. <https://www.societyforscience.org/press-release/high-schoolers-win-more-than-9-million-at-regeneron-isef-2024/>

Lavan's project looked at the effect of human and road density on the movement of wolves on the Fond du Lac Reservation. She was guided and given wolf collar data from wildlife biologist Mike Schrage, working for the Fond du Lac Resource Management Division. She found This project used mapping software (ArcGIS Pro and Online) to create wolf location maps.

Lavan was selected as a finalist for the National Geographic Geography and Geospatial Science Award at 2024 ISEF.

Bernu's project used a yellow water lily root, or kaandoosh in Ojibwe language, the rhizome of the water lily root. *Nuphar advena*, is utilized by Indigenous communities for treating bacterial overgrowth. This study aims to investigate the impact of *Nuphar advena* rhizome on the growth of *Micrococcus luteus*, an opportunistic pathogenic skin bacterium, and *Lactobacillus*, a probiotic intestinal bacterium. The rhizome inhibited the growth of *Micrococcus luteus* and did not negatively affect the intestinal bacteria.

The University of Arizona selected Johanna Bernu's project for the Regeneron ISEF Arizona Excellence Award. This award includes a \$40,000 scholarship to be used over four years of attendance at the University of Arizona. Also, Arizona

State University offered Bernu a scholarship combining a monetary award (\$52,000) and an environment focusing on knowledge, learning and research. The New American University ISEF Scholarship is renewable for four years.



From left to right-Cloquet High School Students Grace Lavan, Cloquet senior, Parker Sickmann, sophomore and Johanna Bernu attending the Genius Olympiad in Rochester, NY. Lavan and Bernu are displaying their second-place silver medals and certificates awarded to the top 10% of the projects at this international fair.

Selected to attend the International Environmental Genius Olympiad held at the Rochester Institute of Technology (RIT) New York in June were Cloquet senior, Grace Lavan, Junior, Johanna Bernu, and sophomore, Parker Sickmann. The Genius Olympiad is an international high school project competition about environmental issues. It is founded and organized by the Terra Science and Education and hosted by the State University of New York at Oswego <https://www.geniusolympiad.org/>. Students attending the Genius Olympiad were mentored by Dr. Cynthia Welsh and William Bauer, Cloquet High School science and technology instructors. Bernu and Lavan both were awarded silver medals at this international event. Given to the top 10% of the projects at the fair.

Both Lavan's and Bernu's projects are explained above. Parker Sickmann's project was titled- A Deerlemma: Using Machine Learning to Identify Wildlife. Sickmann mounted a trail camera tree in the woods to track and monitor wildlife and study behavioral patterns. The question was: How accurately can a machine learning model identify different animals when given different amounts of training data (trail camera animal photos)? The hypothesis was: When presented with more training photos, the accuracy of the model's predictions would increase. A graph of training and validation accuracy was produced to compare the accuracy of the training and validation datasets over 15 epochs. The hypothesis was supported. As the number of images used for training increased, there was an improvement in the model's ability to classify images correctly.

Bernu was given special assistance and lab space from Dr. Jessica Sieber, University of MN Duluth (UMD) Biology Assistant Professor, Dr. Chan Lan Chun UMD Civil Engineer at the Natural Resources Research Institute. Mike Schrage provided wolf collar data and guidance to students. Schrage is a wildlife biologist, working for the Fond du Lac Resource Management Division. The NE MN Regional Science Fair's major Sponsors are Cloquet Educational Foundation, University of MN Duluth Swenson College of Science and Engineering, Sappi Fine Paper and the American Chemical Society (Lake Superior Section). Mark R. Migliori, MD, PA, Cleveland-Cliffs, St. Luke's and Sappi North America-Cloquet Mill.

2024 Minnesota Middle School ArcGIS Story Map Competition



Back- Mike Schrage, Schrage provided wolf collar data and guidance to students. Schrage is a wildlife biologist, working for the Fond du Lac Resource Management Division. Students are on the Fond du Lac Reservation with Schrage to collar wolf pups. Left, Gabriel Bradley (Hermantown seventh grader), Finley Holts, Jerimiah Bents, Cloquet 8th graders, Grade Lavan (Cloquet senior) and Easton Mathews (Hermantown seventh grader).

Cloquet and Hermantown Students submitted ArcGIS Online Story Maps to the Minnesota Story Map competition. Grace Lavan (Cloquet Senior), Gabriel Bradley (Dr. Welsh's Grandson) and Easton Mathews, both Hermantown seventh graders; had their Story Maps selected as the top Story Maps in the Minnesota competition. One high school and one middle school Story Map were selected to represent Minnesota at the Esri National Council for Geographic Education (NCGE) competition. Ethan Lavan (Cloquet Sophomore) Story Map was chosen as second best in the State of Minnesota. Finley Holtz and Jerimiah Bents, Cloquet eighth graders Story Map was ranked fourth place in the state. NCGE challenges US students to conduct and share a research project about something in their home state. The ArcGIS Online Story Map Competition is open to high school ("HS," gr.9-12) and middle school ("MS," gr.4-8) students. Participating students, working individually or in pairs, select a Minnesota topic to research. It should be topics students are personally interested in researching. Following competition guidelines and requirements, students complete their research and create a story map detailing research findings and results. All school or club entries are judged, and up to five are submitted to the Minnesota on the Map state competition. A combination of GIS professionals and educators judge entries submitted to the state competition. The top five in each division are identified based on judging results (Criteria copied from <https://minnesota-alliance-for-geographic-education-mage.hub.arcgis.com/>). Lavan, Bradley and Mathew's top winning story maps advanced to the National Competition.

Bradley and Mathews Story Map looked at the seasonal movement of wolves on the Fond du Lac Reservation. They were guided and given wolf collar data from wildlife biologist Mike Schrage, working for the Fond du Lac Resource Management Division.

Wolves are on the Endangered Species List, and dispersing wolves is critical to the expansion of wolf populations and understanding their seasonal movement patterns is important (MNDNR, 2023). Their question was: What effect do seasonal changes have on wolf pack movement? The hypothesis was: If wolf pack movement is evaluated, then wolves will move the farthest in the winter and the least in the spring. This study used mapping software (ArcGIS Pro) to create wolf location maps organized by the season for 2019 to

2023. The hypothesis was partially supported. All packs of wolves move significantly shorter distances during the spring, one wolf moved farther in the winter (Savanna), Deadfish moved the farthest in the summer. The Headquarter and Otter Creek Packs moved similarly between winter, fall, and summer.

Lavan's Story Map looked at the effect of human and road density on the movement of wolves on the Fond du Lac Reservation. She was guided and given wolf collar data from wildlife biologist Mike Schrage, working for the Fond du Lac Resource Management Division. She found This project used mapping software (ArcGIS Pro and Online) to create wolf location maps. The human and road densities in wolf territories were measured and compared to the findings of a study conducted by Fuller et al. (1992). The question was: Will wolves establish territories in areas of higher human and road density than expected (<4 humans/km² and <0.70 km roads/km²)? The hypothesis was: Wolves can establish territories in Northeastern Minnesota, in areas of higher human and road density than expected. The hypothesis was supported. Overall, human density in wolf territories was 2.67 greater than Fuller's results and road density was 0.07 greater than Fuller's results.

Finley Holtz and Jerimiah Bents looked at the effect of deer hunters in the woods two weeks before, during and two weeks after the firearms season. They noticed a pattern that the wolfs moved Wolf packs moved a longer distance per movement before and after hunting while moving less distance per move during deer hunting, but not all comparisons were significant.

Ethan Lavan's Story Map geographically displayed using a mapping tool (ArcGIS Online) to generate maps showing densities of chicken permit numbers in urban Minnesota. A survey was posted on a group chicken keeping social media site asking what most motivated the keepers to keep chicken and what were the biggest challenge. The number of chicken permits applied for each year for 2017-2023 was obtained from thirteen different Minnesota cities.

Grace and Ethan Lavan, Mathews and Bradley were mentored by Dr. Cynthia Welsh, a research teacher in Cloquet, and William Bauer, Cloquet Technology Department. Holtz, Bents, Bradley and Mathews all received ArcGIS mapping assistance from Cloquet alumni Grace Lavan, currently a UMD freshman. Mike Schrage provided wolf collar data and guidance to students. Schrage is a wildlife biologist, working for the Fond du Lac Resource Management Division. Students are on the Fond du Lac Reservation with Schrage to collar wolf pups. All photos taken by Morgan Swingen, Wildlife Biologist, for the 1854 Treaty. Cloquet student participation is supported by the Cloquet Educational Foundation.



Left Easton Mathews, collaring a wolf pup while his ArcGIS mentor, Grace Lavan holds the pup.



Finley Holtz holding a collared wolf pup.



Jerimiah Bents holding a collared wolf pup.