



A – Request decision – closure required
B – Update/status report
C – Discussion and input – final decision at a subsequent meeting

School Board Meeting
Monday, January 22, 2024
AGENDA

1. **Call to Order (1 minute)**
01-22-24 Important Dates 3
2. **Selection of Chair *Pro Tem* (5 minutes)**
3. **Pledge of Allegiance (1 minute)**
4. **Approve Board Agenda (1 minute)**
5. **Recognitions (15 minutes)**
5.A. Kindness Poster Winners by grade level (15 minutes)
Becky Brodeur, Associate Superintendent for Middle Schools, Nate Manaen, Director of Student Services,
Britt Olean, ESC Social Worker
6. **Consent Agenda (5 minutes)**
6.A. Minutes from 01-08-24 School Board Meeting - A
Jeff Simon, Board Clerk
Appendix A 4
6.B. Retirements, Resignations, Terminations, Layoffs and Recalls, Leaves and Modified Leaves of Absence,
Appointments - A
Matt Brain, Director of Employee Services
Appendix B 19
6.C. Cash Disbursements Report - A
Jennifer Beck, Director of Finance
Appendix C 23
6.D. Cash Balance Report - A
Jennifer Beck, Director of Finance
Appendix D 24
6.E. Monthly Revenue & Expenditures - A
Jennifer Beck, Director of Finance
Appendix E 25
6.F. Investment Report for Calendar Year 2024 - A
Jennifer Beck, Director of Finance
Appendix F 27

6.G. Delegation of Authority for SERVS/MEGS Financial - A Jennifer Beck, Director of Finance	
Appendix G	28
6.H. Bid #24029B-Food Service Equipment - A Tiffany Audette, Director of Purchasing	
Appendix H	29
6.I. Committee Assignments - A Chair Pro Tem	
Appendix I	30
6.J. Immunization Exclusions as required by Statute 121a.15 - A Cindy Hiltz, Asst. Director of Student Services, Health Services	
7. Communications, Delegations & Petitions (15 minutes)	
8. Board Calendar & District Update (10 minutes) Cory McIntyre, Superintendent	
9. Finance (20 minutes)	
9.A. Annual Audit (20 minutes) - B Aaron Nielsen, CPA, Partner, MMKR	
Appendix J	33
Appendix K	240
10. Labor Relations & Benefits (15 minutes)	
10.A. Labor Relations Update (15 minutes) - B Dr. Jennifer Cherry, Executive Director of Human Resources	
Appendix L	246
11. Board Correspondence & Communication	
12. Executive Session (45 minutes)	
12.A. Labor Negotiations (45 minutes) Dr. Jennifer Cherry, Executive Director of Human Resources	
13. Adjourn	

ANOKA-HENNEPIN SCHOOLS

A FUTURE WITHOUT LIMIT

January 22, 2024

Dates to Remember

1. **January 22** **Regular School Board Meeting, Sandburg Education Center, 6:30 p.m.**
2. January 25 Legislative Delegation, ESC, 6:00 p.m.
3. January 29 Board Policy Committee, ESC, 4:30 p.m.
4. January 31 School Board/Cabinet Professional Development, Bunker Hills Event Center, 6:30 p.m.
5. February 5 CIAC, ESC, 5:30 p.m.
6. February 6 School Board, Student Growth Recognitions, Anoka High School, 5:30 p.m.
7. February 10 Northern Stars Celebration, Bunker Hills Event Center, 5:30 p.m.
8. **February 12** **School Board Work Session, Educational Service Center, 5:30 p.m.**
9. February 19 Holiday, District Closed
10. February 20 Elem (PLC/Conf./Staff Development); Sec Staff Development, No Students
11. **February 26** **Regular School Board Meeting, Sandburg Education Center, 6:30 p.m.**
12. **March 4** **School Board Work Session, Educational Service Center, 5:30 p.m.**
13. March 6 Hold for Meet & Confer-Teachers, ESC, 5:30 p.m.
14. March 7 CIAC, ESC, 5:30 p.m.
15. March 8 End of Trimester Two
16. March 11-15 Spring Break, No School
17. March 14-15 Holiday, District Closed
18. March 18 Staff Development, No Students
19. March 18 Board Policy Committee, ESC, 4:30 p.m.
20. March 21 School Board/Cabinet Planning, Bunker Hills Event Center, 5:30 p.m.
21. **March 25** **Regular School Board Meeting, Sandburg Education Center, 6:30 p.m.**
22. March 29 Staff Development, No Students



Jeff Simon
CLERK



Matt Audette
DIRECTOR



Kacy Deschene
DIRECTOR



Zach Arco
DIRECTOR



Linda Hoekman
DIRECTOR



Michelle Langenfeld
DIRECTOR

MINUTES OF MEETING
SCHOOL BOARD OF INDEPENDENT SCHOOL DISTRICT NO. 11
(Anoka-Hennepin School District)
STATE OF MINNESOTA

The School Board of Anoka-Hennepin Independent School District No. 11 held a regular meeting on **Monday, January 8, 2024**, at the Sandburg Education Center, Anoka, Minnesota.

Acting Chair Simon called the meeting to order at 6:30 p.m.

The following members were present: Zach Arco, Matt Audette, Kacy Deschene, Linda Hoekman, Michelle Langenfeld and Jeff Simon.

Kacy Deschene motioned to approve the Board Agenda as presented. Michelle Langenfeld seconded. Motion passed.

Zach Arco, Linda Hoekman and Michelle Langenfeld recited the ceremonial oath of office given by Anoka County Elections Manager Thomas Hunt. Members will serve four-year terms on the School Board.

Acting Chair Simon moved to the organizational part of the meeting and Election of Officers. Matt Audette raised a Point of Order maintaining that pursuant to Roberts Rules of Order 47.11 that a Chair *Pro Tem* should be elected to chair the meeting stating he is prepared to nominate Jeff Simon as Chair *Pro Tem* for this meeting. General Counsel Tim Palmatier joined the Board to advise on State Statutes, Robert's Rules of Order and reviewed MSBA guidance. Discussion followed. The Acting Chair ruled that the Point of Order was not well taken. Matt Audette appealed the Acting Chair's ruling and Zach Arco seconded. The ruling did not pass with a 5-1 vote with Simon voting yes.

Acting Chair Simon asked for nominations for the **Chair Pro Tem** for this meeting. Matt Audette nominated Jeff Simon as Chair *Pro Tem* for the January 8, 2024 meeting. The motion passed with a 6-0 vote.

Chair *Pro Tem* Simon asked for nominations for the **office of Chair**. Zach Arco nominated **Matt Audette** to serve as Board Chair. Michelle Langenfeld nominated **Jeff Simon** to serve as Board Chair. Hearing no further nominations, Jeff Simon declared the nominations closed. With a 3-3 vote, a Board Chair was not elected.

Chair *Pro Tem* Simon asked for nominations for the **office of Chair**. Zach Arco nominated **Matt Audette** to serve as Board Chair. Michelle Langenfeld nominated **Jeff Simon** to serve as Board Chair. Hearing no further nominations, Jeff Simon declared the nominations closed. With a 3-3 vote, a Board Chair was not elected.

General Counsel Tim Palmatier provided MSBA guidance to the Board to move through the business of the meeting and return to Election of Officers later in the meeting. Chair *Pro Tem* Simon moved Appendix B and L to later in the meeting following Item 8. With no objections, Appendix B and L were moved to Item 9 in the meeting.

Matt Audette moved and Zach Arco seconded the motion to reaffirm the **regular School Board meeting dates of the School Board** as the fourth Monday of each month at 6:30 p.m. with the following exceptions: The meetings in July and December 2024 and July 2025 will be held on the second Monday. The January 8, 2024, May 6, 2024, January 13, 2025 and May 5, 2025 meetings will be Regular School Board meetings.

The Board reaffirms the **Work Session meeting dates of the School Board** as the second Monday of each month at 5:30 p.m. with the following exceptions: There will not be a Work Session in July and December 2024 and July 2025. The January 8, 2024, May 6, 2024, January 13, 2025 and May 5, 2025 meetings will be Regular School Board meetings. The March, August, October & November 2024 and March and April 2025 meetings will be held on the first Monday of the month. The current edition of Robert's Rules of Order shall be the official guide of the School Board on all points of parliamentary procedure.

<u>Date</u>	<u>Time</u>	<u>Place</u>
Jan. 8, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
Jan. 22, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
Feb. 12, 2024	5:30 p.m.	Work Session, Educational Service Center on Ferry Street
Feb. 26, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
March 4, 2024	5:30 p.m.	Work Session, Educational Service Center on Ferry Street

March 25, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
April 8, 2024	5:30 p.m.	Work Session, Educational Service Center on Ferry Street
April 22, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
May 6, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
May 20, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
June 10, 2024	5:30 p.m.	Work Session, Educational Service Center on Ferry Street
June 24, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
July 8, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
Aug. 5, 2024	5:30 p.m.	Work Session, Educational Service Center on Ferry Street
Aug. 19, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
Sept. 9, 2024	5:30 p.m.	Work Session, Educational Service Center on Ferry Street
Sept. 23, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
Oct. 7, 2024	5:30 p.m.	Work Session, Educational Service Center on Ferry Street
Oct. 21, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
Nov. 4, 2024	5:30 p.m.	Work Session, Educational Service Center on Ferry Street
Nov. 18, 2024	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
Dec. 9, 2024	6:30 p.m.	Regular School Board Meeting/Truth in Taxation, Board Room, Sandburg Education Center
Jan. 13, 2025	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
Jan. 27, 2025	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
Feb. 10, 2025	5:30 p.m.	Work Session, Educational Service Center on Ferry Street
Feb. 24, 2025	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
March 3, 2025	5:30 p.m.	Work Session, Educational Service Center on Ferry Street
March 24, 2025	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
April 7, 2025	5:30 p.m.	Work Session, Educational Service Center on Ferry Street
April 21, 2025	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
May 5, 2025	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
May 19, 2025	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
June 9, 2025	5:30 p.m.	Work Session, Educational Service Center on Ferry Street
June 23, 2025	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center
July 7, 2025	6:30 p.m.	Regular School Board Meeting, Board Room, Sandburg Education Center

Motion carried.

Matt Audette moved and Michelle Langenfeld seconded the motion that the following financial institutions and any named by their investment service department shall be designated as official depositories of the A-H Independent School District No. 11 for the calendar year 2024. US Bank, Wells Fargo Bank, Minnesota School District Liquid Asset Fund, Bremer Bank, and Bridgewater Bank. Motion carried with 5 in favor and 1 abstention, Kacy Deschene.

Zach Arco moved and Matt Audette seconded the motion that the following financial institutions and any named by their investment service department shall be designated as official investment financial institutions of the A-H Independent School District No. 11 for the calendar year 2024. Baker Tilly Investment Services, LLC, US Bank, Wells Fargo Bank, and PFM/Minnesota School District Liquid Asset Fund. Motion carried with 5 in favor and 0 opposed with 1 abstention, Kacy Deschene.

Matt Audette moved and Kacy Deschene seconded the motion to authorize the Superintendent to delegate the role of Application and Budget approver in the Minnesota Department of Education's SERVS/Megs Financial application to the Chief Financial Officer for the calendar year of 2024. This role has the following responsibilities:

Approve Application and Budget

- Only given to an officer who can legally bind their organization (Superintendent/Executive Director)
- Accept Funds/Manage Allocation/Balance Forward
- Review and approve grant applications with electronic signature as authorized district representative
- Perform Application & Budget Tasks (If necessary)
- Enter/edit organization information

- Cannot request funds

Motion carried.

Kacy Deschene moved and Michelle Langenfeld seconded the motion to name the Anoka County Union Coon Rapids Herald, the Brooklyn Center Sun-Post, the Brooklyn Park Sun-Post, Blaine/Spring Lake Park Life and Champlin-Dayton Press as the official newspapers, published by ECM-Sun Group, LLC, of the Anoka-Hennepin Independent School District No. 11 for calendar year 2024. Motion carried.

Matt Audette moved and Zach Arco seconded the motion that the following staff shall be designated as official staff with authority to make Electronic Funds Transfers on behalf of the Anoka-Hennepin Independent School District No. 11 for the calendar year 2024: Chief Financial Officer, Director of Finance, Accounting Manager, Accounting Financial Data Specialist, and Accountant. Motion carried.

Matt Audette moved and Zach Arco seconded the motion to authorize the Superintendent and the Chief Financial Officer to execute contracts and purchase orders for goods and services contained within the Board approved budget for Anoka-Hennepin Independent School District No. 11 for the calendar year 2024. Motion carried.

Kacy Deschene moved and Matt Audette seconded the motion to authorize the Anoka-Hennepin School Board to designate Superintendent Cory McIntyre as the primary Identified Official with Authority to authorize user access to MDE secure websites for the 2024-25 school year. Identified Official with Authority will assign job duties and authorize user's access to MDE secure systems for their Education Identity Access Management. Motion carried.

Kacy Deschene moved and Zach Arco seconded the motion that school board members shall receive \$1,200 per month and the School Board Chair \$1,300 per month to cover expenses incurred in fulfilling their responsibilities for calendar year 2024. School Board members shall be reimbursed for necessary expenses incurred in the performance of School Board functions in accordance with the policies relating to reimbursement. Motion carried.

CONSENT AGENDA

Matt Audette moved and Zach Arco seconded the motion to approve the following **consent agenda** items:

- Minutes** from the December 11, 2023, School Board meeting.

b. Personnel items as follows:**RETIREMENTS**

Name	Current or Most Recent Position	Last Date Employed
Mary Boren	Blaine High, Teacher Counselor	06/14/2024
Catherine Dahlquist	Roosevelt Middle, Child Nutrition Assistant FT	02/23/2024
Dean Joslin	Anoka High, Teacher Academic Support	06/07/2024
Sheila Joslin	Oxbow Creek, School Office Supervisor	07/31/2024
Richard Neumann	Blaine High, ParaEducator Secondary	09/01/2024
Carolyn Schlitter	Ramsey, Teacher Grade K	06/07/2024
Julie Sears	Andover, Educ Office Prof School Year	03/29/2024
Bonnie Walker	ESC, Teacher SA-QComp Peer Eval	06/07/2024

RESIGNATIONS, TERMINATIONS

Full Name (FL)	Current or Most Recent Position	Last Date Employed
Kaitlin Eskuri	Evergreen Park, Teacher Grade 2	12/01/2023
Susanna Fomby	ESC-Student Conduct, Teacher SA-Coach	11/30/2023
Kaily Goehring	Anoka High, TIER I-Teacher Health Careers	12/22/2023
Lela Goettl	Blaine High, Teacher Reading Secondary	12/22/2023
Bariture Idee-Igboh	Adams, Teacher Grade 3	01/12/2024
Toni Jahnz	Monroe, Teacher Social Worker	12/13/2023
Kenneth Jugasek	Coon Rapids High, Teacher Health	06/07/2024
Barbara Nelson	Riverview ECC, Teacher EC/SE	12/05/2023
Martin Rowles	Oak View Middle, Tier 1 Teacher English LTS	01/12/2024
Darron Sherrill	ESC, Inclusion & Diversity Coord	01/05/2024

LEAVES OF ABSENCE

Name	Current or Most Recent Position	Leave Begins	Leave Ends
Nicole Arro	ChamplinBrklynPk Academy, Teacher Literacy Intervention	12/12/2023	01/12/2024
Paige Bethke	University Avenue, Teacher Grade 5	12/19/2023	03/08/2024
Jennifer Boehlke	Anoka Middle - FM, Teacher Math	05/08/2024	06/07/2024
Caitlin Burns	Sand Creek, Teacher SA-Coach Literacy Spec	12/11/2023	01/03/2024
Catherine Cocker	Ramsey, Teacher Grade 2	01/08/2024	03/08/2024
Victoria Courts	RiverTrail Learning Ctr, Special Educ Prg Supervisor	11/07/2023	01/02/2024
Susan Curtis	Anoka High, Educ Office Prof	01/03/2024	02/15/2024
Kami Daley	Wilson, Teacher Grade 4	01/03/2024	02/05/2024
Shelley Gormsen	Andover, Child Nutrition Assistant FT	12/15/2023	01/25/2024
Linda Groebner	Roosevelt Middle, Asst Principal Middle School	12/27/2023	03/13/2024
Nicole Gross	Monroe, Teacher Academic Support	11/10/2023	11/28/2023
Nicole Gross	Monroe, Teacher Academic Support	11/29/2023	03/08/2024
Kari Hable	Champlin Park High, Teacher Business	12/18/2023	06/07/2024
Laurie Hale	Hoover, Teacher E/BD	01/17/2024	02/29/2024
David Jelinek	Jackson Middle, B/G Custodian	12/12/2023	03/01/2024
Sheryl Jorgensen	Riverview ECC, Para Sped ECSE center base	12/21/2023	02/02/2024
Natalie Juell	RiverTrail Learning Ctr, Teacher ABS (AcadBehav)	12/15/2023	01/29/2024
Robin Kushlan	Mississippi, ParaEducator Special Education	12/19/2023	03/19/2024
Chris Mertesdorf	ESC, B/G Maintenance Spec Maint	10/13/2023	03/08/2024
Jenny Moua	Eisenhower, Teacher Grade 4	07/01/2024	06/30/2025
Matthew Murphy	Jefferson, B/G Custodian	12/07/2023	02/12/2024

LEAVES OF ABSENCE

Name	Current or Most Recent Position	Leave Begins	Leave Ends
Alicia Nelson	Coon Rapids High, Teacher Phys Ed Secondar	12/04/2023	01/19/2024
Traci Ostroot	Coon Rapids High, Child Nutrition Assistant PT	12/18/2023	01/09/2024
Madisyn Pehlke	ESC-Special Ed, Teacher Adapt Phy Ed	01/03/2024	03/19/2024
Nicole Pierson	Anoka Middle - FM, Teacher Academic Support	01/08/2024	02/29/2024
Lynnsey Plaisance	Anoka High, Teacher ESL	10/26/2023	10/27/2023
Brittney Reinecke	Verndale, Teacher Speech Clinician	11/08/2023	02/06/2024
Brenda Reiner	CED - ECFE - CR Family PI, ECFE Child Educator FT Benefit	11/20/2023	12/15/2023
Salvador Rodriguez	Evergreen Park, B/G Custodian	11/27/2023	01/22/2024
Meghan Schneider	Johnsville, Teacher Grade 3	12/13/2023	06/07/2024
Kara Schumann	Wilson, Teacher Grade 2	01/03/2024	02/20/2024
Alison Stueber	Ramsey, Teacher ABS (AcadBehav)	12/11/2023	01/26/2024
Lynn Wika	CED - ABE - Col Hgts Fridley, ABE Teacher - sick leave only	01/02/2024	01/30/2024

MODIFIED LEAVES OF ABSENCE

Name	Current or Most Recent Position	Leave Begins	Leave Ends
Amanda Britz	Anoka Middle - WA, Teacher Grade 6	11/09/2023	01/05/2024
Caitlin Burns	Sand Creek, Teacher SA-Coach Literacy Spec	11/21/2023	12/08/2023
Patricia Engren	Brookside, A+ CCA Ln2 full fiscal year	11/29/2023	04/26/2024
Steven C Erickson	Andover DC-Bridges, ParaEducator Spec Ed Cntr Base	11/08/2023	01/08/2024
Diane Hasner	CED - ABE - Blaine, ABE Teacher-Full Time Benefits	10/27/2023	01/31/2024
Becky Jenson	Champlin Park High, Educ Office Prof	10/19/2023	01/01/2024
Candace Keller	ESC - Transportation, ParaEducator Bus	09/21/2023	12/22/2023
Jacquelyn Kubitschek	Coon Rapids High, Teacher Social Studies	08/28/2023	02/29/2024
Debra Nelson	Coon Rapids High, ParaEducator Spec Ed Cntr Base	09/25/2023	03/04/2024
Erin Packer	Coon Rapids Middle, Teacher ABS (AcadBehav)	11/20/2023	12/22/2023
Taralyn Patterson	Wilson, Teacher Grade 3	10/16/2023	01/12/2024
Lynnsey Plaisance	Anoka High, Teacher ESL	10/30/2023	01/12/2024
Julie Roman	Oxbow Creek, TIER I-ABS (AcadBehav)	11/07/2023	02/15/2024
Cheryl Skluzacek	Monroe, ParaEducator Elementary	10/26/2023	01/19/2024
Jennifer Smith	Crooked Lake, Teacher ABS (AcadBehav)	11/20/2023	12/22/2023
Terra Sweet	Jackson Middle, Child Nutrition Assistant	11/09/2023	12/12/2023
Joanne Taylor	McKinley, ParaEducator Special Education	09/13/2023	03/15/2024
Kristie Tupy	Adams, Teacher Literacy Intervention	11/20/2023	12/08/2023

APPOINTMENTS

Name	Current or Most Recent Position	Effective Date	Lane/Step	FTE	Salary
Elementary					
Patricia Cunningham	Wilson, Teacher SA-Student Support	01/03/2024	Bachelors+45/10	0.5722	\$36,832
Sarah Haugen	Ramsey, Teacher Phys Ed Elementary	12/22/2023	Masters/16	0.5775	\$46,036
Bobbi Keeley	Mississippi, Teacher Academic Support	12/18/2023	Masters+15/8	0.5989	\$41,192

Name	Current or Most Recent Position	Effective Date	Lane/Step	FTE	Salary
Secondary					
Jason Limp	Sandburg Regional High School, Teacher Social	01/03/2024	Masters/9	0.5722	\$39,451

Name	Current or Most Recent Position	Effective Date	Lane/Step	FTE	Salary
Special Education					
Bobbi Richard	Mississippi, Teacher Social Worker	10/02/2023	Masters/2	0.8770	\$46,724
Olivia Sheehan	ESC, Teacher Social Worker	11/13/2023	Masters/5	0.7166	\$41,729

c. Cash Disbursements Report

Fund No.	Description	Amount
	Checks	\$ 6,665,099.09
01	General	6,169,394.45
02	Food Service	142,256.05
04	Community Service	128,238.04
06	Building Construction	224,455.55
07	Bond & Interest K-12	-
20	Health-Self Insurance	755.00
21	Dental-Self Insurance	-
22	Work. Comp.-Self Insurance	-
47	OPEB Debt Service	-
	Electronic Payments	\$ 19,246,979.88
01	General	13,392,507.93
02	Food Service	267,972.11
04	Community Service	555,627.36
06	Building Construction	-
07	Bond & Interest K-12	-
20	Health-Self Insurance	4,590,671.88
21	Dental-Self Insurance	255,373.14
22	Work. Comp.-Self Insurance	184,827.46
47	OPEB Debt Service	-
	ACH Payments	\$ 4,987,983.74
01	General	4,094,768.34
02	Food Service	453,078.57
04	Community Service	91,182.40
06	Building Construction	253,252.73
07	Bond & Interest K-12	-
20	Health-Self Insurance	73,574.70
22	Work. Comp.-Self Insurance	22,127.00
	P-Card	\$ 154,334.42
01	General	133,871.68
02	Food Service	1,288.66
04	Community Service	19,120.10

06 Building Construction
 20 Health-Self Insurance

53.98

TOTAL DISTRICT

\$ 31,054,397.13

d. Cash Balance Report

ANOKA HENNEPIN DISTRICT NO. 11 MONTHLY CASH BALANCES - FY24															
	GENERAL	FOOD SERVICE	COMMUNITY SERVICE	BUILDING CONSTRUCTION	DEBT SERVICE	EMP BENE HEALTH	EMP BENE DENTAL	EMP BENE WORK COMP	OPEB	TOTAL	CASH	BUILDING CONSTRUCTION	SCHOLARSHIP	TOTAL ALL	FY23 Total All Balances (1 year ago comparison)
	01-101	02-101	04-101	06-101	07-101	20-101	21-101	22-101	47-101	CASH	INVESTMENT	INVESTMENT	INVESTMENT	BALANCES	
07/01/23	167,625,306	9,661,551	12,168,757	(2,844,745)	9,201,166	24,002,428	3,225,038	2,287,027	1,304,644	226,631,172	10,000,000	16,854,844	712,365	254,198,381	273,086,188
07/31/23	137,645,718	9,351,636	11,562,339	(619,251)	6,724,711	17,724,437	2,897,721	2,104,797	1,381,049	188,773,157	10,000,000	13,071,820	688,427	212,533,404	241,851,628
08/31/23	168,372,920	9,385,665	11,533,868	(2,681,823)	6,325,755	14,225,288	2,294,219	2,066,908	1,358,476	212,881,277	10,000,000	13,124,816	509,804	236,515,897	271,684,755
09/30/23	185,170,574	8,882,238	13,083,758	(4,131,880)	6,329,633	14,920,089	2,548,666	2,067,015	1,358,523	230,228,616	10,000,000	13,131,309	464,430	253,824,355	276,894,445
10/31/23	184,238,524	8,296,287	12,969,484	(7,425,653)	9,023,567	17,058,314	2,435,497	2,094,463	1,748,359	230,438,843	10,000,000	13,131,309	446,296	254,016,449	275,084,581
11/30/23	164,478,148	10,589,218	13,327,202	(7,902,901)	11,970,274	20,202,785	2,693,195	2,013,482	2,174,822	219,546,225	10,000,000	13,196,500	429,633	243,172,357	257,537,703
12/31/23										0				0	
01/31/24										0				0	
02/28/24										0				0	
03/31/24										0				0	
04/30/24										0				0	
05/31/24										0				0	
06/30/24										0				0	

¹ Building Construction Fund is negative because funds are transferred from the Building Construction investment account on a reimbursement basis.

e. Donations and Scholarship Reports

DATE	DONOR	DONEE	PURPOSE	TYPE	AMOUNT
12/15/23	AGHS Hockey Booster Club	Andover HS	Add'l Coach-K. Butorac	General	7,334.00
11/21/23	AHEF	Sand Creek Elem	AHEF- Yoto Players	General	529.00
11/21/23	AHEF	OVMS	AHEF- Educational Games-SS Dept	General	460.00
11/22/23	AHEF	Northdale MS	AHEF-For a 3D printer-Science Classroom	General	500.00
11/22/23	AHEF	CRHS	AHEF-VR Headsets /Science	General	500.00
11/22/23	AHEF	Andover HS	AHEF-Women's group-Program supplies	General	500.00
11/28/23	AHEF	Blaine HS	AHEF-Mini Grant-vernier sensors-Science Dept	General	500.00
11/28/23	AHEF	Blaine HS	AHEF-Mini Grant-multicultural club celebration	General	500.00
12/19/23	AHEF	Adams Elem	AHEF-Student Supplies	General	125.00
12/21/23	Allina Health System	Rum River Elem	Student/General Supplies	General	100.00
12/19/23	American Online Giving	Oxbow Creek Elem	Student Supplies	General	401.83
12/05/23	American Online Giving Foundation	Hamilton Elem	General Supplies	General	76.98
12/13/23	American Online Giving Foundation	Madison Elem	Student Support Supplies	General	71.85
12/15/23	Andover Center Ice Club	Andover HS	Add'l Coach- J. Leopold ESA	General	3,000.00
12/15/23	Andover Center Ice Club	Andover HS	Add'l Coach- J. Mellem ESA	General	3,000.00
12/15/23	Andover Center Ice Club	Andover HS	Add'l Coach- R. Olson ESA	General	3,500.00
12/21/23	Andover Center Ice Club	Andover HS	Additional coach- Boys Hockey-N.Manne	General	3,500.00
12/06/23	Andover Football Assoc, NC Gambling Account	Andover HS	Outdoor Adventures, Instruct Supplies	General	4,000.00
11/28/23	Andover HS Swimming & Diving Booster Club	Andover HS	Girls Swimming for Coach bus- Fargo, ND	General	2,400.00
11/21/23	Anoka Halloween Inc	RMS Band Department	Purchase Marching Band Equipment	General	300.00
11/22/23	Anoka Halloween INC	Jackson MS	Student Materials	General	300.00
11/22/23	Anoka Halloween INC	OVMS	Music Department Supplies/Materials	General	300.00
11/29/23	Anoka Halloween Inc	Anoka MS Marching Band	2023 Parade Participation-AMSA Marching Banc	General	300.00
12/19/23	Anoka HS Hockey Booster	Anoka Boys Hockey	Charter Bus-Holiday Tournament-Duluth MN	General	3,050.00
12/21/23	Anoka Nordic Booster Club	Anoka Nordic Ski Team	Charter Bus for Tournament	General	1,780.00
12/15/23	APTCO	Andover Elem	VSC Sponsor Payment	General	7,128.00
12/05/23	ARTECH holding limited, multiple donations	CRHS	Musical/Theatre Tickets	General	189.00
12/15/23	ARTECH holding limited, multiple donations	CRHS	Theater Donations	General	80.00
12/13/23	Bengal Touchdown Club	Blaine HS	Cheer team to be used at their discretion	General	500.00
12/13/23	BHS Girls Hockey Boosters	Blaine HS	Cover Bussing for Grand Rapids Game	General	2,772.00
11/21/23	Blaine Dance Boosters Inc.	Blaine HS	Dance Costumes	General	766.80
11/29/23	CAF	Dayton Elem	School/Student Supplies as needed	General	45.00
11/29/23	CAF	Dayton Elem	School/Student Supplies as needed	General	10.00
12/13/23	CAF	Dayton Elem	School/Student Supplies as needed	General	10.00
12/06/23	CAF America, C/O LLC	Jackson MS	Student Materials	General	80.00

12/06/23	CAF America, C/O LLC	Jackson MS	Student Materials	General	18.00
12/15/23	CAF America, C/O LLC	Jackson MS	Student Materials	General	80.00
11/28/23	CAF America, C/O , LLC	Jackson MS	Student Materials	General	360.00
12/19/23	Champlin Park Cheer Booster	CPHS	Uniforms and Backpacks	General	2,789.43
11/22/23	Champlin Park HS Dugout Club Champlin Women of Today- Craft Account	CPHS	Baseball Uniforms	General	3,500.00
11/22/23		CPHS	Weight Training Equipment	General	1,000.00
12/06/23	Charities Aid Foundation America	Eisenhower Elem	Student Incentives	General	35.00
11/22/23	Charities Aid Found. America c/o LLC	Andover Elem	Classroom Supplies	General	90.00
11/28/23	Charities Aid Found. America c/o LLC	Andover HS	School Supplies	General	351.00
11/28/23	Charities Aid Found. America c/o LLC	Blaine HS	ASL Club Supplies	General	297.00
11/29/23	Charities Aid Found. America c/o LLC	Rum River Elem	Student/ General Supplies	General	25.00
11/29/23	Charities Aid Found. America c/o LLC	Andover HS	General School Supplies	General	78.00
12/06/23	Charities Aid Found. America c/o LLC	Andover Elem	Classroom Supplies	General	20.00
12/06/23	Charities Aid Found. America c/o LLC	Rum River Elem	Student/General Supplies	General	35.00
12/06/23	Charities Aid Found. America c/o LLC	Anoka MS for the Arts	Non-Instructional Supplies	General	70.00
12/13/23	Charities Aid Found. America c/o LLC	Blaine HS	General School Supplies	General	140.00
12/13/23	Charities Aid Found. America c/o LLC	Blaine HS	ASL Club Supplies	General	66.00
12/13/23	Charities Aid Found. America c/o LLC	Madison Elem	Student Support Supplies	General	533.66
12/13/23	Charities Aid Found. America c/o LLC	Andover HS	Supplies for School	General	78.00
12/15/23	Charities Aid Found. America c/o LLC	Andover Elem	Classroom Supplies	General	20.00
12/21/23	Charities Aid Found. America c/o LLC	Blaine HS	ASL Club	General	66.00
12/15/23	Church of St.Timothy of Blaine Council of Catholic Women	Pathways Transition Program	Student incentives and meetings	General	60.00
11/22/23	Coca Cola Give	Jefferson Elem	Student Supplies	General	28.93
11/29/23	Coco-Cola Give- King Solutions, Inc	Rum River Elem	Student/ General Supplies	General	127.68
12/06/23	Coon Rapids Girls Gymnastics	CRHS	C. Suel ESA difference	General	62.54
11/28/23	Coon Rapids Gridiron Club	CRHS	Summer Bussing	General	786.77
11/21/23	Coon Rapids Lion Foundation	Mississippi Elem	Books for Students	General	1,644.00
11/21/23	Coon Rapids Lion Foundation, Inc	Morris Bye Elem	Books	General	1,458.00
12/21/23	Coon Rapids Lions Foundation, Inc	Hamilton Elem	Books for Students	General	1,167.00
12/13/23	CPHS Girls Hockey Boosters	Champlin Park HS	Transportation to Warroad	General	4,225.00
11/21/23	CR Boys Soccer Booster Club	CRHS	Bus to Allianz	General	267.96
11/21/23	Crooked Lake Parent Teacher Org	Crooked Lake Elem	2023-24 Fieldtrips	General	3,000.00
11/21/23	Crooked Lake Parent Teacher Org	Crooked Lake Elem	VSC Sponsor Payment	General	4,860.00
12/05/23	Crooked Lake Parent Teacher Org	Crooked Lake Elem	Whole School Bussing	General	1,112.00
11/28/23	David Meberg	Blaine HS	Boys & Girls cross country supplies	General	1,090.00
11/21/23	Dayton Elementary PTO	Dayton Elem	VSC Sponsor Payment	General	5,184.00
11/21/23	Dayton Elementary PTO	Dayton Elem	5th Grade Field trips	General	400.00
12/11/23	Dayton Elementary PTO	Dayton Elem	1st Grade Field Trips	General	500.00
12/13/23	Dayton Elementary PTO	Dayton Elem	Spirit T-shirts	General	2,600.00
11/21/23	ECMC Ground iLinc	Oxbow Creek Elem	Student Supplies	General	140.00
12/13/23	Edward B Cutter Post NO 102 INC	River Trail Learning Center	School Carnival Prizes	General	100.00
12/13/23	Graco Foundation	Anoka HS	Support student programs in manufacturing through our STEM program	General	500.00
12/11/23	Ham Lake Chamber of Commerce	CRHS	Boys Track General Athletic Use	General	1,000.00
12/21/23	Heidi Lemke	STEP Automotive	Classroom Instruction/ Car Maintenance	General	340.00
11/29/23	Hospitality MN Education Found.	Andover HS	FaCS classroom Usage	General	2,500.00
12/06/23	Hospitality MN Education Found.	Anoka HS	HMEF Prostart/hospitality Mgmt. program, Supply text books for FACS	General	2,500.00
12/13/23	Hospitality MN Education Found.	Champlin Park HS	Curriculum books- Pro start Curric.	General	2,500.00
12/06/23	Husky Hoops	Andover HS	B Basketball Program Use	General	500.00
11/21/23	Husky Hoops	Andover HS	Boys Basketball Program Use/ Supplies	General	3,500.00
12/15/23	James Alfson (Shirley Alfson Memorial	McKinley Elem	Health Service Supplies	General	100.00
12/06/23	Jayne Chisholm Macklin	STEP Automotive	Classroom instruction/ Car Maintenance	General	320.00
12/13/23	Jefferson PTO	Jefferson Elem	Be the Nice Kid Presentation	General	3,500.00
12/06/23	Johnsville PTO	Johnsville Elem	VSC Sponsor Payment	General	7,128.00
12/15/23	Johnsville PTO	Johnsville Elem	5th Grade FT to Blaine Brook	General	660.00
12/13/23	Kind Solutions, Inc.	Champlin Park HS	Student Recognition	General	42.55

11/29/23	King Solutions, Inc	CBPA	Supplies for School	General	34.65
11/29/23	King Solutions, Inc	Sand Creek Elem	Classroom/ Student Supplies	General	74.27
11/29/23	King Solutions, Inc	Jackson MS	Student Materials	General	25.75
11/28/23	King Solutions, Inc.	Blaine HS	General School Supplies	General	33.12
11/28/23	King Solutions, Inc.- Coca Cola Give	Hoover Elem	School Supplies	General	44.97
11/21/23	Lincoln Elem Parent Teacher	Lincoln Elem	Gaga Ball Pit Outside	General	7,424.72
11/21/23	Madison PTO	Madison Elem	GR 5 Skiing Field Trip-Transportation	General	559.00
12/06/23	Madison PTO	Madison Elem	Bussing For GR 1 Field trip (ELF)	General	229.00
11/28/23	Margaret Wiseman	A-H Screening Department	Buy OAE & SPOT screeners	General	13,900.00
11/21/23	McKinley Parent Teacher Org	McKinley Elem	VSC Sponsor Payment	General	5,832.00
12/06/23	McKinley PTO	McKinley Elem	Chromebook Purchase Nov 23	General	31,140.00
11/28/23	Michael & Christine Johnson	Johnsville Elementary	Classroom Supplies	General	300.00
11/21/23	Mighty cause Charitable Found.	Rum River Elem	Student/ General Supplies	General	95.00
12/21/23	Mighty cause Charitable Foundation	Madison Elem	Student Support	General	20.00
12/21/23	Mighty cause Charitable Foundation	CRHS	General Supplies	General	195.00
12/21/23	Mighty cause Charitable Foundation	CBPA	Supplies for School	General	45.00
12/06/23	Mississippi Elementary PTO	Mississippi Elem	Classroom field trips & celebrations	General	9,260.00
11/21/23	Monroe Elementary PTO	Monroe Elem	Chromebooks	General	8,304.00
11/21/23	Monroe Elementary PTO	Monroe Elem	Chromebooks	General	8,304.00
12/13/23	Morris Bye Parent Teacher Org	Morris Bye Elem	Grade 1 Field trip- Bus	General	330.00
11/21/23	Palmer Lake VFW Post 3915	Evergreen Park STEM	Miscellaneous Supplies	General	1,000.00
11/21/23	Palmer Lake VFW Post 3915	Monroe Elem	Classroom Supplies	General	1,000.00
11/21/23	Ramsey PTO	Ramsey Elem	VSC Sponsor Payment	General	3,078.00
12/11/23	Rum River Assoc of Families & Teachers	Rum River Elem	Playground Equipment	General	86,000.00
11/21/23	Sand Creek PTO	Sand Creek Elem	VSC Sponsor Payment	General	7,128.00
12/15/23	Special Olympics MN	Project Power	Project Power Special Olympics Bowling	General	274.00
12/13/23	Sue Newton	OVMS	Supplies for Band Program/Students	General	100.00
12/13/23	Sue Newton	OVMS	Supplies for Choir Program/ Students	General	100.00
11/21/23	The Blackbaud Giving Fund	Crooked Lake Elem	General Supplies	General	200.00
11/21/23	The Blackbaud Giving Fund	Jefferson Elem	Student Supplies	General	50.00
11/21/23	The Blackbaud Giving Fund	OVMS	Student Incentives & Recognition	General	60.00
11/29/23	The Blackbaud Giving Fund	Champlin Park HS	Student Recognition	General	66.00
11/29/23	The Blackbaud Giving Fund	Champlin Park HS	Student Recognition	General	108.00
11/29/23	The Blackbaud Giving Fund	Madison Elem	Student Supplies	General	80.00
12/13/23	The Blackbaud Giving Fund	Champlin Park HS	Student Recognition	General	50.00
12/21/23	The Blackbaud Giving Fund	Oxbow Creek Elem	Student Supplies	General	120.00
12/21/23	The Blackbaud Giving Fund	Oxbow Creek Elem	Student Supplies	General	50.00
12/06/23	The Blackbaud Giving Fund by its agent Your Cause	CBPA	Supplies for School	General	20.00
12/06/23	The Blackbaud Giving Fund by its agent Your Cause	McKinley Elem	Misc. Supplies	General	50.00
12/06/23	The Blackbaud Giving Fund by its agent Your Cause	Anoka MS for the Arts	Non-Instructional Supplies	General	100.00
12/15/23	The Blackbaud Giving Fund by its agent Your Cause	CBPA	Supplies for School	General	84.00
11/22/23	The Blackbaud Giving Fund by its agent, Your Cause	Andover Elem	Classroom Supplies	General	25.00
11/22/23	The Blackbaud Giving Fund by its agent, Your Cause	OVMS	Student Incentives & Recognition	General	40.00
11/28/23	The Blackbaud Giving Fund by its agent, Your Cause	Andover HS	School Supplies	General	20.00
12/11/23	The Blackbaud Giving Fund by its agent, Your Cause	Andover Elem	Classroom Supplies	General	22.40
12/11/23	The Blackbaud Giving Fund by its agent, Your Cause	Rum River Elem	Student/General Supplies	General	210.00
12/11/23	The Blackbaud Giving Fund by its agent, Your Cause	Oxbow Creek Elem	Student Supplies	General	365.00
12/11/23	The Blackbaud Giving Fund by its agent, Your Cause	Oxbow Creek Elem	Student Supplies	General	300.00
12/11/23	The Blackbaud Giving Fund by its agent, Your Cause	Oxbow Creek Elem	Student Supplies	General	20.00
12/21/23	The Blackbaud Giving Fund By its Agent. Your Cause	Roosevelt MS	Supplies	General	100.00
12/21/23	The Blackbaud Giving Fund By its Agent. Your Cause	Roosevelt MS	Supplies	General	50.00
12/21/23	The Blackbaud Giving Fund By its Agent. Your Cause	Rum River Elem	Student/General Supplies	General	210.00

				01-22-24	A-10
12/21/23	The Blackbaud Giving Fund-Medtronic	Johnsville Elem	Classroom Supplies	General	140.00
12/13/23	The Blackbaud Giving Fund/Your Cause	OVMS	Student incentives and recognition	General	60.00
11/21/23	Twin Cities Orthopedics Foundation	CRHS	Athletic Trainer Tables & Supplies	General	3,063.01
*MATERIAL, EQUIPMENT, OR LABOR DONATION					
TOTAL					\$ 302,659.87

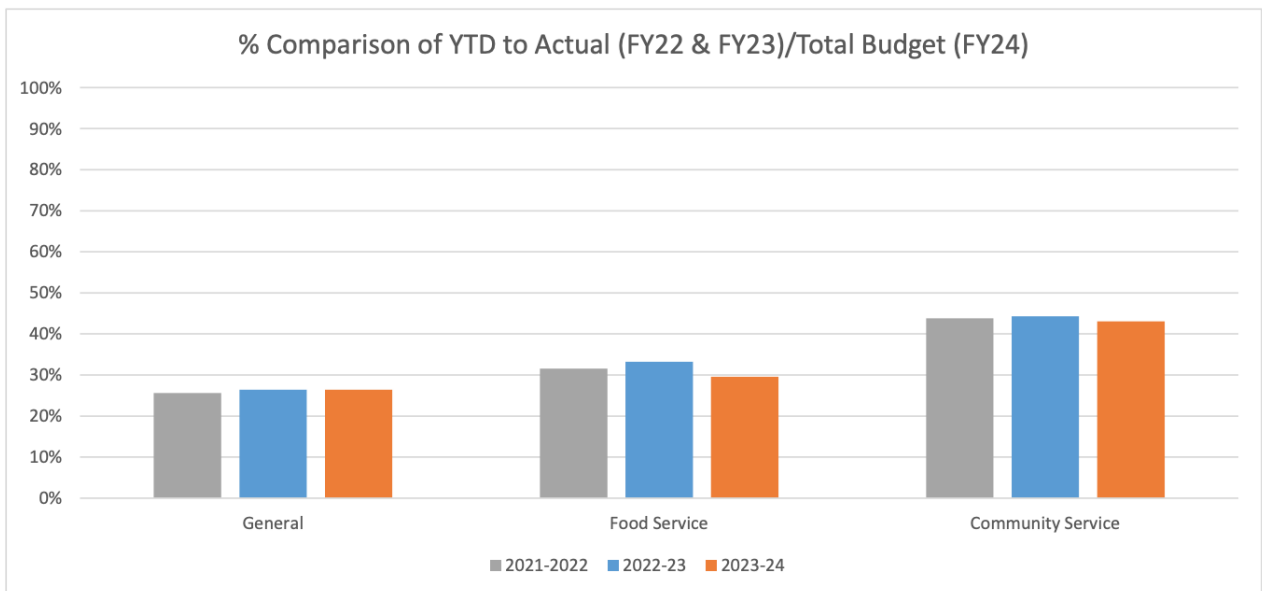
SCHOLARSHIP DONATIONS

DATE	DONOR	DONEE	PURPOSE	TYPE	AMOUNT
12/15/23	Bauer, William	Anoka High School	Class of '63 Scholarship	Scholarship	2,000.00
12/15/23	Pittman, Carolyn	Anoka High School	Class of '63 Scholarship	Scholarship	200.00
12/06/23	Sandberg, Errol & Terrine	Anoka High School	Class of '63 Scholarship	Scholarship	500.00
12/13/23	Severson, Laurel J	Anoka High School	Class of '63 Scholarship	Scholarship	500.00
SCHOLARSHIP TOTALS					\$ 3,200.00
TOTAL DONATIONS					\$305,859.87

f. Monthly Revenue & Expenditures

**Anoka-Hennepin ISD #11
Statement of Revenues
For the month ended Nov 30, 2023**

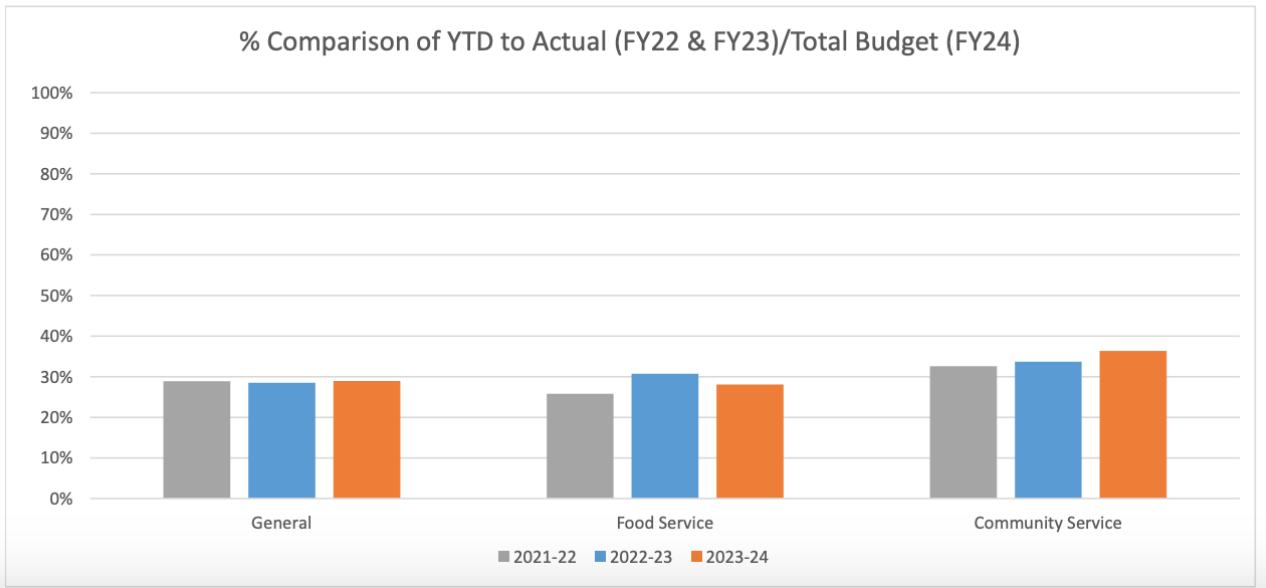
Fund	Month to Date	Year to Date	Budget	FY23 YTD is % of Budget FY21 & FY22 YTD is % of Actual		
				2023-24	2022-23	2021-2022
				General	27,739,813	163,189,269
Food Service	3,800,255	7,930,620	26,803,221	30%	33%	32%
Community Service	2,412,642	11,931,687	27,718,687	43%	44%	44%
Building Construction ¹	65,190	162,739	20,000	814%	18367%	-16%
Debt Service	3,373,170	8,213,790	15,394,194	53%	54%	48%
Trust	-	-	750,000	0%	0%	0%
Total All Funds	\$ 37,391,071	\$ 191,428,105	\$ 688,511,932	28%	28%	27%



¹Conservative budgeting

**Anoka-Hennepin ISD #11
Statement of Expenditures
For the month ended Nov 30, 2023**

Fund	Month to Date	Year to Date	Budget	FY23 YTD is % of Budget		
				FY21 & FY22 YTD is % of Actual		
				2023-24	2022-23	2021-22
General						
Salaries & Benefits	39,530,185	127,664,077	498,124,467	26%	26%	26%
Purchased Services	4,617,762	15,434,825	57,920,406	27%	27%	26%
Supplies	1,367,999	14,336,472	25,741,355	56%	53%	53%
Capital Expenditures	1,890,292	18,621,073	25,118,614	74%	48%	86%
Other Exp & Transfers	73,340	826,772	4,058,066	20%	23%	27%
Total General Fund	\$ 47,479,579	\$ 176,883,218	\$ 610,962,908	29%	29%	29%
Food Service						
Food Service	1,504,809	6,853,926	24,429,676	28%	31%	26%
Community Service						
Community Service	2,057,804	9,971,071	27,419,770	36%	34%	33%
Building Construction	477,248	7,665,500	8,850,000	87%	35%	33%
Debt Service	-	4,152,151	15,444,303	27%	28%	29%
Trust	-	-	750,000	0%	0%	0%
Total All Funds	\$ 51,519,441	\$ 205,525,866	\$ 687,856,657	30%	29%	29%



- g. Approved Prior Approval for Release of Payments in 2024.
- h. Immunization Exclusions—names and specifics are not included because of data privacy.

Motion passed.

The School Board received testimony from Carol Zimmerman, Lisa Thole, Ron Lease, Elizabeth Keeling, Marty Scofield, Scott Coggins, Michele Weitzel, Isabelle Chesness and Mike Phillips.

Dr. Jennifer Cherry, executive director of human resources, provided the School Board with an update on the status of negotiations for employee groups consistent with Board Policy 209, Negotiations Code of Ethics. Dr. Cherry provided an overview of the status of negotiations with the district’s 14 bargaining groups and five policy groups. This was an informational update and no action was required. Please check out ahschools.us/negotiations for additional information.

Superintendent McIntyre gave a report to the Board and reviewed the Board calendar. Students in grades 5-11 are in the process of signing up for the next school year. For 5th grade students, this process is primarily about considering their preferred music course. Students in grades 6-11 have the option to select electives as well as the level of rigor in certain subjects. Parents/guardians are encouraged to review their children’s selections. The registration process is completed online with details of how to register being sent out from individual schools. The district uses these class selections to determine the number of sections and in turn the number of staff needed in each curricular area prior to our staffing deadline in early April. The district takes pride in providing robust curriculum options to meet the interests of students.

Residents can review the registration guides for both middle school and high school on the district website, ahschools.us. Superintendent Roundtable Discussions with students are continuing this month with upcoming sessions at Champlin Park High School and Andover High Schools and at Compass. These sessions aim to give students a voice on key issues facing their school directly to district and school leadership. The sessions cover a wide range of topics from academics to operational issues at the school and are considered an important feedback loop as the district evaluates and implements programming for students. The Anoka-Hennepin Educational Foundation is gearing up for the annual fundraising gala - the Northern Stars Celebration - which is set for Saturday, Feb. 10 from 5:30 p.m. to 10 p.m. at the Bunker Hills Event Center in Coon Rapids. The evening events include district and foundation highlights from the year along with entertainment and opportunities to support student achievement in our schools. The event is open for members of the community to attend. Anyone interested should visit ahef.us for tickets and additional information. The district appreciates the efforts of the Anoka-Hennepin Educational Foundation and the many corporate and individual donors who support the learning needs of students.

Chair *Pro Tem* Simon asked for nominations for the **office of Chair**. Zach Arco nominated **Matt Audette** to serve as Board Chair. Michelle Langenfeld nominated **Jeff Simon** to serve as Board Chair. Hearing no further nominations, Jeff Simon declared the nominations closed. With a 3-3 vote, a Board Chair was not elected.

Matt Audette proposed a compromise to help facilitate the board until a permanent chair can be elected. He was prepared to motion that until a permanent board chair is elected by a board majority, Director Audette and Director Simon will equally share the responsibility to develop and approve the agenda for all board meetings, and both will be invited to participate in any meetings with the superintendent and any cabinet or staff members where board meeting agendas are discussed. Whereas nominations for Chair *Pro Tem* could follow an alternating schedule between tonight's nominees at each successive meeting, whether it be a regular meeting or work session. For instance, since Director Simon served as our Chair *Pro Tem* tonight, Director Audette could be nominated to serve as the Chair *Pro Tem* at the next meeting, followed by Director Simon and so on until a permanent chair is elected by a majority vote. Therefore, Director Audette moved that **until a permanent Chair is elected by a board majority, Director Audette and Director Simon will equally share the responsibility to develop and approve the agenda for all board meetings**. And both will be invited to participate in any meetings with the Superintendent and any Cabinet or staff members where board meeting agendas are discussed. Zach Arco seconded the motion. Board discussion followed. Superintendent McIntyre shared that past practice for the Chair and Vice Chair to meet with the Superintendent to review the board agenda does take place. Policy 203, there is an advance tentative agenda prepared by the Superintendent and that is forwarded out the week prior to the meeting. In between he encouraged board members to always be reaching out. The final agenda is set the day before the meeting. He recommended working on an agenda setting protocol, to have members all have a voice. Chair *Pro Tem* Simon referenced Robert's Rules of Order and giving prior notice of communications to the board is helpful. Jeff Simon moved to amend Matt Audette's motion to remove, the sentence, 'and both will be invited to participate in any meetings with the Superintendent and any Cabinet or staff members where board meeting agendas are discussed.' Matt Audette seconded. The amended motion was approved on a 5-1 vote with Simon voting no. Matt Audette motioned to approve the amended motion stating, 'Until a permanent Chair is elected by a board majority, Director Audette and Director Simon will equally share the responsibility to develop and approve the agenda for all board meetings.' Zach Arco seconded. Superintendent McIntyre will set the agenda and bring it forward to the entire board the week before the board meeting takes place per Policy 203. Discussion followed regarding amending the motion to reflect our policy. Jeff Simon motioned to amend the motion to read, '**Until a permanent board chair is elected by a board majority, Director Audette and Director Simon will equally share the responsibility to advise in preparation of the agenda for all board meetings.**' Matt Audette seconded. Motion passed on the amendment to the motion a 6-0 vote. Matt Audette motioned to move the motion as Director Simon stated. Zach Arco seconded. Motion passed on a 4-2 vote with Langenfeld and Simon voting no.

Chair *Pro Tem* Simon asked for nominations for the **office of Vice Chair**. With no nominations for Vice Chair, no Vice Chair was elected.

Matt Audette motioned to suspend further elections until a Chair has been elected. Zach Arco seconded. Motion did not pass with a 4-2 vote with Deschene, Hoekman, Langenfeld and Simon voting no.

Chair *Pro Tem* Simon asked for nominations for the **office of Vice Chair**. With no nominations for Vice Chair, no Vice Chair was elected.

Chair *Pro Tem* Simon asked for nominations for the **office of Vice Chair**. With no nominations for Vice Chair, no Vice Chair was elected.

Chair *Pro Tem* Simon asked for nominations for the **office of Clerk**. With no nominations for Clerk, no Clerk was elected.

Chair *Pro Tem* Simon asked for nominations for the **office of Clerk**. With no nominations for Clerk, no Clerk was elected.

Chair *Pro Tem* Simon asked for nominations for the **office of Clerk**. With no nominations for Clerk, no Clerk was elected.

Chair *Pro Tem* Simon asked for nominations for the **office of Treasurer**. With no nominations for Treasurer, no Treasurer was elected.

Chair *Pro Tem* Simon asked for nominations for the **office of Treasurer**. With no nominations for Treasurer, no Treasurer was elected.

Chair *Pro Tem* Simon asked for nominations for the **office of Treasurer**. With no nominations for Treasurer, no Treasurer was elected.

Chair *Pro Tem* Simon made the following committee appointments for the 2024 calendar year. Michelle Langenfeld seconded. Zach Arco made an amendment with two edits and removed his name from the AMSD and BrightWorks committees. Jeff Simon motioned to move the Committee Appointments with those two changes. Kacy Deschene seconded. Motion passed on a 6-0 vote.

The following committee appointments were proposed for the 2024 calendar year:

Committee/Organization	Representative	Commitment	Charge
AMSD – Association of Metropolitan School Districts	Michelle Langenfeld	Monthly meeting	It is the mission of AMSD to advocate for metropolitan school districts and advance legislation that supports student achievement. The collective and consistent voice of member districts is critical to achieving our mission.
Brooklyn Bridge Alliance for Youth	Michelle Langenfeld	Meets quarterly	Blueprint Goals: <ul style="list-style-type: none"> ● Mobilize Students, Administrator, and Faculty to design, build & implement student-centered scheduling ● Create a Culture of Teaching & Learning that is Culturally Responsive ● Develop and Leverage Partnerships to increase access to opportunities for students to meet their needs and goals ● Consistent Advising, Tutoring, & Navigation support for all students ● Bring Students, Staff & Faculty together to continually identify blocks and build process solutions together ● Expand intentional communication, engagement & involvement with students
Community Education Advisory Committee	Kacy Deschene	4 times annually	The purpose of the Community Education Advisory Council is to advise the School Board regarding the planning, growth, development, and evaluation of Community Education within School District #11. The Advisory Council will strive to foster a close meaningful relationship between the school district and community to improve school and community life.
Labor Management Committee (LMC)	Jeff Simon	Afternoon meetings as needed	The mission of the District-AHEM Labor Management Committee is to foster and facilitate collaboration between AHEM and District representatives in seeking solutions on issues of mutual concern affecting labor management relations.
BrightWorks (Formerly Metro ECSU)	Open	Meets quarterly	As this fall's election has changed the make-up of BrightWorks member school boards, there is a need to seek nominations from BrightWorks' member districts. The BrightWorks board is seeking nominations from electoral districts 1, 2, and 4. After the election, BrightWorks' Board will be comprised of eight (8) elected officials, three (3) community members at large, and two (2) superintendents.
MSBA Delegate Assembly	Michelle Langenfeld	Pre-delegate assembly resolution review meeting and the	The Minnesota School Boards Association, a leading advocate for public education, supports, promotes and strengthens the work of public school boards. These positions are no longer appointed by A-H board chair. Interested persons (must be serving on our school board currently) apply for a 3

		Delegate Assembly Weekend	<p>year term. The position is elected by the MSBA board member director districts.</p> <p>Members will communicate interest to the Board Chair prior to making application. If there are multiple interested parties, at the Anoka-Hennepin January organizational meeting the board will endorse the appropriate MSBA Delegate(s).</p> <p>Serving on this committee does not require Anoka-Hennepin Board endorsement. However, the Anoka-Hennepin name is attached to this service, therefore the Anoka-Hennepin Board will review and endorse board candidates at the January Organization Meeting.</p>
MSHSL League	District Rep: Board Chair		<p>The MSHSL provides educational opportunities for students through interscholastic athletic and fine arts programs and provides leadership and support for member schools.</p> <p>Andover High School = Matt Audette Anoka High School = Linda Hoekman Blaine High School = Zach Arco Champlin Park High School = Michelle Langenfeld Coon Rapids High School = Jeff Simon</p>
Northwest Suburban Integration District Board	Kacy Deschene	Monthly meeting	<p>NWSISD envisions a global community learning and growing together, by providing students, parents and staff educational opportunities that are multicultural, diverse and promote racial integration. NWSISD and member districts will work to assist students, including students from <u>racially diverse backgrounds, to be prepared for post-secondary success.</u></p>
SEE - Schools for Equity in Education	Open	Bi-Monthly meeting	<p>SEE is an association of 58 school districts throughout the state of MN. SEE works for:</p> <ul style="list-style-type: none"> • Equal access to quality education for all of MN students regardless of where they live and the property wealth in their local school district. • Legislation that ensures equitable distribution of school resources. • A property tax system that is fair and provides equal access to referendum and bond revenue for low property wealth school districts, communities & their taxpayers. • Holding elected state officials accountable for adequate & equitable funding and policy that enables all students to meet state and federal academic standards and allows them to reach their highest potential.
District Health, Wellness & Safety Committee	Open	Quarterly meeting	<p>This committee is focused on district-wide health, wellness, and safety and we try to commit our meeting time to address each of these with 1/3 of the agenda items.</p> <p>In past years, the committee has been more informational and advisory. While we will continue these functions, we also plan to add tabletop discussions and crisis team direction for all our schools to replicate at the building level.</p>
Anoka-Hennepin Educational Foundation	Jeff Simon	Monthly meeting	<p>Our mission is to cultivate equitable and innovative experiences for students in partnership with compassionate people who have generous hearts. Our board members, including the school board representative, serve three-year terms, ideally.</p>
Policy Review/Advisory Committee	Zach Arco Kacy Deschene	Monthly meeting	<p>The Board Policy Review Committee exists to review all District and MSBA policies. the committee consists of board members and the general counsel's office.</p>
Curriculum, Instruction and Assessment Committee (CIAC)	Matt Audette Linda Hoekman Michelle Langenfeld	Monthly meeting	<p>To review preK-16 curriculum, assessment, and instructional programs through a governance lens. To provide input to the school board regarding academic program improvements</p>
Middle School Play-up Committee	Jeff Simon	3 Meetings a year – prior to each athletic season	<p>The Committee will review student athletes that are brought before the committee by the high school activities directors to determine if they qualify to play up on 9th grade to varsity level teams.</p>
Student Services Leadership Team	Kacy Deschene	Monthly meeting	<p>The Student Services Leadership Team will provide direction for student support programs across the district.</p>
Student Services Advisory Committee	Michelle Langenfeld	Monthly meeting	<p>Anoka-Hennepin Schools will effectively educate each student for success through equitable distribution of district resources, targeted intervention, and enhancements, and supporting staff to meet the needs of all students. This will be accomplished through effective educational practices, policies, curricula, resources, and school cultures that are representative of all students, such that each student has access to meaningfully participate and make progress in high quality learning experiences, resulting in positive outcomes regardless of race, socio-economic status, gender, ability, religious affiliation, national origin, linguistic diversity, or other characteristics.</p>

Tribal Council (TNEC)	Jeff Simon	Meets two times per year, once in October and once in February	The mission of TNEC is to strengthen, protect and advance the overall education experience and opportunities for all tribal (American Indian) students, families, and communities of Minnesota.
Staff Development Advisory Committee	Zach Arco	3 Meetings a year	To develop a staff development plan, assist site professional development teams in developing a site plan consistent with the goals of the plan, and evaluate staff development efforts at the district and site level. The committee may also include school board members.

Jeff Simon highlighted the Coon Rapids High School Student Listening session with Superintendent McIntyre. He encouraged board members to participate and felt that it is a refreshing reminder of why we are all here. The students were amazing and inspiring. Please reach out if you are interested in attending further sessions. Kacy encouraged board members and the community to attend sporting events for our Unified clubs across the district, portraying inclusion, working together, inspirations, and differences. Michelle Langenfeld joined Kacy Deschene at Champlin Park High School for the Unified Club playing against Maple Grove's Unified Club at the boys' basketball game. She shared you could feel the energy as they introduced each team as they ran through the varsity teams.

General Counsel Palmatier advised the board that the district does need to have three signatures for Payroll to be completed. Typically, it's the Chair, the Treasurer and the Clerk, but three board members can be selected for signing Payroll. Jeff Simon recommended Matt Audette, Kacy Deschene and Jeff Simon for our three board signatures. With no objection, that decision moved forward.

Jeff Simon motioned a board direction that, The Anoka-Hennepin School Board must elect officers including Chair, Vice Chair, Clerk and Treasurer for the year 2024. If any officer is not duly elected during the January Organizational meeting, the board will continue to pursue consensus and undertake a vote of the full board of 6 members during every open regular public board meeting. Kacy Deschene seconded. Motion did not pass with a 3-3 vote, with Audette, Arco, & Hoekman voting no.

Chair *Pro Tem* Simon proposed under Minnesota Statute 13D.03 Subd. 1 that they move into a closed session deal with matters of labor negotiations for Teachers, Custodians, Ed. Support Professionals, Principals, School Office Supervisors, and Tech. Specialists. The closed session was held in the Michael Sullivan Room. Kacy Deschene seconded the motion to go into closed session. Motion carried.

Chair *Pro Tem* Simon recessed the meeting at 9:42 p.m. The meeting reconvened in closed executive session at 9:53 p.m. to discuss negotiations.

The meeting reconvened in open session at 11:48 p.m. Jeff Simon moved and Kacy Deschene seconded the motion to adjourn the meeting. Motion passed.

Jeffrey Simon, Clerk
Anoka-Hennepin Independent School District No. 11

Jeff Simon, Chair *Pro Tem*

Prepared by: Debbie Koffski CPS
Recorder

Approved: _____

APPENDIX B

Moved that the Board accepts the personnel recommendations and authorizes the appropriate Board officer(s) or School District administrator(s) to sign all documents necessary to effectuate these agreements.

RETIREMENTS

Name	Current or Most Recent Position	Last Date Employed
Roxanne Chambliss	Roosevelt Middle, Teacher Media Specialist Secd	06/07/2024
Basima Hasna	Oxbow Creek, ParaEducator Spec Ed Cntr Base	06/06/2024
Cynthia Hess	Blaine High, Teacher English	06/07/2024
Susan Huemann	Dayton, Teacher Music Elementary	06/07/2024
Diane Hughes	Oxbow Creek, Teacher ASD (AutismSpectrum)	06/07/2024
Kathy Keller	Riverview ECC, Para Special Education ECSE	06/06/2024
Maureen Ledin	Crooked Lake, Teacher Grade 2	06/07/2024
Cheryl Nelson Lombardi	Monroe, Teacher K-3 Exploration	06/07/2024
Susan Lovik	Monroe, ParaEducator Special Education	06/06/2024
Cathy Malone	Dayton, Teacher K5 Core Inst Support	06/07/2024
Lynette Melo	Oxbow Creek, ParaEducator Special Education	06/06/2024
Kathleen Messer-Lusky	Anoka High, ParaEducator Technology	06/06/2024
Dorothy Olsen	Madison, Principal Elementary School	08/19/2024
Brenda Pierson	Jackson Middle, Teacher German	06/07/2024
Kristy Riggs	Andover, Teacher SLD	06/07/2024
Annette Setterholm	Jefferson, ParaEducator Elementary	06/06/2024
Jacolyn Sjodin	Rum River Elementary, Teacher Grade 1	06/07/2024
Jerice Stawski	Ramsey, ParaEducator Spec Ed Cntr Base	06/06/2024
Craig Sunderman	McKinley, Teacher Grade 5	10/09/2024
Janice Wisen-Finnerty	Jefferson, Teacher Grade 3	06/07/2024

RESIGNATIONS, TERMINATIONS

Full Name (FL)	Current or Most Recent Position	Last Date Employed
Mai Ebnet	Monroe, Teacher Academic Support	01/16/2024
Laurie Erickson	RiverTrail Learning Ctr, Teacher E/BD	06/07/2024

APPENDIX B

Moved that the Board accepts the personnel recommendations and authorizes the appropriate Board officer(s) or School District administrator(s) to sign all documents necessary to effectuate these agreements.

LEAVES OF ABSENCE

Name	Current or Most Recent Position	Leave Begins	Leave Ends
Natalie Anderson	Coon Rapids Family Center - Pathways, ParaEducator Spec Ed Cntr Base	12/12/2023	12/22/2023
Hanna Arnold	Riverview ECC, Teacher EC/SE	01/04/2024	04/03/2024
Damon Aune	Roosevelt Middle, B/G Custodian	01/02/2024	02/16/2024
Rita Beckman	Jackson Middle, Teacher Social Studies	01/16/2024	02/07/2024
Sarah Chorn	ESC-Unassigned, B/G Custodian	12/20/2023	01/16/2024
Lori Cornett	Brookside, Child Nutrition Assistant PT	01/03/2024	02/02/2024
Christine Dahl	Northdale Middle, Teacher Grade 6	01/16/2024	01/26/2024
Nancy Hager	Andover High, ParaEducator Spec Ed Cntr Base	12/12/2023	01/12/2024
Basima Hasna	Oxbow Creek, ParaEducator Spec Ed Cntr Base	01/16/2024	02/27/2024
Patrick Janostin	Jackson Middle, Teacher Grade 6	12/20/2023	01/12/2024
Tammi Josephs	Monroe, ParaEducator Special Education	12/14/2023	03/01/2024
Michele Kapitzke	Andover, ParaEducator Special Education	02/20/2024	03/18/2024
Janice Langfeld	Eisenhower, A+ PT CCA - Ln 1	11/06/2023	03/19/2024
Leslie Mennenga	Champlin Park High, Educ Office Prof Data Mgmt	12/28/2023	01/12/2024
Brianna Mueller	Evergreen Park, A+ Site Leader full year	01/08/2024	01/31/2024
Chelsea Nordhausen	Coon Rapids Middle, Child Nutrition Assistant PT	01/12/2024	01/12/2024
Samantha Olson	Hamilton, Teacher ABS (AcadBehav)	01/08/2024	04/08/2024
Sean Peterson	ESC, B/G Grounds	01/25/2024	03/25/2024
James Richardson	Coon Rapids Middle, Teacher E/BD	01/03/2024	01/12/2024
Bryan Sherva	Oxbow Creek, Teacher Grade 4	12/18/2023	01/12/2024
Andrew Smith	Coon Rapids High, Teacher Science	01/04/2024	02/02/2024
Heather Squier	Andover, ParaEducator Special Education	12/18/2024	01/12/2024
Heather Strasser	Andover, ParaEducator Special Education	09/13/2023	12/22/2023
Craig Sunderman	McKinley, Teacher Grade 5	07/01/2024	10/09/2024
John Valley	Anoka Middle - FM, B/G Building Supervisor	01/02/2024	01/03/2024
John Valley	Anoka Middle - FM, B/G Building Supervisor	02/15/2024	02/16/2024
Janelle Voxland-Flomo	Roosevelt Middle, Teacher Math	12/15/2023	02/29/2024

MODIFIED LEAVES OF ABSENCE

Name	Current or Most Recent Position	Leave Begins	Leave Ends
Amanda Britz	Anoka Middle - WA, Teacher Grade 6	11/09/2023	02/09/2024
Robert Cich	ESC, B/G Driver	08/19/2022	04/01/2024
Mai Ebnet	Monroe, Teacher Academic Support	07/01/2023	01/16/2024
Steven C Erickson	Andover DC-Bridges, ParaEducator Spec Ed Cntr Base	11/08/2023	01/03/2024
Kristen Feine	ESC, Teacher SA-QComp Peer Eval	12/04/2023	02/20/2024
Shelley Gormsen	Andover, Child Nutrition Assistant FT	12/15/2023	01/16/2024
Georgia Larson	Champlin Park High, Teacher SA-IB Coord	12/13/2023	01/10/2024
Brianna Mueller	Jefferson, A+ Site Leader full year	09/21/2023	01/05/2024
Matthew Murphy	Jefferson, B/G Custodian	12/07/2023	01/12/2024

APPENDIX B

Moved that the Board accepts the personnel recommendations and authorizes the appropriate Board officer(s) or School District administrator(s) to sign all documents necessary to effectuate these agreements.

MODIFIED LEAVES OF ABSENCE

Name	Current or Most Recent Position	Leave Begins	Leave Ends
Traci Ostroot	Coon Rapids High, Child Nutrition Assistant PT	12/18/2023	01/24/2024
Lynnsey Plaisance	Anoka High, Teacher ESL	10/30/2023	01/22/2024
Jaline Root	Sorteberg ECC, ParaEducator Special Education	11/28/2023	01/26/2024
Bart Sainio	ESC - Transportation, ParaEducator Bus	11/13/2023	03/29/2024
Michele Sorman	Family Welcome Ctr, ESL Intake Specialist	07/18/2023	12/29/2023

APPOINTMENTS

Name	Current or Most Recent Position	Effective Date	Lane/Step	FTE	Salary
Elementary					
Brenna McDowell	Ramsey, Teacher Grade 2	01/09/2024	Masters/15	0.5508	\$43,472
Danielle Sarette	University Avenue, Teacher Grade 5 LTS	12/19/2023	Bachelors/1	0.2781	\$12,540
Lesli Skelly	Lincoln, Teacher Academic Support	01/16/2024	Masters/21	0.5294	\$43,050
Kayla Worcester	Johnsville, Teacher Grade 3 LTS	12/13/2023	Bachelors/1	0.6123	\$27,614

Name	Current or Most Recent Position	Effective Date	Lane/Step	FTE	Salary
Secondary					
Patricia Behrens	Anoka Middle - WA, Teacher Grade 6 LTS	11/14/2023	Masters+60/24	0.2460	\$21,933
Jaylin Hustedde	Oak View Middle, Teacher English LTS	01/16/2024	Bachelors/1	0.2086	\$9,406
Susan Johnston	A-H Tech High School, Teacher ESL	01/04/2024	Masters/1	0.5668	\$29,299
Kimberly Mannel	Champlin Park High, Teacher Counselor	01/23/2024	Masters/15	0.5294	\$41,784

Name	Current or Most Recent Position	Effective Date	Lane/Step	FTE	Salary
Special Education					
Lori Olson	ESC-Special Ed, Teacher E/BD	01/03/2024	Masters+60/24	0.1597	\$15,392
Suzanne M Opat	ESC-Special Ed, Teacher Adapt Phy Ed LTS	01/04/2024	Masters+60/24	0.2513	\$24,228

Name	Current or Most Recent Position	Effective Date	Days	Salary
Administrative				

This section returned no records

MOTION

Date:

January 22, 2024

That these disbursements as presented, excluding net payroll, be allowed and charged to funds as follows:

Fund No.	Description	Amount
	Checks	\$ 5,661,340.76
01	General	5,311,557.68
02	Food Service	111,816.37
04	Community Service	190,850.10
06	Building Construction	24,526.61
07	Bond & Interest K-12	-
20	Health-Self Insurance	21,920.00
21	Dental-Self Insurance	170.00
22	Work. Comp.-Self Insurance	-
47	OPEB Debt Service	500.00
	Electronic Payments	\$ 22,773,593.52
01	General	14,170,817.65
02	Food Service	311,865.12
04	Community Service	582,218.31
06	Building Construction	-
07	Bond & Interest K-12	-
20	Health-Self Insurance	7,106,797.39
21	Dental-Self Insurance	484,842.28
22	Work. Comp.-Self Insurance	117,052.77
47	OPEB Debt Service	-
	ACH Payments	\$ 9,992,112.90
01	General	8,227,443.24
02	Food Service	871,412.30
04	Community Service	110,211.07
06	Building Construction	132,261.08
07	Bond & Interest K-12	-
20	Health-Self Insurance	630,798.21
22	Work. Comp.-Self Insurance	19,987.00
	P-Card	\$ 246,742.88
01	General	236,035.03
02	Food Service	1,944.13
04	Community Service	8,610.47
06	Building Construction	-
20	Health-Self Insurance	153.25
	TOTAL DISTRICT	\$ 38,673,790.06

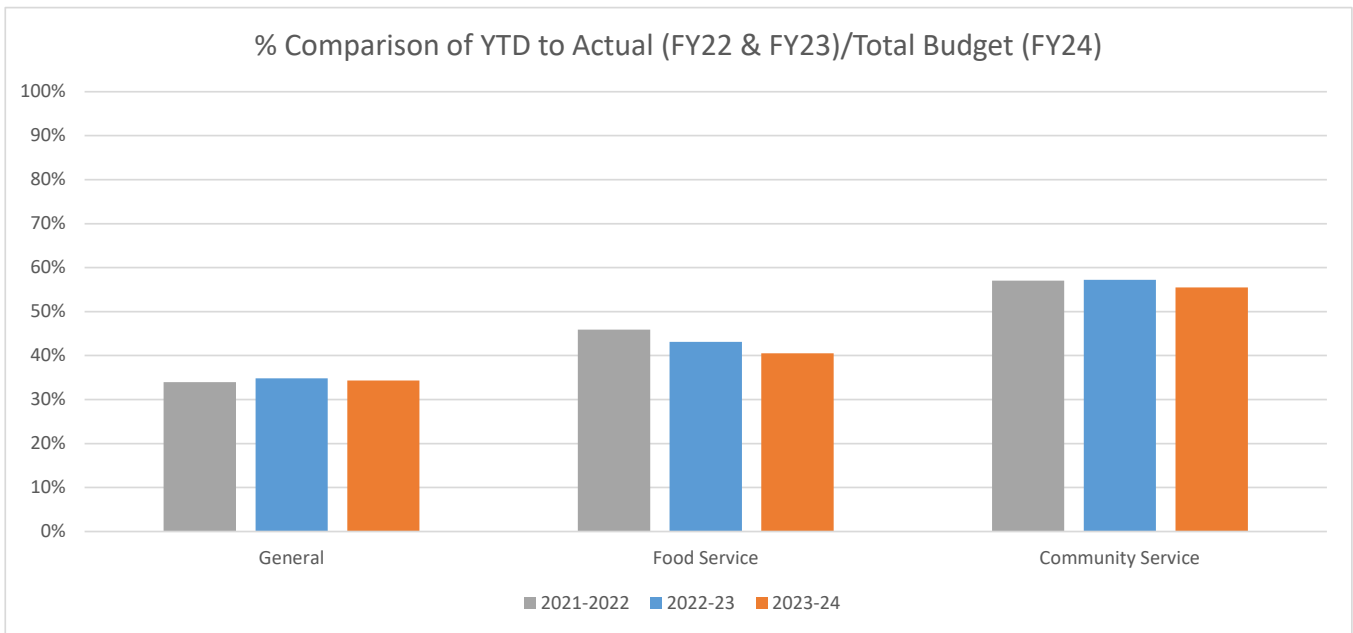
**ANOKA HENNEPIN DISTRICT NO. 11
MONTHLY CASH BALANCES - FY24**

	GENERAL 01-101	FOOD SERVICE 02-101	COMMUNITY SERVICE 04-101	BUILDING CONSTRUCTION 06-101¹	DEBT SERVICE 07-101	EMP BENE HEALTH 20-101	EMP BENE DENTAL 21-101	EMP BENE WORK COMP 22-101	OPEB DEBT SERVICE 47-101	TOTAL CASH	CASH INVESTMENTS	BUILDING CONSTRUCTION INVESTMENT	SCHOLARSHIP INVESTMENT	TOTAL ALL BALANCES	FY23 Total All Balances (1 year ago comparison)
07/01/23	167,625,306	9,661,551	12,168,757	(2,844,745)	9,201,166	24,002,428	3,225,038	2,287,027	1,304,644	226,631,172	10,000,000	16,854,844	712,365	254,198,381	273,086,188
07/31/23	137,645,718	9,351,636	11,562,339	(619,251)	6,724,711	17,724,437	2,897,721	2,104,797	1,381,049	188,773,157	10,000,000	13,071,820	688,427	212,533,404	241,851,628
08/31/23	168,372,920	9,385,665	11,533,868	(2,681,823)	6,325,755	14,225,288	2,294,219	2,066,908	1,358,476	212,881,277	10,000,000	13,124,816	509,804	236,515,897	271,684,755
09/30/23	185,170,574	8,882,238	13,083,758	(4,131,880)	6,329,633	14,920,089	2,548,666	2,067,015	1,358,523	230,228,616	10,000,000	13,131,309	464,430	253,824,355	276,894,445
10/31/23	184,238,524	8,296,287	12,969,484	(7,425,653)	9,023,567	17,058,314	2,435,497	2,094,463	1,748,359	230,438,843	10,000,000	13,131,309	446,296	254,016,449	275,084,581
11/30/23	164,478,148	10,589,218	13,327,202	(7,902,901)	11,970,274	20,202,785	2,693,195	2,013,482	2,174,822	219,546,225	10,000,000	13,196,500	429,633	243,172,357	257,537,703
12/31/23	161,912,058	11,108,168	13,971,533	(73,950)	13,038,557	22,773,895	2,978,750	2,002,416	2,328,601	230,040,028	0	5,348,208	408,720	235,796,957	252,577,026
01/31/24										0				0	
02/28/24										0				0	
03/31/24										0				0	
04/30/24										0				0	
05/31/24										0				0	
06/30/24										0				0	

¹ Building Construction Fund is negative because funds are transferred from the Building Construction investment account on a reimbursement basis.

**Anoka-Hennepin ISD #11
Statement of Revenues
For the month ended Dec 31, 2023**

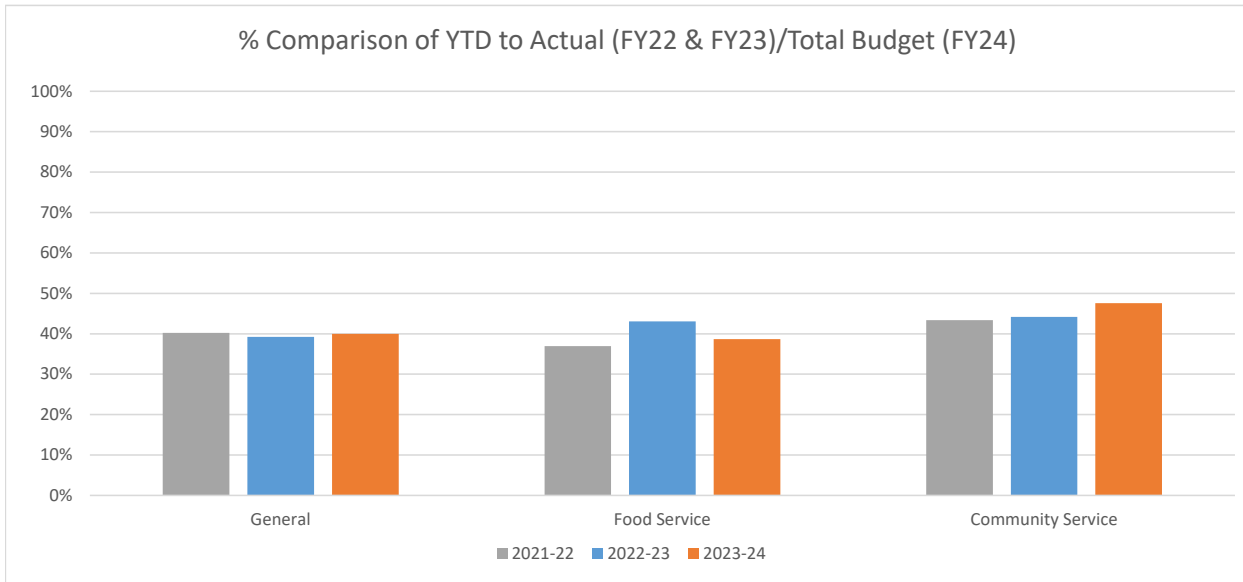
Fund	Month to Date	Year to Date	Budget	FY23 YTD is % of Budget FY21 & FY22 YTD is % of Actual		
				2023-24	2022-23	2021-2022
General	48,954,620	212,143,889	617,825,830	34%	35%	34%
Food Service	2,934,832	10,865,451	26,803,221	41%	43%	46%
Community Service	3,450,763	15,382,450	27,718,687	55%	57%	57%
Building Construction ¹	134,530	297,269	20,000	1486%	24449%	-7%
Debt Service	1,222,563	9,436,352	15,394,194	61%	63%	56%
Trust	-	-	750,000	0%	0%	0%
Total All Funds	\$ 56,697,307	\$ 248,125,412	\$ 688,511,932	36%	37%	36%



¹Conservative budgeting

**Anoka-Hennepin ISD #11
Statement of Expenditures
For the month ended Dec 31, 2023**

Fund	Month to Date	Year to Date	Budget	FY23 YTD is % of Budget FY21 & FY22 YTD is % of Actual		
				2023-24	2022-23	2021-22
				General		
Salaries & Benefits	56,897,214	184,561,291	498,124,467	37%	38%	38%
Purchased Services	10,530,456	25,965,281	57,920,406	45%	37%	34%
Supplies	(1,369,712)	12,966,760	25,741,355	50%	57%	61%
Capital Expenditures	1,144,941	19,766,013	25,118,614	79%	51%	89%
Other Exp & Transfers	88,181	914,954	4,058,066	23%	24%	28%
Total General Fund	\$ 67,291,080	\$ 244,174,298	\$ 610,962,908	40%	39%	40%
Food Service	2,596,580	9,450,506	24,429,676	39%	43%	37%
Community Service	3,070,788	13,041,858	27,419,770	48%	44%	43%
Building Construction	153,871	7,819,371	8,850,000	88%	42%	42%
Debt Service	500	4,152,651	15,444,303	27%	28%	29%
Trust	-	-	750,000	0%	0%	0%
Total All Funds	\$ 73,112,817	\$ 278,638,684	\$ 687,856,657	41%	39%	40%



Anoka-Hennepin ISD 11 Investment Report for Calendar Year 2023

The investment of District funds was made in compliance with School Board Investment Policy 705.1. This policy defers to Minnesota Statute 118A and requires adherence to any other applicable law or written administrative procedures.

The primary criteria for the investment of the funds of the school district, in priority order, are as follows:

1. **Safety and Security:** The safety of the principal is the first priority. The investments of the school district shall be undertaken in a manner that seeks to ensure the preservation of the capital in the overall investment portfolio.
2. **Liquidity:** The funds shall be invested to assure that funds are available to meet immediate payment requirements, including payroll, accounts payable, and debt service.
3. **Return and Yield:** The investments shall 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.

The District funds invested in the calendar year 2023 totaled \$10,000,000 with \$10,000,000 maturing in 2023. The investment interest earned for 2023 was \$400,865.75 with an average annual yield of 5.34% and an average investment length of 274 days. The length of the investments is based on the cash flow requirement projections of the District.

A comparison to prior years is shown below:

	Total Invested	Current Year	Subsequent Year	YTD Interest Earned	Average Length of Investment	Average Annual Yield
2021	\$ 45,000,000	\$ 20,000,000	\$ 25,000,000	\$ 34,165	255	0.16%
2022	\$ 50,000,000	\$ 50,000,000	\$ 0	\$ 40,452	235	0.23%
2023	\$ 10,000,000	\$ 10,000,000	\$ 0	\$ 400,866	274	5.34%

All investments were made in MSDLAF+ Term fixed rate investment. This is an investment instrument of the Minnesota School District Liquid Asset Fund designed to provide school districts with a better rate than can be realized from the more liquid accounts at the Fund. As a comparison, the 2023 average rate for the Liquid and Max class accounts were 4.95% and 5.06% respectively. (Liquid being readily available and MAX requiring a 14-day redemption period).

Certificates of Deposit have not been competitive with the Term investment option and were not a viable investment option for 2023.

The following provides detailed information for the investments made in the 2023 calendar year.

TERM	Trade Date	Settlement Date	Maturity Date	Rate	Investment Amount	Value at Maturity	Interest
MSDLAF+ TERM Jun 24	03/01/23	03/02/23	12/01/23	5.34%	10,000,000.00	10,400,865.75	400,865.75
					10,000,000.00	10,400,865.75	

Jennifer Beck
Director of Finance

DELEGATION OF AUTHORITY FOR SERVS/MEGS FINANCIAL

Proposed Motion

_____ moved and _____ seconded the motion to authorize the Superintendent to delegate the role of Application and Budget approver in the Minnesota Department of Education's SERVS/MEGS Financial application to the Chief Financial Officer for the calendar year of 2024. This role has the following responsibilities:

Approve Application and Budget

- Only given to an officer who can legally bind their organization (Superintendent/Executive Director)
- Accept Funds/Manage Allocation/Balance Forward
- Review and approve grant applications with electronic signature as authorized district representative
- Perform Application & Budget Tasks (If necessary)
- Enter/edit organization information
- Cannot request funds



ANOKA-HENNEPIN SCHOOLS

EDUCATIONAL SERVICECENTER

Cory McIntyre, *Superintendent*

2727 N Ferry St. • Anoka, MN 55303

763-506-1000 • Fax: 763-506-1013

ahschools.us

January 16, 2024

To: School Board Members and Superintendent Cory McIntyre

From: Tiffany Audette, CPPB, Director of Purchasing

Re: **Award Recommendation****Bid # 24029B – Food Service Equipment****Opened on Wednesday, January 10, 2024, at 2:00 p.m. LT.**

TA

The recap below is a record of the three (3) bids received for this project. The recommendation is made to award a contract to the lowest responsive and responsible bidder, Horizon Equipment, LLC, of Eagan, MN, for a total contract award of \$278,061.00.

Response Tab for Solicitation				
24029B - Food Service Equipment				
Bid Due Date:				
Wednesday, January 10, 2024 at 2:00 p.m. LT				
Bidder	Quantity Needed	TriMark, Minnesota	Technology Intl Incorp	Horizon Equipment, LLC
JMS Hot Food Cart	3	\$41,074.86	\$12,000.00	\$42,057.00
JMS Cold Food Cart	3	\$45,336.39	\$13,850.00	\$46,449.00
JMS Utility Cart	1	\$8,857.95	\$4,500.00	\$3,974.00
Andover ES - Hot Food Cart	4	\$48,186.68	\$12,000.00	\$49,328.00
Andover ES - Cold Food Cart	4	\$54,500.84	\$13,850.00	\$55,860.00
Andover ES - Tray Cart	2	\$6,691.92	\$4,800.00	\$6,860.00
Andover ES - Cashiers Cart	2	\$26,013.70	\$6,900.00	\$18,088.00
Sunrise ES - Hot Food Cart	2	\$26,163.36	\$12,000.00	\$25,370.00
Franklin ES - Hot Food Cart	1	\$13,942.54	\$12,000.00	\$14,303.00
Franklin ES - Cold Food Cart	1	\$17,585.06	\$6,900.00	\$15,772.00
		\$288,403.30	\$258,700.00	\$278,061.00
*** Technology International Inc sent a invalid bid. No Required Attachment A - Affidavit of Non Collusion				

The following committee appointments were proposed for the 2024 calendar year:

Committee/Organization	Representative	Commitment	Charge
AMSD – Association of Metropolitan School Districts	Michelle Langenfeld	Monthly meeting	It is the mission of AMSD to advocate for metropolitan school districts and advance legislation that supports student achievement. The collective and consistent voice of member districts is critical to achieving our mission.
Brooklyn Bridge Alliance for Youth	Michelle Langenfeld	Meets quarterly	Blueprint Goals: <ul style="list-style-type: none"> ● Mobilize Students, Administrator, and Faculty to design, build & implement student-centered scheduling ● Create a Culture of Teaching & Learning that is Culturally Responsive ● Develop and Leverage Partnerships to increase access to opportunities for students to meet their needs and goals ● Consistent Advising, Tutoring, & Navigation support for all students ● Bring Students, Staff & Faculty together to continually identify blocks and build process solutions together ● Expand intentional communication, engagement & involvement with students
Community Education Advisory Committee	Kacy Deschene	4 times annually	The purpose of the Community Education Advisory Council is to advise the School Board regarding the planning, growth, development, and evaluation of Community Education within School District #11. The Advisory Council will strive to foster a close meaningful relationship between the school district and community to improve school and community life.
Labor Management Committee (LMC)	Jeff Simon	Afternoon meetings as needed	The mission of the District-AHEM Labor Management Committee is to foster and facilitate collaboration between AHEM and District representatives in seeking solutions on issues of mutual concern affecting labor management relations.
BrightWorks (Formerly Metro ECSU)	Kacy Deschene	Meets quarterly	As this fall's election has changed the make-up of BrightWorks member school boards, there is a need to seek nominations from BrightWorks' member districts. The BrightWorks board is seeking nominations from electoral districts 1, 2, and 4. After the election, BrightWorks' Board will be comprised of eight (8) elected officials, three (3) community members at large, and two (2) superintendents.
MSBA Delegate Assembly	Michelle Langenfeld	Pre-delegate assembly resolution review meeting and the Delegate Assembly Weekend	<p>The Minnesota School Boards Association, a leading advocate for public education, supports, promotes and strengthens the work of public school boards.</p> <p>These positions are no longer appointed by A-H board chair. Interested persons (must be serving on our school board currently) apply for a 3 year term. The position is elected by the MSBA board member director districts.</p> <p>Members will communicate interest to the Board Chair prior to making application. If there are multiple interested parties, at the Anoka-Hennepin January organizational meeting the board will endorse the appropriate MSBA Delegate(s).</p>

			Serving on this committee does not require Anoka-Hennepin Board endorsement. However, the Anoka-Hennepin name is attached to this service, therefore the Anoka-Hennepin Board will review and endorse board candidates at the January Organization Meeting.
MSHSL League	District Rep: Board Chair		The MSHSL provides educational opportunities for students through interscholastic athletic and fine arts programs and provides leadership and support for member schools. Andover High School = Matt Audette Anoka High School = Linda Hoekman Blaine High School = Zach Arco Champlin Park High School = Michelle Langenfeld Coon Rapids High School = Jeff Simon
Northwest Suburban Integration District Board	Kacy Deschene	Monthly meeting	NWSISD envisions a global community learning and growing together, by providing students, parents and staff educational opportunities that are multicultural, diverse and promote racial integration. NWSISD and member districts will work to assist students, including students from racially diverse backgrounds, to be prepared for post-secondary success.
SEE - Schools for Equity in Education	Open	Bi-Monthly meeting	SEE is an association of 58 school districts throughout the state of MN. SEE works for: <ul style="list-style-type: none"> • Equal access to quality education for all of MN students regardless of where they live and the property wealth in their local school district. • Legislation that ensures equitable distribution of school resources. • A property tax system that is fair and provides equal access to referendum and bond revenue for low property wealth school districts, communities & their taxpayers. • Holding elected state officials accountable for adequate & equitable funding and policy that enables all students to meet state and federal academic standards and allows them to reach their highest potential.
District Health, Wellness & Safety Committee	Open	Quarterly meeting	This committee is focused on district-wide health, wellness, and safety and we try to commit our meeting time to address each of these with 1/3 of the agenda items. In past years, the committee has been more informational and advisory. While we will continue these functions, we also plan to add tabletop discussions and crisis team direction for all our schools to replicate at the building level.
Anoka-Hennepin Educational Foundation	Jeff Simon	Monthly meeting	Our mission is to cultivate equitable and innovative experiences for students in partnership with compassionate people who have generous hearts. Our board members, including the school board representative, serve three-year terms, ideally.
Policy Review/Advisory Committee	Zach Arco Kacy Deschene	Monthly meeting	The Board Policy Review Committee exists to review all District and MSBA policies. the committee consists of board members and the general counsel's office.
Curriculum, Instruction and Assessment Committee (CIAC)	Matt Audette Linda Hoekman Michelle Langenfeld	Monthly meeting	To review preK-16 curriculum, assessment, and instructional programs through a governance lens. To provide input to the school board regarding academic program improvements

Middle School Play-up Committee	Jeff Simon	3 Meetings a year – prior to each athletic season	The Committee will review student athletes that are brought before the committee by the high school activities directors to determine if they qualify to play up on 9th grade to varsity level teams.
Student Services Leadership Team	Kacy Deschene	Monthly meeting	The Student Services Leadership Team will provide direction for student support programs across the district.
Student Services Advisory Committee	Michelle Langenfeld	Monthly meeting	Anoka-Hennepin Schools will effectively educate each student for success through equitable distribution of district resources, targeted intervention, and enhancements, and supporting staff to meet the needs of all students. This will be accomplished through effective educational practices, policies, curricula, resources, and school cultures that are representative of all students, such that each student has access to meaningfully participate and make progress in high quality learning experiences, resulting in positive outcomes regardless of race, socio-economic status, gender, ability, religious affiliation, national origin, linguistic diversity, or other characteristics.
Tribal Council (TNEC)	Jeff Simon	Meets two times per year, once in October and once in February	The mission of TNEC is to strengthen, protect and advance the overall education experience and opportunities for all tribal (American Indian) students, families, and communities of Minnesota.
Staff Development Advisory Committee	Zach Arco	3 Meetings a year	To develop a staff development plan, assist site professional development teams in developing a site plan consistent with the goals of the plan, and evaluate staff development efforts at the district and site level. The committee may also include school board members.

January 4, 2024



**Anoka-Hennepin Independent
School District No. 11
Anoka, Minnesota**

Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023,
and Independent Auditor's Report

Prepared by: Business Services

ANOKA-HENNEPIN

SCHOOLS
A future without limit

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

ANOKA-HENNEPIN
INDEPENDENT SCHOOL DISTRICT NO. 11
ANOKA, MINNESOTA

2727 North Ferry Street
Anoka, MN 55303

Prepared by
Business Services

Michelle Vargas • Chief Financial Officer

Jennifer Beck • Director of Finance

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INDEPENDENT SCHOOL DISTRICT NO. 11

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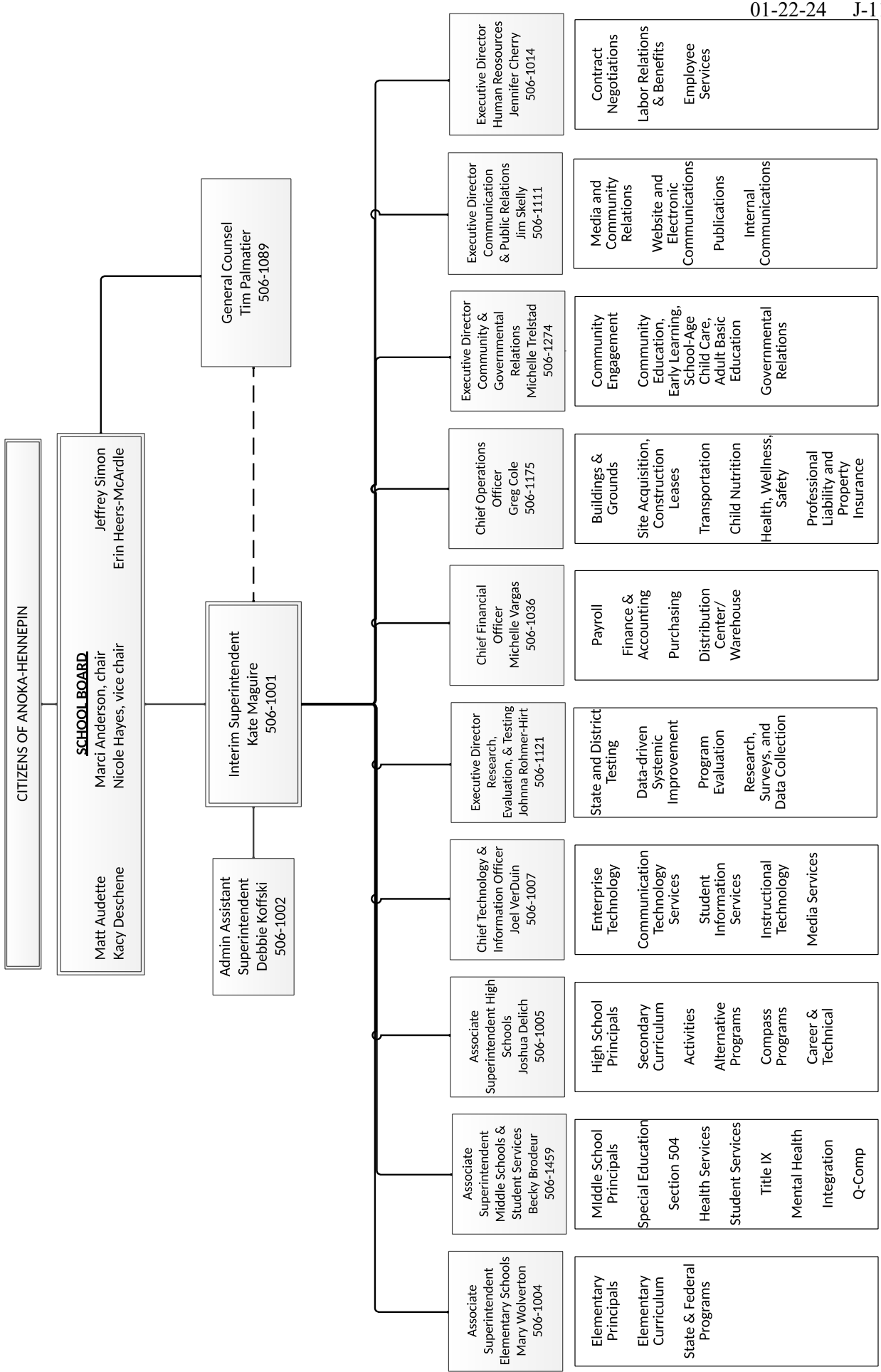
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SECTION I

INTRODUCTORY SECTION

Anoka-Hennepin School District

2022-2023



01-22-24 J-11

INDEPENDENT SCHOOL DISTRICT NO. 11

School Board and Administration
Year Ended June 30, 2023

SCHOOL BOARD

Position on June 30, 2023

Marci Anderson	Chair
Nicole Hayes	Vice Chair
Erin Heers-McArdle	Treasurer
Jeff Simon	Clerk
Matt Audette	Director
Kacy Deschene	Director

ADMINISTRATION

Kate Maguire	Interim Superintendent
Mary Wolverton	Associate Superintendent, Elementary Schools
Becky Brodeur	Associate Superintendent, Middle Schools and Student Services
Joshua Delich	Associate Superintendent, High Schools
Joel VerDuin	Chief Technology and Information Officer
Johnna Rohmer-Hirt	Executive Director of Research, Evaluation, and Testing
Michelle Vargas	Chief Financial Officer
Greg Cole	Chief Operations Officer
Michelle Trelstad	Executive Director of Community and Governmental Relations
Jim Skelly	Executive Director of Communication and Public Relations
Jennifer Cherry	Executive Director of Human Resources
Jennifer Beck	Director of Finance
Tim Palmatier	General Counsel



December 8, 2023

To the School Board, Citizens, and Employees
of Anoka-Hennepin Independent School District No. 11:

INTRODUCTION

Submitted herewith is the Annual Comprehensive Financial Report (ACFR) of Anoka-Hennepin Independent School District No. 11 (the District) for the fiscal year ended June 30, 2023. The organization, form, and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Association of School Business Officials (ASBO) International, the Government Finance Officers Association (GFOA), the American Institute of Certified Public Accountants (AICPA), and the Minnesota Department of Education (MDE). It should be noted that the two government-wide financial statements, the Statement of Net Position and the Statement of Activities, do not contain the numerous columns for various funds that are found in the District's fund financial statements. These two statements consolidate much of the information contained in the fund-based financial statements into statements that answer the question: "Is the District better or worse off financially than it was in the previous year?" A comparison of net position should help the reader in answering that question. Also required as part of the required supplemental information by the current reporting model is management's discussion and analysis (MD&A), which allows the District to explain, in layman's terms, its financial position and results of operations of the past two fiscal years.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data as presented is accurate, in all material respects, and that it is presented in a manner designed to fairly set forth the financial position and results of the District's operations as measured by the financial activity of its various funds.

Furthermore, we believe that all disclosures necessary to enable the reader to gain a maximum understanding of the District's financial activity have been included.

In accordance with the reporting entity definition of the GASB, the District has included all of the operations of the District for which it has oversight responsibility.

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

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SCHOOL BOARD

REPORTING ENTITY AND ITS SERVICES

The financial reporting entity includes all the funds of the primary government (the District). Component units are legally separate entities for which the primary government is financially accountable. Based on the criteria of GASB statements, there are no entities considered to be component units which are required to be presented in the District's basic financial statements. The District itself is not a component unit.

The District is an independent political subdivision of the state of Minnesota. The District is the largest school district in the state, with an average daily membership (ADM) of 37,651 students in early childhood special education, voluntary pre-kindergarten, and kindergarten through Grade 12. The District comprises all or part of 13 municipalities encompassing 172 square miles with a population of 248,441. The District currently conducts programs at 40 sites, including 5 high schools, 3 alternative high schools, 6 middle schools, and 26 elementary buildings. District buildings range in age from 4 to 120 years old.

In addition to the regular kindergarten through Grade 12 programs, the District provides programs in the areas of special education, vocational education, limited English proficiency, and alternative education. Community education programs are also provided.

The District's governing body is the School Board, consisting of six members. School Board members are elected by the citizenry of their respective election district to serve overlapping terms of office. Elections are held on the first Tuesday in November of the odd-numbered years. The Superintendent of Schools is the chief executive officer and is appointed by the School Board.

FINANCIAL INFORMATION

The District's ACFR is prepared pursuant to School Board policy and Minnesota Statutes § 123B.77, Subd. 2 and 3. The audited ACFR is required to be filed with the MDE and the State Auditor by December 31 of the subsequent fiscal year.

In 1976, Minnesota law established the requirement for the Uniform Financial Accounting and Reporting Standards for Minnesota school districts (M.S.123B.77). The MDE implements and provides regulatory oversight of these standards.

INTERNAL CONTROL SYSTEM

The District's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of all financial transactions. The concept of reasonable assurance recognizes that the cost of these controls should not exceed the benefits. The evaluation of these costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROLS

All financial transactions of the District are accounted for in specific funds. The accounting system provides for complete, self-balancing accounts for each fund of the District. The system provides budgetary control for activities of all governmental funds, thereby ensuring legal compliance. Debt service requirements and project-length financial plans are adopted for the Capital Projects – Building Construction Fund. The system also provides budgetary control at the sub-function level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. The District’s legal level of budgetary control is at the fund level, which is the level at which management may modify the budget within the fund without the approval of the governing body. Changes to increase or reduce total appropriations of an individual fund require the approval of the School Board.

DEBT ADMINISTRATION

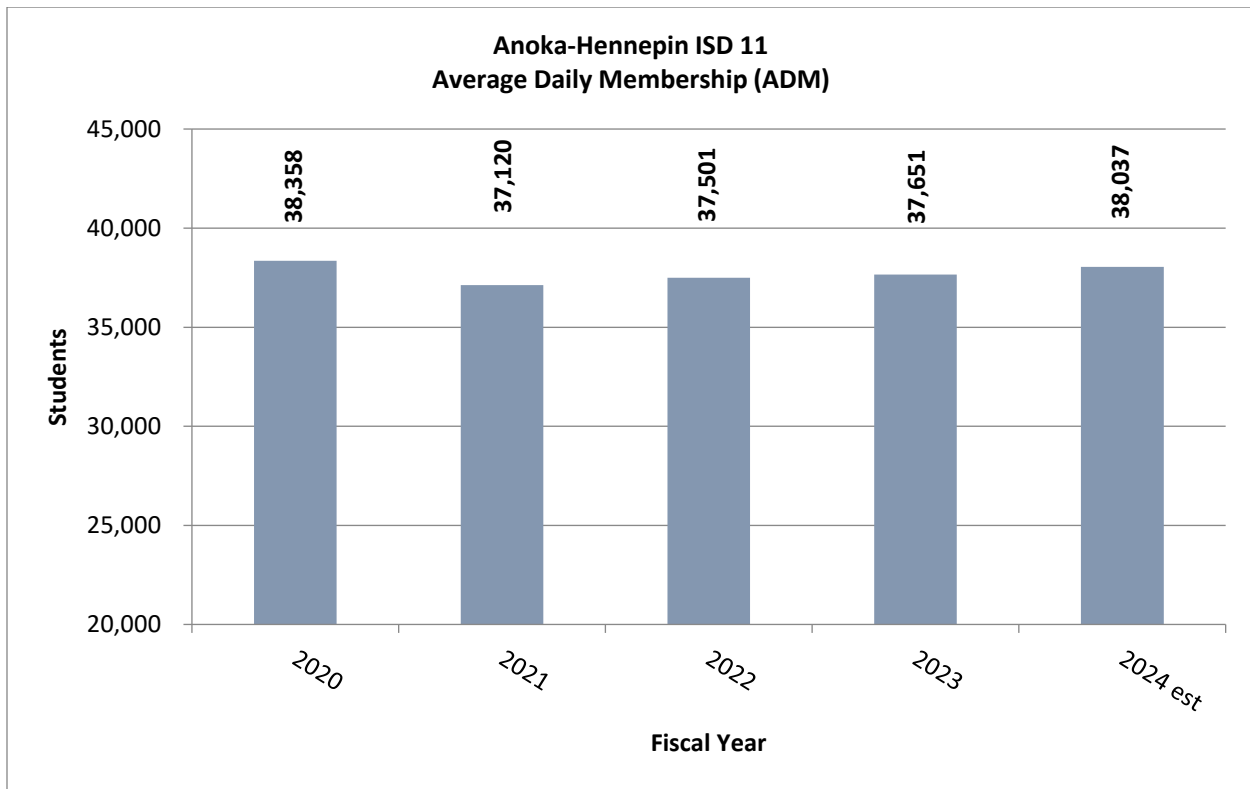
Total outstanding bonded debt of the District at June 30, 2023 amounted to \$238,210,000. The bonds pay interest at rates ranging from 2.00 percent to 5.00 percent and mature at various dates to the year 2045. The District’s bonds have been rated Aa1 and AA+ by Moody’s Investment Service and Standard & Poor’s, respectively. The District’s most recent rating by Moody’s was an upgrade from Aa2 to Aa1. In addition, the District participates in the Minnesota Credit Enhancement Program, the underlying ratings are Aa2 and AA-, as measured by Moody’s Investment Service and Standard & Poor’s, respectively.

ENROLLMENT

The District continues to see areas of growth in parts of the District and declines in other areas. Total enrollment, or ADM, for the 2022–2023 school year was 37,651, or 150 ADM more than 2021–2022. This increase has a direct effect on the District’s state aid, which is based on a per pupil formula.

District enrollment projections are based on series of data points that include building permits, live births, census, and prior enrollment history. The District continues to grow at a very modest pace and is still not at the pre-pandemic enrollment of October 1, 2019 enrollment of 37,386 in our traditional K–12 sites. The estimate in our traditional K–12 sites was an increase of 257 students, for a total estimate of 36,874. This enrollment is added to additional sites that serve special education students, area learning centers, and career and technology programs to calculate the projected ADM for the District. The District’s ADM is estimated to be 38,037 for the 2023–2024 school year. The October 1, 2023, count was 36,788 and under projection by 86 students or 0.23 percent.

As noted, the District’s October 1 enrollment came in slightly below the projected enrollment so, assuming other district programs with enrollments remain at similar levels as prior years, the ADM projected for the 2023–2024 school year of 36,874 could be slightly overestimated. The District will continue to monitor enrollment as the year progresses.



DISTRICT MISSION AND STRATEGIC PRIORITIES

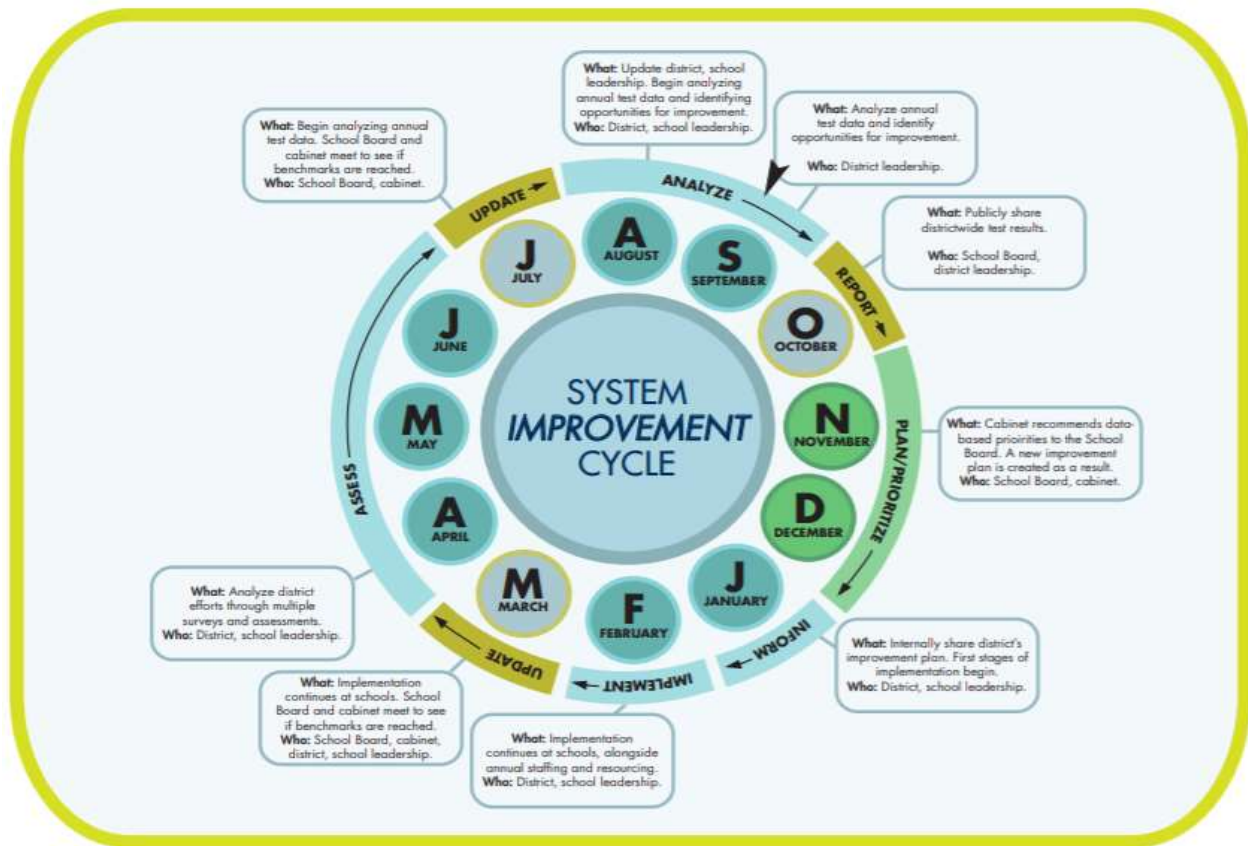
On February 9, 2004, the District's School Board adopted the following mission statement:

It is the primary mission of the Anoka-Hennepin School District to effectively educate each of our students for success.

To fulfill this mission the District is accountable for:

- Providing a caring, highly trained, and effective staff who use research-based best practices,
- Providing learning opportunities that meet the individual learning needs of each student,
- Monitoring student achievement to maximize each student's learning,
- Promoting high achievement for all students,
- Acknowledging parents' roles as their childrens' primary educators and partnering with them to increase student success,
- Improving connections with the community to foster public involvement with and understanding of our educational programs,
- Providing a safe and respectful learning environment, and
- Using all resources efficiently and effectively.

The District uses a strategic planning model of continuous improvement to align resources to the District's mission and strategic priorities. This is done with a calendar of planning, analyzing, and reporting. The School Board and Superintendent's Cabinet have update meetings in March and July. These update sessions are then used to formulate the discussion for the all-day Saturday planning meeting in November to plan and prioritize for the upcoming school year. This November planning is used to create the District's strategic priorities. In January, the current strategic priorities are reviewed with district leadership. At this time, the strategic priorities formulated in November are shared to start the implementation phase. On the following page is a chart of the cycle used for planning and system improvement.



The strategic priorities are defined in three categories—safe and welcoming environments, increased student achievement, and effective organizational support. The District then further categorizes by implementing, reviewing, and monitoring or considering. The following are the strategic priorities for the 2022–2023 and 2023–2024 school years. Items identified move between categories or remain in the same category for multiple years, depending on the length of time to implement, plan, or monitor a specific strategic priority. This process enhances the District’s position to align staffing and financial resources to the District’s mission, vision, and strategic priorities.

MISSION: To effectively educate each of our students for success.

VISION: To be a public school system of excellence, with high quality staff and programs and successful graduates.

EQUITY COMMITMENT: Anoka-Hennepin School District is committed to creating equitable learning environments which provide access, representation, meaningful participation, and highly positive outcomes for each student.

IMPLEMENTING: Changes that are happening during this school year. Changes may take multiple years to complete.

REVIEWING AND PLANNING FOR POTENTIAL IMPLEMENTATION: Studying our current program for possible improvements and making plans for potential implementation. Some of these items may move to implementation immediately while others may not lead to action.

MONITORING AND CONSIDERING: Items in this area fall into one of two categories. Some initiatives were recently implemented and are continuing to be monitored to ensure they are meeting intended outcomes (M). Others are potential areas of need that haven't risen to the level of review yet (C).

SAFE AND WELCOMING ENVIRONMENT

- 1.1 Systemic efforts to support students in crisis.

INCREASED STUDENT ACHIEVEMENT

- 2.1 Academic programming to support students impacted by COVID-19.
- 2.2 Efforts to improve instruction and comprehension at the secondary level.
- 2.3 Efforts to improve third grade literacy.
- 2.4 Reviewing the high school schedule to determine solutions to address the following: instructional gaps that lead to lower student performance in math and literacy, address lack of collaboration time for teachers.
- 2.5 Preparing students to enter the workforce of the future.
- 2.6 Transitioning elementary gifted and talented magnet school students to secondary sites (M).

EFFECTIVE ORGANIZATIONAL SUPPORT

- 3.1 Improving employee recruitment and retention.
- 3.2 District communication improvements.
- 3.3 Potential boundary review and adjustments.
- 3.4 Bond construction and facilities improvements (M).
- 3.5 Analysis of district student enrollment trends in other education settings (C).

The Anoka-Hennepin School District works to identify strategic priorities on an annual basis. The 2022-23 strategic priorities were identified in November 2021, and approved by the School Board in January 2022.

For the 2023–2024 strategic priorities, the District continues to narrow the focus on highest priorities aligning to the mission and vision of the District. The District continues to focus on supporting students’ social, emotional, and behavior needs in the area of Safe and Welcoming Environment. Priorities in the Increased Student Achievement section are a continuation of supporting students impacted by COVID-19, improving instruction and comprehension at the secondary level, and a continued focus to improve third grade literacy. The final section, Effective Organizational Support, continues to focus on improving employee recruitment and retention, and added an analysis of district enrollment trends. These priorities are monitored throughout the year and reviewed in November for carryover to the following year. A more detailed description of these strategic priorities can be found on the District website, www.ahschools.us, and searching strategic priorities.

ANOKA-HENNEPIN SCHOOLS 2023-24 **STRATEGIC PRIORITIES**

RECOMMENDED 2023-24 STRATEGIC PRIORITIES

MISSION: To effectively educate each of our students for success.

VISION: To be a public school system of excellence, with high quality staff and programs and successful graduates.

EQUITY COMMITMENT: Anoka-Hennepin School District is committed to creating equitable learning environments which provide access, representation, meaningful participation, and highly positive outcomes for each student.

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MONITORING AND CONSIDERING: Items in this area fall into one of two categories. Some initiatives were recently implemented and are continuing to be monitored to ensure they are meeting intended outcomes (M). Others are potential areas of need that haven't risen to the level of review yet (C).

SAFE AND WELCOMING ENVIRONMENT

1.1 Ensure systemic efforts to support students' social, emotional and behavioral needs.

INCREASED STUDENT ACHIEVEMENT

2.1 Provide academic programming to support K-12 students impacted by the effects of the COVID-19 pandemic.

2.2 Improve instruction and comprehension at the secondary level.

2.3 Improve third grade literacy.

2.4 Prepare students to enter the workforce of the future: Portrait of a Graduate.

EFFECTIVE ORGANIZATIONAL SUPPORT

3.1 Increase employee recruitment and retention.

3.2 Analyze district student enrollment trends.

3.3 Continue construction and facilities improvements.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The District is currently finishing the final phase of construction funded with the 2017 voter-approved \$249 million building bond referendum. The first phase was funded by \$150 million in bonds issued in February 2018. Phase II and Phase III are funded by the \$93 million in bonds issued in April 2020. Additions at Andover High School, Blaine High School, and Coon Rapids High School are complete as part of Phase II. Anoka High School's additions started in Phase I and continued through Phase II with construction completed in the fall of 2020. Additions at Champlin-Brooklyn Park Academy and River Trail Learning Center were completed in the fall of 2021. The additions at Anoka Middle School for the Arts Fred Moore and Washington campuses were completed by the summer of 2022. Expansions at Sunrise Elementary and River Trail Learning Center were recently completed. Media center upgrades will be completed by the fall of 2024, along with science lab upgrades to fully utilize bond revenue and meet the intent of the approved referendum.

The District continues to monitor the Facilities Condition Index of all buildings to assist in prioritizing long-term facilities revenue. The District is spending \$15 to \$16 million annually on hundreds of projects that range from \$1.9 million HVAC upgrades to painting and carpet replacement. The District's 10-year plan submitted annually for approval to the MDE identified over \$160 million in high priority projects. The District continues to update the original Facilities Condition Index, which included \$346.0 million in projects, and adding new projects as they are identified. As these deferred maintenance projects are completed, the District continues to look at ways to address aesthetics and to coordinate projects related to lessen overall costs and gain utility usage efficiencies.

Other facility projects are in the approval phases to maximize District facilities by serving students in district-owned facilities and reducing rented space. Franklin Elementary School is scheduled to reopen in the fall of 2024 to serve the District's Bridges and Pathways special education transition programs for 18–22-year-olds in one site. The Anoka-Hennepin Regional High School recently moved to the Sandburg Education Center from the leased space it has occupied since the mid-1990s. This is the result of continued focus on providing a safe and welcoming environment, improving student achievement, while maximizing financial resources.

ECONOMIC CONDITION AND OUTLOOK OF DISTRICT AND LOCAL ECONOMY

The local economic condition remains the same. There is a mix of increased families qualifying for free and reduced lunch, while we experience growth in newly developed areas of the district attracting higher income families. The housing market continues to see a steady count of new home permits in the growing communities on the north side of the District, particularly in the cities of Blaine and Dayton. As noted earlier, an addition at Sunrise Elementary was recently completed. Boundary adjustments were made for both the elementary boundaries in the Champlin Park and Blaine High School attendance areas. There was a middle school adjustment in the Blaine High School attendance area. Home sales continue to be strong, and the tax base continues to grow, while high interest rates continue. District staff continue to monitor development with the respective city staff as future facility plans are considered. Enrollment is stable with areas of growth and decline currently balancing out each other. Both cash and fund balances are firm. The General Fund unassigned fund balance is also stable at 11.2 percent, and above the School Board policy target of 10.0 percent of General Fund unassigned expenditures.

Inflation continues to be a concern for the local economy and the District, as well as across the state and nation. The U.S. Bureau of Labor Statistics reported in September 2023 the Consumer Price Index for all Urban Consumers (CPI-U) had increased 2.2 percent over the last 12 months in the Minneapolis, St. Paul, and Bloomington area. Inflation continues to impact local businesses and the District. Inflation has a direct effect on wages and is affecting the District's ability to recruit and retain staff as growing salaries and a labor shortage create intense competition within school districts and competing industries.

The District continues to support the recovery effort with the remaining Elementary and Secondary School Emergency Relief (ESSER) II and American Recovery Plan (ARP) funding. These two one-time funding sources will be expended over the next two school years to support student learning recovery and to retain staff and programming. The District continues to fund additional social workers and counselors to support the social and emotional needs of students, intervention teachers to assist students in the mastery of literacy and math, additional staff to reduce class sizes, and to retain staff that would have been otherwise eliminated due to loss of enrollment during the pandemic that has not fully rebounded. As these one-time funds are exhausted, the supplemental positions will need to be moved to another funding source or at the cost of other positions and programs. At this time, the District expects to retain eighty percent of the positions with increased state basic skills funding.

The District continues to monitor its Strategic Investment Plan and invest excess fund balance in one-time expenditures. Former funded strategic investments positions for elementary behavior paraeducators were moved into ongoing revenue streams in the 2023–2024 budget process. Secondary Math and English Language Arts coaches have been continued with additional excess unassigned fund balance. Secondary textbooks will be a multi-year strategic investment, due to state curriculum standards changes. Several facility needs are also being addressed with strategic investment dollars to better serve some of our most fragile students. These are all the result of aligning resources to the strategic priorities identified in the system improvement cycle. As per the School Board fund balance policy, the District moved the excess unassigned fund balance to the assigned fund balances to be used to support future district strategic priorities.

Ongoing stable funding continues to be a crucial objective for the District. The District relies heavily on state aid as a funding source. The last funding legislative session provided a 4.0 percent increase on the general education aid formula, the District's largest source of revenue, for the 2023–2024 school year. Although this increase is double what was received in most of the previous years, is still well below the rate of inflation. A steep number of unfunded mandates were also passed in the last legislative session that not only have significant financial costs, there are significant administrative costs to adhere to the requirements, process the benefits, and manage the process. As the state heads into a policy year session in February 2024, with another projected surplus, the District is engaged in adopting a legislative platform to secure increased funding to better match inflation. The District will also focus on additional funding on the basic formula, further reducing the special education cross subsidy, increase equalization on referendum and local optional levies, and avoiding additional unfunded mandates. Lobbying for adequate funding is a top priority of the District to maintain current programming and offer competitive wages to recruit and retain a talented workforce. If the state legislature continues to fund education at a rate less than inflation, future budgetary adjustments will be necessary. The School Board is committed to fiscal responsibility and developing balanced budgets to maintain a 10 percent unassigned General Fund balance, as adopted in School Board policy.

INDEPENDENT AUDIT

The District has engaged the firm of Malloy, Montague, Karnowski, Radosevich & Co., P.A. (MMKR) to perform the annual audit of its basic financial statements. The auditor's report on the District's basic financial statements is based on their audit in accordance with auditing standards generally accepted in the United States of America and with *Government Auditing Standards*, issued by the Comptroller General of the United States. The auditor's unmodified report is included on pages 1 through 4 in the financial section of this report.

In addition to meeting the District's financial statement audit requirements, the District also engaged MMKR to perform the audit of its federal grant programs in accordance with the U.S. Office of Management and Budget Uniform Guidance. The District's federal grant programs are discussed in a report separate from the ACFR.

REPORTING ACHIEVEMENT

The GFOA awarded its Certificate of Achievement for Excellence in Financial Reporting and ASBO International awarded its Certificate of Excellence in Financial Reporting to the District for its ACFR for the fiscal year ended June 30, 2022. These awards are made only to governmental units that publish an ACFR that is easily readable, efficiently organized, and conforms to the program standards, as well as accounting principles generally accepted in the United States of America and applicable legal requirements. We believe this report continues to meet those standards and requirements.


ACKNOWLEDGEMENTS

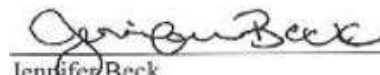
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff in the Business Services Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report.

We would also like to recognize the members of the School Board for their interest and support in planning and conducting the financial operations of the District in a fiscally responsible and progressive manner.

Respectfully submitted,


Cory McIntyre
Superintendent


Michelle E. Vargas
Chief Financial Officer, SFO


Jennifer Beck
Director of Finance, SFO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

**Anoka-Hennepin Independent
School District 11**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in blue ink, reading 'John W. Hutchison'. The signature is written in a cursive style and is positioned above a horizontal line.

John W. Hutchison
President

A handwritten signature in blue ink, reading 'Siobhán McMahon'. The signature is written in a cursive style and is positioned above a horizontal line.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Anoka-Hennepin Independent School District #11
Minnesota**

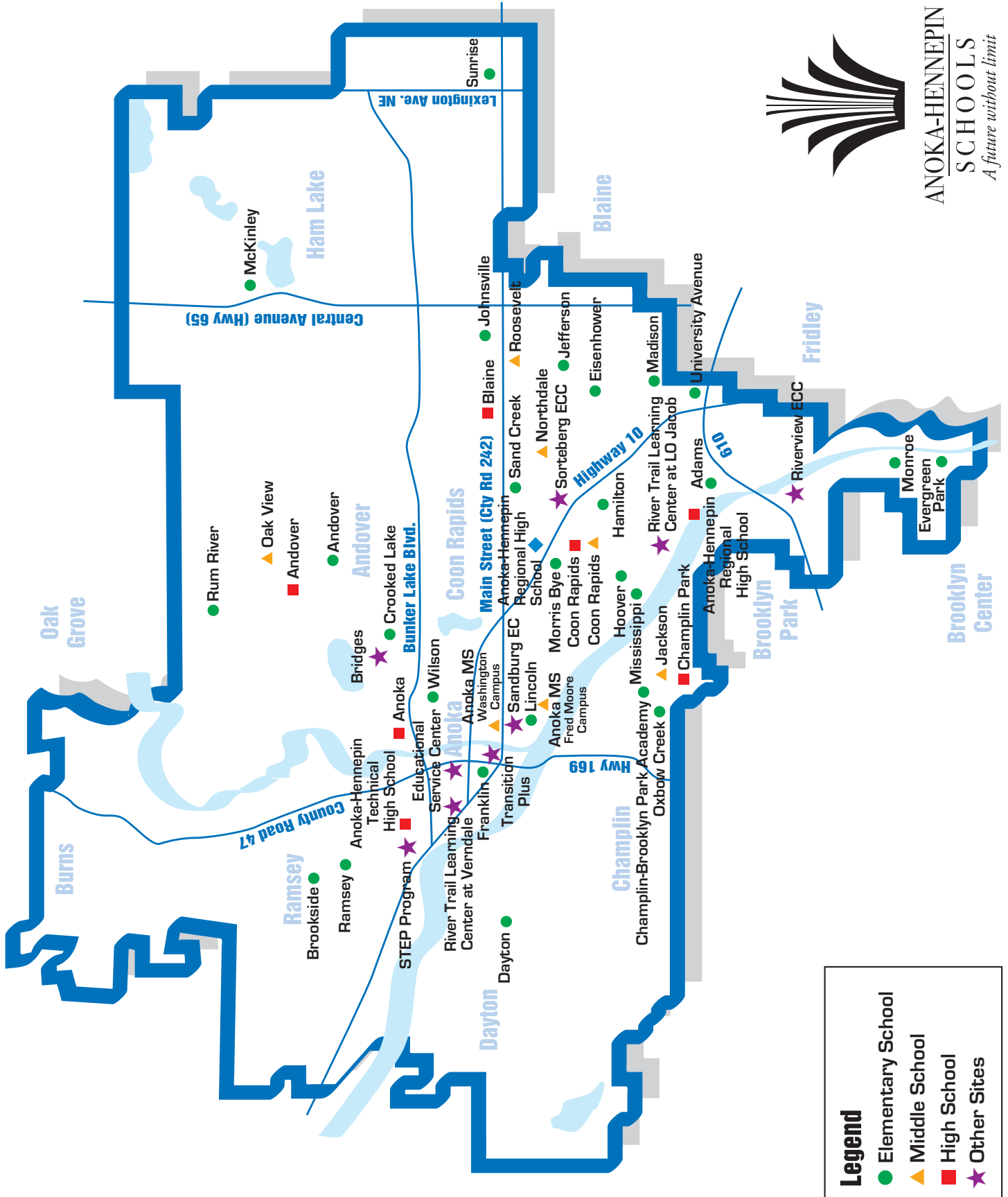
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

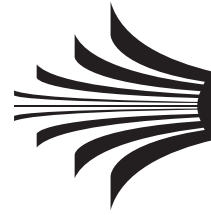
Executive Director/CEO

ANOKA-HENNEPIN SCHOOLS



Legend

- Elementary School
- ▲ Middle School
- High School
- ★ Other Sites



ANOKA-HENNEPIN SCHOOLS
A future without limit

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SECTION II
FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 11
Anoka, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

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. 11 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 of the notes to basic financial statements, in fiscal 2023, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

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

(continued)

PRIOR YEAR COMPARATIVE INFORMATION

We have previously audited the District's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 14, 2022. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
December 8, 2023

INDEPENDENT SCHOOL DISTRICT NO. 11

Management's Discussion and Analysis
Year Ended June 30, 2023

This section of Independent School District No. 11's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the other components of the District's ACFR.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$78,776,029 (net position). The District's total net position increased by \$78,950,763, compared to the prior year, which includes an increase for a change in accounting principle discussed below.
- Government-wide revenues totaled \$653,628,737, and were \$78,271,459 more than expenses of \$575,357,278.
- The District implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, which increased beginning net position by \$679,304. This change is further described in Note 1 of the notes to basic financial statements.
- The General Fund's total fund balance (under the governmental fund presentation) decreased \$18,870,824 from the prior year, compared to a reduction of \$12,418,675 planned in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Independent Auditor's Report;
- Management's discussion and analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- Supplementary information consisting of combining and individual fund statements and schedules.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

- Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

FUND FINANCIAL STATEMENTS

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

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America. Some funds are required by state law and by bond covenants. The District can establish other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District maintains the following kinds of funds:

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

Proprietary Funds – The District maintains one type of proprietary fund. Internal service funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for the self-insurance activities of the District employees' medical, dental, and workers' compensation claims. These services have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to other organizations. The District is responsible for ensuring that the assets reported in these funds 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 and a Statement of Changes in Fiduciary Net Position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1		
Summary Statement of Net Position		
as of June 30, 2023 and 2022		
	<u>2023</u>	<u>2022</u>
Assets		
Current and other assets	\$ 419,188,591	\$ 441,862,083
Capital assets, net of depreciation/amortization	<u>566,488,798</u>	<u>549,501,318</u>
Total assets	<u>\$ 985,677,389</u>	<u>\$ 991,363,401</u>
Deferred outflows of resources		
Deferred charge on refunding	\$ 1,100,794	\$ 1,268,003
OPEB plan deferments	9,995,339	11,309,000
Pension plan deferments	<u>133,606,180</u>	<u>141,698,101</u>
Total deferred outflows of resources	<u>\$ 144,702,313</u>	<u>\$ 154,275,104</u>
Liabilities		
Current and other liabilities	\$ 91,417,499	\$ 88,929,973
Long-term liabilities, including due within one year	<u>746,767,609</u>	<u>555,041,110</u>
Total liabilities	<u>\$ 838,185,108</u>	<u>\$ 643,971,083</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 129,922,328	\$ 119,860,756
OPEB plan deferments	4,897,073	7,367,000
Pension plan deferments	<u>78,599,164</u>	<u>374,614,400</u>
Total deferred inflows of resources	<u>\$ 213,418,565</u>	<u>\$ 501,842,156</u>
Net position		
Net investment in capital assets	\$ 310,909,691	\$ 298,711,539
Restricted	55,675,341	58,818,927
Unrestricted	<u>(287,809,003)</u>	<u>(357,705,200)</u>
Total net position	<u>\$ 78,776,029</u>	<u>\$ (174,734)</u>

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

The District's increase in net investment in capital assets is mostly due to the District adding capital assets and repaying debt at a faster rate than the assets being depreciated and amortized. The District's decrease in net position restricted for capital asset acquisition and state funding restrictions, contributed to the change in the restricted portion of net position. The change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position.

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

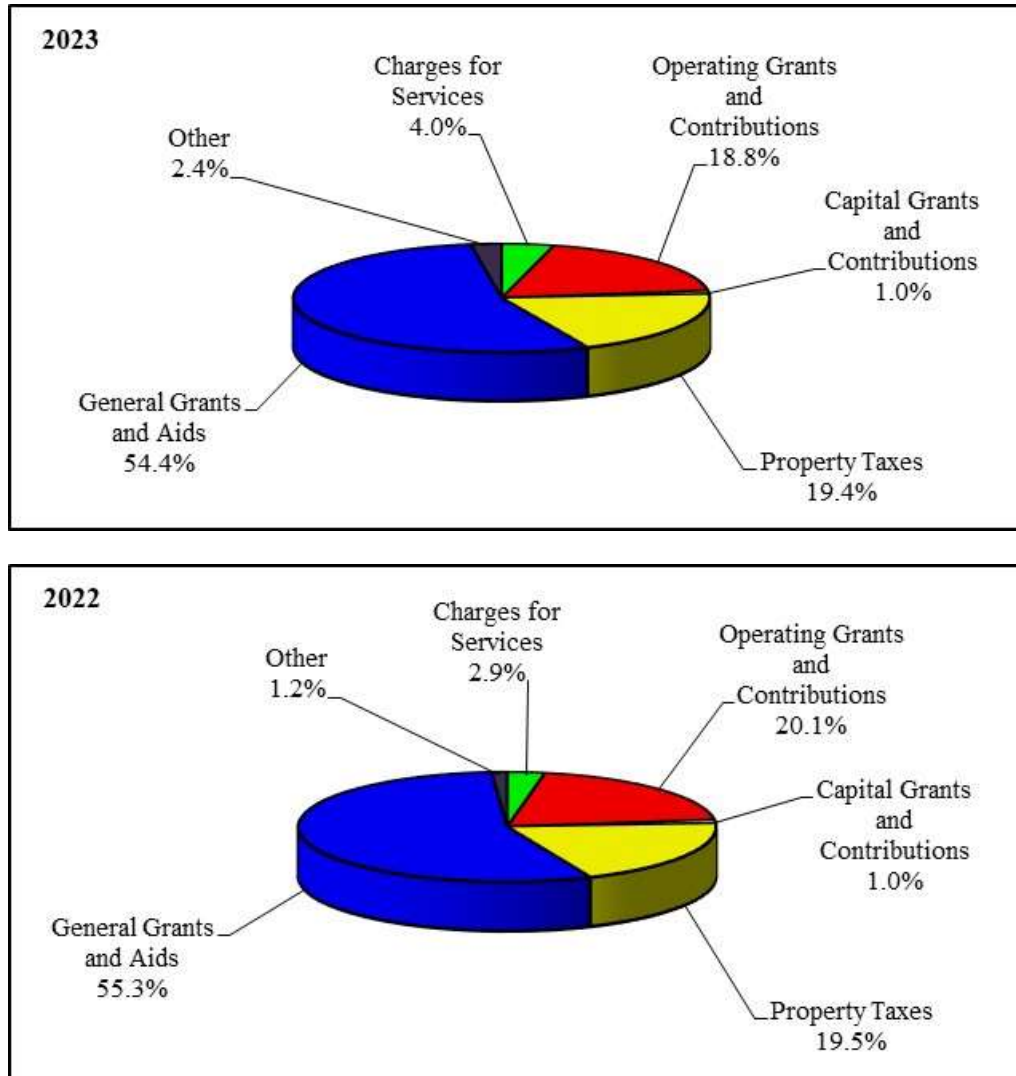
	<u>2023</u>	<u>2022</u>
Revenues		
Program revenues		
Charges for services	\$ 26,405,855	\$ 18,140,011
Operating grants and contributions	123,194,533	127,043,881
Capital grants and contributions	6,205,534	6,399,874
General revenues		
Property taxes	126,796,524	123,365,227
General grants and aids	355,427,323	349,347,454
Other	15,598,968	7,532,397
Total revenues	<u>653,628,737</u>	<u>631,828,844</u>
Expenses		
Administration	11,966,168	12,878,176
District support services	14,774,067	12,111,042
Elementary and secondary regular instruction	208,209,691	230,482,186
Vocational education instruction	12,202,390	14,245,613
Special education instruction	109,041,124	107,266,094
Instructional support services	43,076,924	48,251,348
Pupil support services	50,828,279	51,845,017
Sites and buildings	43,705,120	34,933,401
Fiscal and other fixed cost programs	1,404,552	1,043,771
Food service	23,991,780	21,296,888
Community service	25,222,818	22,705,090
Depreciation/amortization not included in other functions	21,477,516	20,096,942
Interest and fiscal charges	9,456,849	9,892,439
Total expenses	<u>575,357,278</u>	<u>587,048,007</u>
Change in net position	78,271,459	44,780,837
Net position – beginning, as previously reported	(174,734)	(44,955,571)
Change in accounting principle	679,304	–
Net position – beginning, restated	<u>504,570</u>	<u>(44,955,571)</u>
Net position – ending	<u>\$ 78,776,029</u>	<u>\$ (174,734)</u>

This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Revenues increased by \$21,799,893, in the current year. Increases in general grants and aids from improvements to general education funding were offset by decreases in operating grants and contributions. Operating grants were down because the District earned more pandemic-related sources for programs in the prior year. Charges for services were up with changes in funding for school lunches and expanding programming in other areas. Other sources were up with improved investment results in the current year. Expenses were down compared to the prior year, due primarily to changes in state-wide pension plans.

Figure A shows further analysis of these revenue sources:

Figure A – Sources of Revenues for Fiscal Years 2023 and 2022

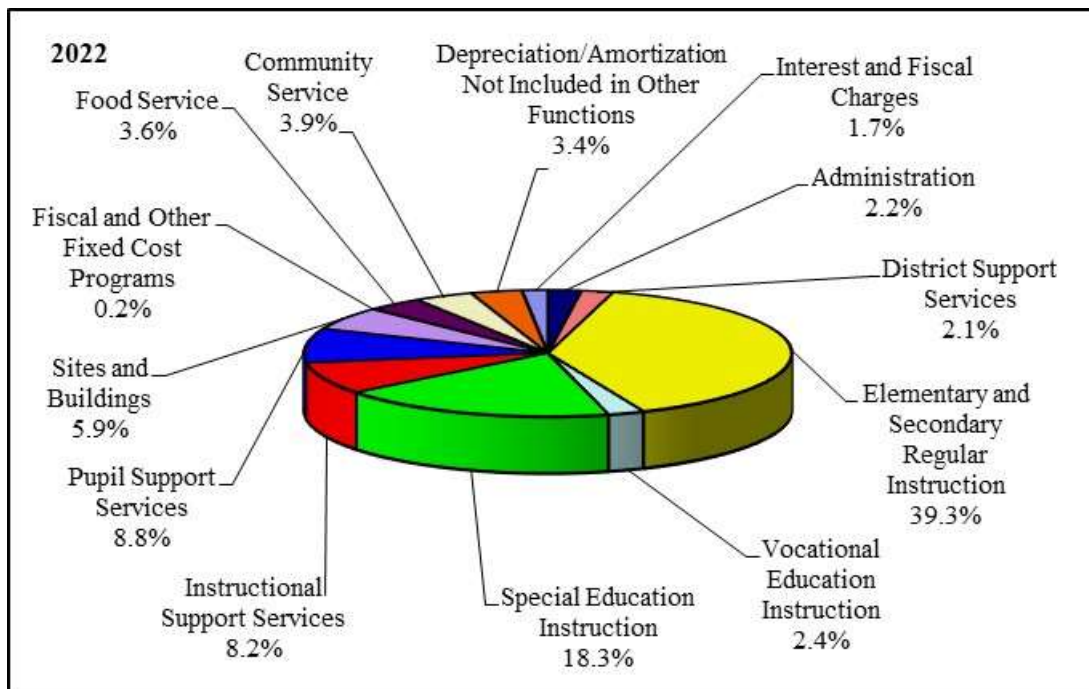
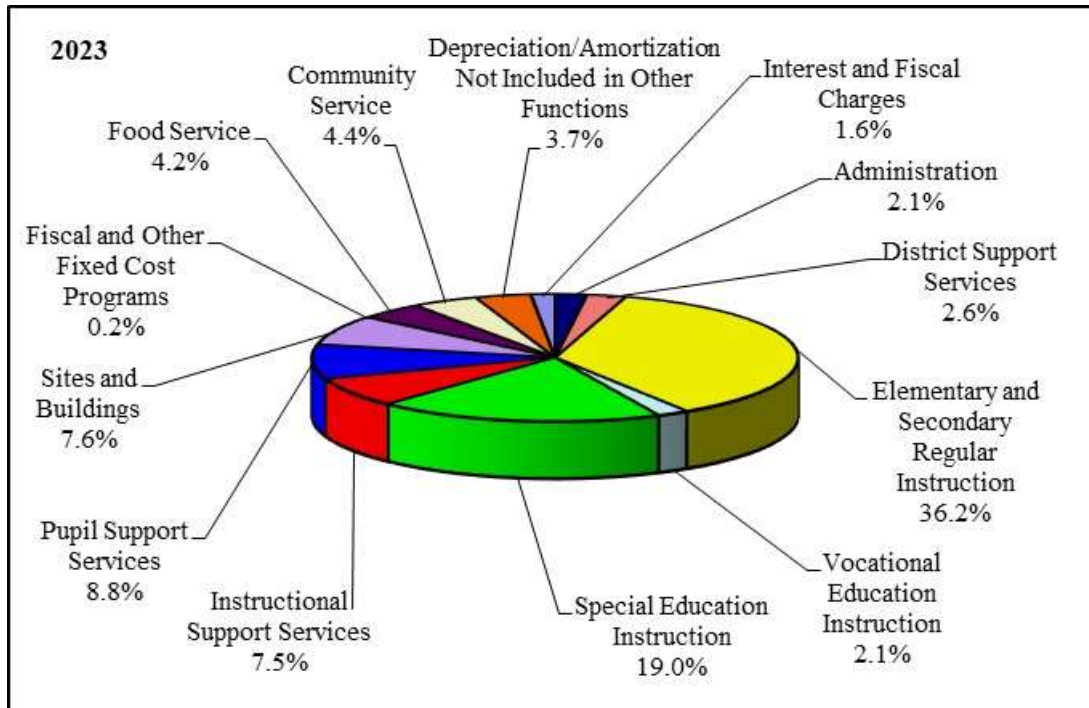


The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

Property taxes are generally the next largest source of funding. The level of revenue property tax sources provide is not only dependent on district taxpayers by way of operating and building referenda, but also by decisions made by the Legislature in the mix of state aid and local effort in a variety of funding formulas.

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2023 and 2022



The District’s expenses are predominately related to educating students. Programs (or functions), such as elementary and secondary regular instruction, vocational education instruction, special education instruction, and instructional support services, are directly related to classroom instruction, while the rest of the programs support instruction and other necessary costs to operate the District. The shift in expenses between programs and the decrease in elementary and secondary regular instruction when compared to prior, year was largely due to changes in the TRA state-wide pension plan obligations.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District is also reflected in its governmental funds. Table 3 shows the change in total fund balances of each of the District's governmental funds:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Major funds			
General	\$ 148,941,085	\$ 167,811,909	\$ (18,870,824)
Capital Projects – Building Construction	12,985,430	26,282,195	(13,296,765)
Debt Service	3,563,313	3,402,844	160,469
Nonmajor funds			
Food Service Special Revenue	10,016,392	9,972,906	43,486
Community Service Special Revenue	9,579,359	8,201,243	1,378,116
 Total governmental funds	 <u>\$ 185,085,579</u>	 <u>\$ 215,671,097</u>	 <u>\$ (30,585,518)</u>

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

At June 30, 2023, the District's governmental funds reported combined fund balances of \$185,085,579, a decrease of \$30,585,518 in comparison with the prior year. Approximately 25.0 percent of this amount (\$46,280,669) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is: 1) not in spendable form (\$3,503,277), 2) restricted for particular purposes (\$71,410,298), or 3) assigned for particular purposes (\$63,891,335).

Changes in the table above are discussed on the following pages.

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenue and other financing sources	<u>\$ 569,337,087</u>	<u>\$ 572,609,127</u>	<u>\$ 3,272,040</u>	<u>0.6%</u>
Expenditures	<u>\$ 596,155,762</u>	<u>\$ 585,027,802</u>	<u>\$ (11,127,960)</u>	<u>(1.9%)</u>

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District amended the budget for known significant changes in circumstances such as: updated enrollment estimates, legislative changes, additional funding received from grants or other local sources, staffing changes, employee contract settlements, insurance premium changes, special education tuition changes, or for new debt issued.

Table 5 summarizes the operating results of the General Fund:

	<u>2023 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue	\$ 581,863,537	\$ 9,256,410	1.6%	\$ 18,167,287	3.2%
Expenditures	<u>601,276,754</u>	<u>16,248,952</u>	2.8%	<u>32,636,896</u>	5.7%
Excess (deficiency) of revenue over expenditures	(19,413,217)	(6,992,542)		(14,469,609)	
Net other financing sources (uses)	<u>542,393</u>	<u>540,393</u>		<u>(69,315)</u>	
Net change in fund balances	<u>\$ (18,870,824)</u>	<u>\$ (6,452,149)</u>		<u>\$ (14,538,924)</u>	

The fund balance of the General Fund decreased \$18,870,824, compared to a decrease of \$12,418,675 approved in the final budget.

General Fund revenues were within 1.6 percent of budget. Investment earnings and federal sources contributed to the overall favorable revenue variances. Conservative budgeting and improved investment earnings contributed to this favorable variance. Federal sources were over budget, due to extra pandemic funds earned in the current year and for a change in tuition billing paid with federal funds. The increase over the prior year was in property taxes, investment earnings, and state sources. Property taxes were up as approved in the annual levy process. Investment earnings increased with improved returns and market adjustments. State sources improved with the District serving more students and funding improvements for general and special education funding formulas.

General Fund expenditures were 2.8 percent over budget. Spending was more than anticipated, due to the timing of capital spending and with changes in the use of federal funds for new entitlements and tuition billing. Expenditures were also over budget, due to the timing of spending in restricted categories for technology and long-term facilities maintenance. Expenditures increased, with more personnel spending as anticipated and contractually approved. A planned increase for curriculum in the current year also contributed to the change in spending. Additionally, more spending for utilities and custodial repair supplies caused expenditures to increase over the prior year.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund expenditures surpassed revenues, decreasing fund balance by \$13,296,765, compared to the projected decrease of \$14,999,000 in fund balance for the current year. The District has \$12,985,430 of resources remaining in this fund as of June 30, 2023 for future capital projects.

Debt Service Fund

The Debt Service Fund revenues exceeded expenditures by \$160,469 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue’s financing plan. The remaining fund balance of \$3,563,313 at June 30, 2023 is available for meeting future debt service obligations.

Food Service Special Revenue Fund

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing equity by \$43,486, compared to a projected decrease of \$208,482. Revenues exceeded budget due to conservative budgeting, with changes in funding models for the child nutrition program in recent years. Expenditures were over budget, due to more inflation than expected on supplies and materials, and the timing of capital outlay.

Community Service Special Revenue Fund

The Community Service Special Revenue Fund ended the year with revenues and other financing sources exceeding expenditures, increasing equity by \$1,378,116, compared to a projected increase of \$403,540. Conservative budgeting for revenues and expenditures contributed to the favorable variance in the current year.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains three internal service funds. These funds are used to account for the District’s self-insured dental, health benefits, and workers’ compensation insurance functions.

Operating revenues for the internal service funds for fiscal 2023 totaled \$74,146,404. This is an increase from the fiscal year 2022 operating revenue level of \$73,635,921. Nonoperating revenues totaled \$1,040,644, which is an increase from the fiscal year 2022 nonoperating revenue of \$71,570.

Operating expenses totaled \$78,028,705, which represents an increase from fiscal year 2022 operating expenses of \$75,051,115. Operating revenues were up primarily with changes in participation in the District's health plans, while operating expenses exceeded prior year levels with more dental benefit, medical benefit, and workers' compensation claims in the current year.

The net position balance for all internal service funds as of June 30, 2023 was \$11,685,795, which represents a decrease of \$2,841,657 from the prior year.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation/amortization expense for fiscal years ended June 30, 2023 and 2022:

	2023	2022	Change
Land	\$ 16,064,079	\$ 16,064,079	\$ –
Construction in progress	75,065,281	63,332,181	11,733,100
Land improvements	52,936,548	45,396,972	7,539,576
Buildings	689,890,562	675,147,037	14,743,525
Buildings – under lease	5,464,646	5,464,646	–
Furniture and equipment	52,942,358	50,975,257	1,967,101
Furniture and equipment – under lease	3,662,660	3,042,605	620,055
Software subscriptions	2,727,848	–	2,727,848
Less accumulated depreciation/amortization	<u>(332,265,184)</u>	<u>(309,921,459)</u>	<u>(22,343,725)</u>
Total	<u><u>\$ 566,488,798</u></u>	<u><u>\$ 549,501,318</u></u>	<u><u>\$ 16,987,480</u></u>
Depreciation/amortization expense	<u><u>\$ 22,420,532</u></u>	<u><u>\$ 20,973,849</u></u>	<u><u>\$ 1,446,683</u></u>

By the end of 2023, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2023, consistent with the activity of the long-term facilities maintenance program in the General Fund and activity of the Capital Projects – Building Construction Fund, discussed on the previous page. The completion of several projects has shifted significant amounts out of construction in progress, placing them in service (into their respective capital asset categories in the current year and prior year), which contributed to the change in depreciation expense in the previous table. The implementation of a new subscription-based technology arrangements standard in the current year, created a new class of capital assets for the District to report as presented in the above table.

The District defines capital assets as those with an initial, individual cost of \$5,000 or more, which benefit more than one fiscal year.

Additional details about capital assets can be found in Note 3 of the notes to basic financial statements.

Long-Term Liabilities

Table 7 illustrates the components of the District's long-term liabilities with changes from the prior year:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
General obligation bonds payable	\$ 238,210,000	\$ 245,055,000	\$ (6,845,000)
Certificates of participation payable	24,750,000	26,090,000	(1,340,000)
Unamortized premium/discount	13,036,076	13,730,562	(694,486)
Financed purchases payable	193,735	382,211	(188,476)
Leases payable	5,469,091	6,744,290	(1,275,199)
Net pension liability	434,606,910	232,656,293	201,950,617
Compensated absences payable	6,248,797	5,821,754	427,043
Severance payable	24,253,000	24,561,000	(308,000)
Total	<u>\$ 746,767,609</u>	<u>\$ 555,041,110</u>	<u>\$ 191,726,499</u>

The changes in general obligation bonds payable, certificates of participation payable, financed purchases payable, leases payable, and unamortized premium/discount in the table above, are primarily due to principal payments and amortization during fiscal year 2023, as planned in the approved repayment schedules.

The difference in the net pension liability reflects the change in the District's proportionate share of the state-wide pension obligations for the PERA and the TRA.

The state limits the amount of general obligation debt the District can issue to 15.0 percent of the market value of all taxable property within the District's corporate limits (see Table 8):

District's market value	\$ 33,417,733,424
Limit rate	<u>15.0%</u>
Legal debt limit	<u><u>\$ 5,012,660,014</u></u>

Additional details of the District's long-term liabilities can be found in Note 4 of the notes to basic financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

With the exception of the voter-approved operating referendum, the District is dependent on the state of Minnesota for a majority of its revenue authority.

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added \$275, or 4.00 percent, per pupil to the basic general education funding formula for fiscal year 2024, and an additional \$143, or 2.00 percent, per pupil to the formula for fiscal year 2025.

The amount of funding a district receives is also dependent on the number of students it serves, meaning attracting and retaining students is critical to the District's financial well-being.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This ACFR 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 Services Office, Anoka-Hennepin Independent School District No. 11, Educational Service Center, 2727 North Ferry Street, Anoka, Minnesota 55303.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 11

Statement of Net Position
as of June 30, 2023
(With Partial Comparative Information as of June 30, 2022)

	Governmental Activities	
	2023	2022
Assets		
Cash and temporary investments	\$ 254,200,989	\$ 273,372,078
Receivables		
Current taxes	78,026,971	79,176,568
Delinquent taxes	1,512,975	1,181,577
Accounts and interest	2,028,322	1,174,741
Due from other governmental units	72,390,348	76,549,617
Due from Post-Employment Benefits Trust	2,046,722	667,070
Inventory	1,991,900	2,543,832
Prepaid items	1,511,377	1,165,600
Net OPEB asset	3,894,987	5,931,000
Restricted assets – temporarily restricted		
Cash and investments for workers' compensation and health benefits	1,584,000	100,000
Capital assets		
Not depreciated/amortized	91,129,360	79,396,260
Depreciated/amortized, net of accumulated depreciation/amortization	475,359,438	470,105,058
Total capital assets, net of accumulated depreciation/amortization	<u>566,488,798</u>	<u>549,501,318</u>
Total assets	985,677,389	991,363,401
Deferred outflows of resources		
Deferred charge on refunding	1,100,794	1,268,003
OPEB plan deferments	9,995,339	11,309,000
Pension plan deferments	133,606,180	141,698,101
Total deferred outflows of resources	<u>144,702,313</u>	<u>154,275,104</u>
Total assets and deferred outflows of resources	<u>\$ 1,130,379,702</u>	<u>\$ 1,145,638,505</u>
Liabilities		
Salaries payable	\$ 36,531,753	\$ 35,631,809
Accounts and contracts payable	26,807,855	24,989,443
Due to other governmental units	1,815,054	1,728,084
Accrued interest payable	3,930,469	4,083,224
Unearned revenue	13,032,368	13,197,413
Claims incurred, but not reported	9,300,000	9,300,000
Long-term liabilities		
Due within one year	17,758,634	17,168,535
Due in more than one year	729,008,975	537,872,575
Total long-term liabilities	<u>746,767,609</u>	<u>555,041,110</u>
Total liabilities	838,185,108	643,971,083
Deferred inflows of resources		
Property taxes levied for subsequent year	129,922,328	119,860,756
OPEB plan deferments	4,897,073	7,367,000
Pension plan deferments	78,599,164	374,614,400
Total deferred inflows of resources	<u>213,418,565</u>	<u>501,842,156</u>
Net position		
Net investment in capital assets	310,909,691	298,711,539
Restricted for		
Capital asset acquisition	19,836,206	23,205,524
Debt service	250,115	-
Food service	10,016,392	9,972,906
Community service	9,616,678	8,235,790
Other purposes (state funding restrictions)	15,955,950	17,404,707
Unrestricted	<u>(287,809,003)</u>	<u>(357,705,200)</u>
Total net position	<u>78,776,029</u>	<u>(174,734)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,130,379,702</u>	<u>\$ 1,145,638,505</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Statement of Activities
Year Ended June 30, 2023
(With Partial Comparative Information for the Year Ended June 30, 2022)

Functions/Programs	2023				2022	
	Expenses	Program Revenues			Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position	Revenue and Changes in Net Position
				Governmental Activities	Governmental Activities	
Governmental activities						
Administration	\$ 11,966,168	\$ 7,506	\$ 8,040	\$ 201,645	\$ (11,748,977)	\$ (12,643,101)
District support services	14,774,067	403,096	8,331	208,967	(14,153,673)	(11,558,067)
Elementary and secondary regular instruction	208,209,691	4,142,355	8,940,240	3,748,337	(191,378,759)	(214,788,803)
Vocational education instruction	12,202,390	60,376	528,616	220,730	(11,392,668)	(13,331,288)
Special education instruction	109,041,124	95,587	85,154,767	1,825,855	(21,964,915)	(26,139,620)
Instructional support services	43,076,924	84	246,782	–	(42,830,058)	(48,023,131)
Pupil support services	50,828,279	1,922	2,385,882	–	(48,440,475)	(49,751,066)
Sites and buildings	43,705,120	–	–	–	(43,705,120)	(34,933,401)
Fiscal and other fixed cost programs	1,404,552	–	297,586	–	(1,106,966)	(768,994)
Food service	23,991,780	8,233,047	15,872,803	–	114,070	6,770,552
Community service	25,222,818	13,461,882	9,751,486	–	(2,009,450)	(307,941)
Depreciation/amortization not included in other functions	21,477,516	–	–	–	(21,477,516)	(20,096,942)
Interest and fiscal charges	9,456,849	–	–	–	(9,456,849)	(9,892,439)
Total governmental activities	\$ 575,357,278	\$ 26,405,855	\$ 123,194,533	\$ 6,205,534	(419,551,356)	(435,464,241)
General revenues						
Taxes						
					107,300,865	103,895,756
					4,196,920	4,306,766
					15,298,739	15,162,705
					355,427,323	349,347,454
					6,376,798	6,999,741
					9,222,170	532,656
					<u>497,822,815</u>	<u>480,245,078</u>
					78,271,459	44,780,837
					(174,734)	(44,955,571)
					679,304	–
					<u>504,570</u>	<u>(44,955,571)</u>
					<u>\$ 78,776,029</u>	<u>\$ (174,734)</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Balance Sheet
 Governmental Funds
 as of June 30, 2023
 (With Partial Comparative Information as of June 30, 2022)

	<u>General Fund</u>	<u>Capital Projects – Building Construction Fund</u>	<u>Debt Service Fund</u>
Assets			
Cash and temporary investments	\$ 176,314,721	\$ 14,125,236	\$ 10,084,299
Receivables			
Current taxes	66,482,801	–	8,838,310
Delinquent taxes	1,269,889	–	192,559
Accounts and interest	1,254,419	4,850	–
Due from other governmental units	69,188,298	1,545,220	2,290
Due from Post-Employment Benefits Trust	1,931,431	–	–
Inventory	1,485,586	–	–
Prepaid items	1,491,339	–	–
	<u>\$ 319,418,484</u>	<u>\$ 15,675,306</u>	<u>\$ 19,117,458</u>
Liabilities			
Salaries payable	\$ 35,582,158	\$ –	\$ –
Accounts and contracts payable	22,113,056	2,689,876	3,132
Due to other governmental units	1,408,217	–	–
Unearned revenue	643,871	–	–
Total liabilities	<u>59,747,302</u>	<u>2,689,876</u>	<u>3,132</u>
Deferred inflows of resources			
Property taxes levied for subsequent year	109,798,888	–	15,406,669
Unavailable revenue – delinquent taxes	931,209	–	144,344
Total deferred inflows of resources	<u>110,730,097</u>	<u>–</u>	<u>15,551,013</u>
Fund balances			
Nonspendable	2,976,925	–	–
Restricted	35,792,156	12,985,430	3,563,313
Assigned	63,891,335	–	–
Unassigned	46,280,669	–	–
Total fund balances	<u>148,941,085</u>	<u>12,985,430</u>	<u>3,563,313</u>
	<u>\$ 319,418,484</u>	<u>\$ 15,675,306</u>	<u>\$ 19,117,458</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 319,418,484</u>	<u>\$ 15,675,306</u>	<u>\$ 19,117,458</u>

Nonmajor Funds	Total Governmental Funds	
	2023	2022
\$ 23,098,162	\$ 223,622,418	\$ 238,117,015
2,705,860	78,026,971	79,176,568
50,527	1,512,975	1,181,577
15,434	1,274,703	1,157,492
1,654,540	72,390,348	76,549,617
115,291	2,046,722	667,070
506,314	1,991,900	2,543,832
20,038	1,511,377	1,165,600
<u>\$ 28,166,166</u>	<u>\$ 382,377,414</u>	<u>\$ 400,558,771</u>
\$ 949,595	\$ 36,531,753	\$ 35,631,809
1,309,405	26,115,469	24,723,387
406,837	1,815,054	1,713,590
1,150,488	1,794,359	1,933,103
<u>3,816,325</u>	<u>66,256,635</u>	<u>64,001,889</u>
4,716,771	129,922,328	119,860,756
37,319	1,112,872	1,025,029
<u>4,754,090</u>	<u>131,035,200</u>	<u>120,885,785</u>
526,352	3,503,277	3,709,432
19,069,399	71,410,298	87,738,281
–	63,891,335	64,608,624
–	46,280,669	59,614,760
<u>19,595,751</u>	<u>185,085,579</u>	<u>215,671,097</u>
<u>\$ 28,166,166</u>	<u>\$ 382,377,414</u>	<u>\$ 400,558,771</u>

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INDEPENDENT SCHOOL DISTRICT NO. 11

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2023
(With Partial Comparative Information as of June 30, 2022)

	2023	2022
Total fund balances – governmental funds	\$ 185,085,579	\$ 215,671,097
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	898,753,982	859,422,777
Accumulated depreciation/amortization	(332,265,184)	(309,921,459)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance.		
General obligation bonds payable	(238,210,000)	(245,055,000)
Certificates of participation payable	(24,750,000)	(26,090,000)
Unamortized premium/discount	(13,036,076)	(13,730,562)
Financed purchases payable	(193,735)	(382,211)
Leases payable	(5,469,091)	(6,744,290)
Net pension liability	(434,606,910)	(232,656,293)
Compensated absences payable	(6,248,797)	(5,821,754)
Severance payable	(24,253,000)	(24,561,000)
The net OPEB asset reported in the Statement of Net Position does not require the use of current financial resources and is not reported in governmental funds.	3,894,987	5,931,000
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(3,930,469)	(4,083,224)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	11,685,795	14,527,452
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – deferred charge on refunding	1,100,794	1,268,003
Deferred outflows of resources – OPEB plan deferments	9,995,339	11,309,000
Deferred outflows of resources – pension plan deferments	133,606,180	141,698,101
Deferred inflows of resources – OPEB plan deferments	(4,897,073)	(7,367,000)
Deferred inflows of resources – pension plan deferments	(78,599,164)	(374,614,400)
Deferred inflows of resources – unavailable revenue – delinquent taxes	1,112,872	1,025,029
Total net position – governmental activities	\$ 78,776,029	\$ (174,734)

INDEPENDENT SCHOOL DISTRICT NO. 11

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2023
 (With Partial Comparative Information for the Year Ended June 30, 2022)

	<u>General Fund</u>	<u>Capital Projects – Building Construction Fund</u>	<u>Debt Service Fund</u>
Revenue			
Local sources			
Property taxes	\$ 107,224,739	\$ –	\$ 15,289,794
Investment earnings	6,490,385	607,424	290,312
Other	11,074,096	–	–
State sources	422,209,384	–	22,898
Federal sources	34,864,933	–	–
Total revenue	<u>581,863,537</u>	<u>607,424</u>	<u>15,603,004</u>
Expenditures			
Current			
Administration	13,810,405	–	–
District support services	14,338,494	–	–
Elementary and secondary regular instruction	258,160,841	–	–
Vocational education instruction	15,212,475	–	–
Special education instruction	125,780,361	–	–
Instructional support services	50,457,272	–	–
Pupil support services	54,046,082	–	–
Sites and buildings	63,153,758	–	–
Fiscal and other fixed cost programs	1,404,552	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	13,904,189	–
Debt service			
Principal	3,380,878	–	6,845,000
Interest	1,531,636	–	8,591,303
Issue costs and fiscal charges	–	–	6,232
Total expenditures	<u>601,276,754</u>	<u>13,904,189</u>	<u>15,442,535</u>
Excess (deficiency) of revenue over expenditures	(19,413,217)	(13,296,765)	160,469
Other financing sources (uses)			
Debt issued	620,055	–	–
Insurance recovery	27,928	–	–
Transfers in	–	–	–
Transfers (out)	(105,590)	–	–
Total other financing sources (uses)	<u>542,393</u>	<u>–</u>	<u>–</u>
Net change in fund balances	(18,870,824)	(13,296,765)	160,469
Fund balances			
Beginning of year	<u>167,811,909</u>	<u>26,282,195</u>	<u>3,402,844</u>
End of year	<u>\$ 148,941,085</u>	<u>\$ 12,985,430</u>	<u>\$ 3,563,313</u>

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds	
	2023	2022
\$ 4,194,148	\$ 126,708,681	\$ 123,311,878
793,405	8,181,526	461,086
21,694,929	32,769,025	25,139,752
8,984,205	431,216,487	417,242,276
16,640,084	51,505,017	67,566,829
<u>52,306,771</u>	<u>650,380,736</u>	<u>633,721,821</u>
–	13,810,405	13,591,794
–	14,338,494	13,171,185
–	258,160,841	240,881,106
–	15,212,475	14,842,015
–	125,780,361	112,187,715
–	50,457,272	50,684,022
–	54,046,082	52,979,803
–	63,153,758	64,392,746
–	1,404,552	1,043,771
23,210,679	23,210,679	21,477,170
26,320,977	26,320,977	23,704,826
1,408,541	15,312,730	16,200,586
42,852	10,268,730	9,792,593
7,710	10,130,649	10,557,614
–	6,232	6,675
<u>50,990,759</u>	<u>681,614,237</u>	<u>645,513,621</u>
1,316,012	(31,233,501)	(11,791,800)
–	620,055	709,084
–	27,928	–
105,590	105,590	97,376
–	(105,590)	(97,376)
<u>105,590</u>	<u>647,983</u>	<u>709,084</u>
1,421,602	(30,585,518)	(11,082,716)
<u>18,174,149</u>	<u>215,671,097</u>	<u>226,753,813</u>
<u>\$ 19,595,751</u>	<u>\$ 185,085,579</u>	<u>\$ 215,671,097</u>

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INDEPENDENT SCHOOL DISTRICT NO. 11

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2023
(With Partial Comparative Information for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Total net change in fund balances – governmental funds	\$(30,585,518)	\$(11,082,716)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation/amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	38,743,008	44,901,193
Depreciation/amortization expense	(22,420,532)	(20,973,849)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.		
	(14,300)	(3,946)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
	(620,055)	(709,084)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances. Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance.		
General obligation bonds payable	6,845,000	6,565,000
Certificates of participation payable	1,340,000	1,280,000
Unamortized premium/discount	694,486	694,486
Financed purchases payable	188,476	184,632
Leases payable	1,895,254	1,762,961
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	(201,950,617)	152,146,629
Compensated absences payable	(427,043)	312,785
Severance payable	308,000	16,000
Net OPEB asset	(2,036,013)	(15,547,000)
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	152,755	144,573
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	(2,841,657)	(1,343,624)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – deferred charge on refunding	(167,209)	(167,209)
Deferred outflows of resources – OPEB plan deferments	(1,313,661)	11,012,000
Deferred outflows of resources – pension plan deferments	(8,091,921)	(25,973,544)
Deferred inflows of resources – OPEB plan deferments	2,469,927	5,183,000
Deferred inflows of resources – pension plan deferments	296,015,236	(103,674,799)
Deferred inflows of resources – unavailable revenue – delinquent taxes	87,843	53,349
Change in net position – governmental activities	<u>\$ 78,271,459</u>	<u>\$ 44,780,837</u>

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INDEPENDENT SCHOOL DISTRICT NO. 11

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 General Fund
 Year Ended June 30, 2023

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 108,495,278	\$ 108,495,278	\$ 107,224,739	\$ (1,270,539)
Investment earnings	300,000	3,500,000	6,490,385	2,990,385
Other	11,972,817	12,044,857	11,074,096	(970,761)
State sources	417,808,070	422,808,070	422,209,384	(598,686)
Federal sources	30,758,922	25,758,922	34,864,933	9,106,011
Total revenue	<u>569,335,087</u>	<u>572,607,127</u>	<u>581,863,537</u>	<u>9,256,410</u>
Expenditures				
Current				
Administration	1,166,627	14,026,903	13,810,405	(216,498)
District support services	4,629,438	15,184,235	14,338,494	(845,741)
Elementary and secondary regular instruction	466,981,286	259,805,541	258,160,841	(1,644,700)
Vocational education instruction	1,001,054	14,920,100	15,212,475	292,375
Special education instruction	12,250,073	116,770,950	125,780,361	9,009,411
Instructional support services	24,734,359	47,867,679	50,457,272	2,589,593
Pupil support services	35,214,034	55,339,968	54,046,082	(1,293,886)
Sites and buildings	46,070,920	55,118,539	63,153,758	8,035,219
Fiscal and other fixed cost programs	1,400,000	1,400,000	1,404,552	4,552
Debt service				
Principal	1,511,869	3,198,104	3,380,878	182,774
Interest and fiscal charges	1,196,102	1,395,783	1,531,636	135,853
Total expenditures	<u>596,155,762</u>	<u>585,027,802</u>	<u>601,276,754</u>	<u>16,248,952</u>
Excess (deficiency) of revenue over expenditures	(26,820,675)	(12,420,675)	(19,413,217)	(6,992,542)
Other financing sources (uses)				
Debt issued	-	-	620,055	620,055
Insurance recovery	2,000	2,000	27,928	25,928
Transfers (out)	-	-	(105,590)	(105,590)
Total other financing sources (uses)	<u>2,000</u>	<u>2,000</u>	<u>542,393</u>	<u>540,393</u>
Net change in fund balances	<u>\$ (26,818,675)</u>	<u>\$ (12,418,675)</u>	(18,870,824)	<u>\$ (6,452,149)</u>
Fund balances				
Beginning of year			<u>167,811,909</u>	
End of year			<u>\$ 148,941,085</u>	

INDEPENDENT SCHOOL DISTRICT NO. 11

Statement of Net Position
 Proprietary Funds
 Internal Service Funds
 as of June 30, 2023
 (With Partial Comparative Information as of June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Current assets		
Cash and temporary investments	\$ 30,578,571	\$ 35,255,063
Cash and investments held by trustee	1,584,000	100,000
Receivables		
Accounts and interest	753,619	17,249
Total current assets	<u>32,916,190</u>	<u>35,372,312</u>
Liabilities		
Current liabilities		
Accounts and contracts payable	692,386	266,056
Due to other governmental units	-	14,494
Unearned revenue	11,238,009	11,264,310
Claims incurred, but not reported	9,300,000	9,300,000
Total current liabilities	<u>21,230,395</u>	<u>20,844,860</u>
Net position		
Unrestricted	<u>\$ 11,685,795</u>	<u>\$ 14,527,452</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Internal Service Funds
 Year Ended June 30, 2023
 (With Partial Comparative Information for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Operating revenue		
Charges for services	\$ 74,146,404	\$ 73,635,921
Operating expenses		
Dental benefit claims	5,405,754	5,274,851
Health benefit claims	70,381,074	68,646,410
Workers' compensation claims	2,241,877	1,129,854
Total operating expenses	<u>78,028,705</u>	<u>75,051,115</u>
Operating income (loss)	(3,882,301)	(1,415,194)
Nonoperating revenue		
Investment earnings	<u>1,040,644</u>	<u>71,570</u>
Change in net position	(2,841,657)	(1,343,624)
Net position		
Beginning of year	<u>14,527,452</u>	<u>15,871,076</u>
End of year	<u>\$ 11,685,795</u>	<u>\$ 14,527,452</u>

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INDEPENDENT SCHOOL DISTRICT NO. 11

Statement of Cash Flows
 Proprietary Funds
 Internal Service Funds
 Year Ended June 30, 2023
 (With Partial Comparative Information for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Charges for services	\$ 73,383,733	\$ 74,028,460
Payments for dental claims	(5,398,239)	(5,231,521)
Payments for health claims	(70,182,220)	(68,659,065)
Payments for workers' compensation claims	(2,036,410)	(1,089,956)
Net cash flows from operating activities	<u>(4,233,136)</u>	<u>(952,082)</u>
Cash flows from investing activities		
Investment income received	<u>1,040,644</u>	<u>71,570</u>
Net change in cash and cash equivalents	(3,192,492)	(880,512)
Cash and cash equivalents		
Beginning of year	<u>35,355,063</u>	<u>36,235,575</u>
End of year	<u><u>\$ 32,162,571</u></u>	<u><u>\$ 35,355,063</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ (3,882,301)	\$ (1,415,194)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets and liabilities		
Accounts and interest receivable	(736,370)	765,491
Accounts and contracts payable	426,330	82,493
Due to other governmental units	(14,494)	(11,920)
Unearned revenue	(26,301)	(372,952)
Net cash flows from operating activities	<u><u>\$ (4,233,136)</u></u>	<u><u>\$ (952,082)</u></u>
Cash and cash equivalents are reported on the Statement of Net Position as follows:		
Cash and temporary investments	\$ 30,578,571	\$ 35,255,063
Cash and investments held by trustee	<u>1,584,000</u>	<u>100,000</u>
Total cash and cash equivalents	<u><u>\$ 32,162,571</u></u>	<u><u>\$ 35,355,063</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Statement of Fiduciary Net Position
Fiduciary Funds
as of June 30, 2023

	Post-Employment Benefits Trust Fund	Student Activity Custodial Fund
Assets		
Cash and temporary investments	\$ —	\$ 449
Deposits held by trustee	806,895	—
Investments held by trustee, at fair value		
U.S. treasuries	5,014,612	—
U.S. agency securities	5,481,105	—
Corporate obligations	6,262,858	—
Equities	7,900,406	—
Mortgage backed securities	249,208	—
Mutual funds	9,374,424	—
Real asset mutual funds	2,761,338	—
Real estate investment trusts	202,651	—
Total assets	38,053,497	449
Liabilities		
Due to district governmental funds	2,046,722	—
Net position		
Restricted for OPEB	36,006,775	—
Restricted for student activities	—	449
Total net position	\$ 36,006,775	\$ 449

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2023

	Post-Employment Benefits Trust Fund	Student Activity Custodial Fund
Additions		
Contributions		
Private donations	\$ —	\$ 8,294
Investment earnings	2,049,981	—
Total additions	2,049,981	8,294
Deductions		
Benefit costs	2,046,722	—
Other deductions	—	9,418
Total deductions	2,046,722	9,418
Change in net position	3,259	(1,124)
Net position		
Beginning of year	36,003,516	1,573
End of year	\$ 36,006,775	\$ 449

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Organization**

Independent School District No. 11 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The accompanying financial statements include all funds, departments, agencies, boards, commissions, and other organizations that comprise the District, along with any component units.

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

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. Generally, the effect of material interfund activity has been removed from the government-wide financial statements. Transactions representing interfund services provided and used are not eliminated in the consolidation process to the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. 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 internally directed revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for amounts advance recognized in accordance with a statutory "tax shift" described later in these notes. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For capital assets that can be specifically identified with or allocated to functional areas, depreciation and amortization expense is included as a direct expense in the functional areas that utilize the related capital assets. For capital assets that essentially serve all functional areas, depreciation and amortization expense is reported as “depreciation/amortization not included in other functions.” Interest is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

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

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. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Proceeds of long-term debt and acquisitions under leases and subscription-based information technology arrangements (SBITAs) are reported as other financing sources.
2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term obligations, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

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

Fiduciary funds are presented in the fiduciary fund financial statements by type: the District has one pension (and other employee benefit) trust fund and one custodial fund. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide financial statements.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Description of Funds**

The existence of the various district funds has been established by the Minnesota Department of Education (MDE). Each fund is accounted for as an independent entity. Descriptions of the funds included in this report are as follows:

Major Governmental Funds

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects – Building Construction Fund – The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition, construction, or improvement of major capital facilities authorized by debt issue.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general obligation debt principal, interest, and related costs. The regular debt service account is used for all general obligation debt service except for the financial activities of the other post-employment benefits (OPEB) debt service account. The OPEB debt service account is used for the taxable OPEB bond issues of the District.

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to record financial activities of the District’s child nutrition program.

Community Service Special Revenue Fund – The Community Service Special Revenue Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, or other similar services.

Proprietary Funds

Internal Service Funds – Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District’s internal service funds are used to account for dental benefits, health benefits, and workers’ compensation benefits offered by the District to its employees as a self-insured plan.

Fiduciary Funds

Post-Employment Benefits Trust Fund – The Post-Employment Benefits Trust Fund is used to administer resources received and held by the District as the trustee for others. The Post-Employment Benefits Trust Fund includes assets held in an irrevocable trust to fund post-employment insurance benefits of eligible employees.

Student Activity Custodial Fund – The Student Activity Custodial Fund is used to account for resources from donations to student activities for donor-directed purposes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**E. Budgetary Information**

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. However, for certain programs, unspent appropriations are assigned for carryover and may be reappropriated in the subsequent year.

Encumbrance accounting is employed in governmental funds. Encumbrances, which are comprised of purchase orders, are disclosed as commitments when applicable. Such amounts do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent fiscal year. Outstanding encumbrances at year-end are included in the appropriate restricted, committed, or assigned component of fund balance as applicable. As of year-end, the District did not have any significant commitments related to encumbrances to disclose.

Actual expenditures exceeded final budgeted appropriations for fiscal 2023 by \$16,248,952 in the General Fund, by \$3,127,000 in the Food Service Special Revenue Fund, and by \$32 in the Debt Service Fund. Revenues in excess of budget and available fund balance covered these variances.

F. Cash and Temporary Investments

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Debt proceeds recorded in the Capital Projects – Building Construction Fund are not pooled, and earnings on these proceeds are allocated directly to the fund.

Cash and investments held by trustee include balances held in segregated accounts established for specific purposes. In the Post-Employment Benefits Trust Fund, this represents assets contributed to an irrevocable trust established to finance the District's liability for post-employment insurance benefits. In the internal service funds, this represents assets held in trust for health benefit and workers' compensation benefit claim payments. Interest earned on these investments is allocated directly to these accounts.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

G. Receivables

When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. The only receivables not expected to be fully collected within one year are property taxes receivable.

At year-end, the District reported the following receivables due from other governmental units:

Due from the MDE	\$ 69,669,484
Due from other Minnesota school districts	73,863
Due from the county and others	<u>2,647,001</u>
Total	<u>\$ 72,390,348</u>

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, heating fuel, and surplus commodities received from the federal government. Purchased food, supplies, and heating fuel are recorded at average cost. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded as expenses/expenditures at the time of consumption.

J. Property Taxes

The majority of the District's revenue in the General Fund is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aids by the Legislature based on education funding priorities.

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$6,091,870 of the property tax levy collectible in 2023 as revenue to the District in fiscal year 2022–2023. The remaining portion of the taxes collectible in 2023 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property tax levies are certified to the County Auditor in December of each year for collection from taxpayers in May and October of the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on property on the following January 1. The county generally remits taxes to the District at periodic intervals as they are collected.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is reported as a deferred inflow of resources (unavailable revenue) in the fund financial statements because it is not known to be available to finance the operations of the District in the current year.

K. Subscription-Based Information Technology Arrangements (SBITAs)

A SBITA is a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The District has entered into certain SBITAs for education, evaluation tracking, and other purposes. Capital assets associated with SBITAs are presented separately from other capital assets in Note 3 and are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. When applicable, a subscription liability is reported in Note 4 to include the terms and related disclosures associated with any subscription liability.

L. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Capital assets under lease are recorded based on the measurement of payments applicable to the lease term. SBITA capital assets are recorded based on the measurement of any subscription liability plus the payments due to a SBITA vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard. The District defines capital assets as those with an initial, individual cost of \$5,000 or more, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is considered for depreciation/amortization purposes. Useful lives vary, ranging from 20 to 50 years for land improvements and buildings, and 3 to 30 years for furniture and equipment. Assets under lease are amortized over the term of the lease or over the useful life of the applicable asset class previously described, if future ownership is anticipated. SBITAs are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. Land and construction in progress are not depreciated.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**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. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period as other financing sources or uses, respectively. The face amount of debt issued is reported as other financing sources.

N. Compensated Absences

Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.

O. Severance Benefits

The District provides post-employment severance benefits to certain eligible employees in accordance with provisions in collectively bargained contracts or School Board policy. The benefits are described as follows:

Members of certain district employee groups may become eligible to receive lump sum sick leave severance pay benefits. Eligibility for these benefits is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of an eligible employee's unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary. All employment contracts have maximum amounts payable, which range from 100 days' pay to 150 days' pay. The District has negotiated with most bargaining units to phase out the sick leave severance and replace it with a 403(b) Matching Program.

Severance pay based on convertible sick leave is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the governmental fund financial statements as the liability matures, due to employee retirement.

P. State-Wide Pension Plans

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Q. Other Post-Employment Benefits (OPEB) Plan

For purposes of measuring the net OPEB liability (asset), deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan 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, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Risk Management and Self-Insurance

1. **Property, Casualty, and Liability Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in the current year.
2. **Self-Insurance** – The District established an internal service fund to account for and finance its uninsured risk of loss for workers' compensation benefits, and established two other internal service funds to account for and finance the respective employee dental and health insurance plans. Under the health and dental plans, the internal service funds are used to account for insurance coverage provided to participating employees and their dependents for various dental and healthcare costs as described in the plans.

The District makes premium payments that include both employer and employee contributions to the internal service funds on behalf of program participants based on rates determined by the District's estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

District health and dental claim liabilities include an amount for claims that have been incurred but not reported and claims that have been incurred but not paid. This liability is based on calculations of the lag time in reporting actual claims and average claims costs for the time period of the delayed reporting.

Workers' compensation claim liabilities are based on open claims and estimates. They are also based on an actuarial analysis to determine potential or unknown claims. Determining actual claim liabilities depends on complex factors, such as changes in Minnesota Statutes, legal determinations, injury assessments, and awards; therefore, the process used in computing a claim liability does not necessarily result in an exact amount.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiscal Year Ended June 30,	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2022	\$ 450,000	\$ 5,274,851	\$ 5,274,851	\$ 450,000
2023	\$ 450,000	\$ 5,405,754	\$ 5,405,754	\$ 450,000

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

Fiscal Year Ended June 30,	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2022	\$ 6,600,000	\$ 68,646,410	\$ 68,646,410	\$ 6,600,000
2023	\$ 6,600,000	\$ 70,381,074	\$ 70,381,074	\$ 6,600,000

Changes in workers' compensation claim liabilities for the last two years were as follows:

Fiscal Year Ended June 30,	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2022	\$ 2,250,000	\$ 1,129,854	\$ 1,129,854	\$ 2,250,000
2023	\$ 2,250,000	\$ 2,241,877	\$ 2,241,877	\$ 2,250,000

S. Deferred Outflows/Inflows of Resources

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

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

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

Property taxes levied for subsequent years, which represents property taxes received or reported as a receivable before the period for which the taxes are levied, are 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

T. Net Position

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Unrestricted Net Position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

U. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board resolution, the District’s superintendent and the chief financial officer are authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the District’s policy to first use restricted resources, then use unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, it is the District’s policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**V. Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements during the reporting period. Actual results could differ from those estimates.

W. Restricted Assets

Restricted assets are cash and cash equivalents and the related interest receivable whose use is limited by legal requirements. Restricted assets are reported only in the government-wide financial statements. In the fund financial statements these assets have been reported as “cash and investments held by trustee.”

X. Prior Period Comparative Financial Information/Reclassification

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

Y. Change in Accounting Principle

During the year ended June 30, 2023, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). This statement provides guidance on the accounting and financial reporting for SBITAs for government end users. A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. Certain amounts necessary to fully restate fiscal year 2022 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new GASB statement in the current year resulted in the District reporting new capital assets for technology subscriptions, increasing beginning net position by \$679,304 in the government-wide financial statements in the current year. See Note 3 for additional details on this change in the current year.

NOTE 2 – DEPOSITS AND INVESTMENTS**A. Components of Cash and Investments**

Cash and investments at year-end consist of the following:

Deposits	\$ 3,106,317
Investments	<u>290,732,618</u>
Total	<u><u>\$ 293,838,935</u></u>

Cash and investments are presented in the financial statements as follows:

Statement of Net Position	
Cash and temporary investments	\$ 254,200,989
Restricted assets – temporarily restricted	
Cash and investments for workers’ compensation and health benefits	1,584,000
Statement of Fiduciary Net Position	
Post-Employment Benefits Trust Fund	
Deposits held by trustee	806,895
Investments held by trustee, at fair value	37,246,602
Student Activity Custodial Fund	
Cash and temporary investments	<u>449</u>
Total	<u><u>\$ 293,838,935</u></u>

B. Deposits

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

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

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The District’s deposit policies do not further limit depository choices.

At year-end, the bank balance of the District’s deposits was \$2,850,866. At June 30, 2023, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**C. Investments**

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk – Maturity Duration in Years				Total
	Rating	Agency		Less Than 1	1 to 5	6 to 10	Over 10	
U.S. treasuries	N/A	N/A	Level 1	\$ 122,949	\$ 1,177,564	\$ 2,172,071	\$ 1,542,028	\$ 5,014,612
U.S. agency securities	N/R	N/A	Level 1	\$ –	\$ –	\$ –	\$ 5,085,090	5,085,090
U.S. agency securities	AA	S&P	Level 1	\$ –	\$ 255,343	\$ 140,672	\$ –	396,015
Corporate obligations	AAA	S&P	Level 1	\$ –	\$ 288,495	\$ –	\$ –	288,495
Corporate obligations	AA	S&P	Level 1	\$ –	\$ 315,421	\$ 440,411	\$ 263,325	1,019,157
Corporate obligations	A	S&P	Level 1	\$ 54,194	\$ 1,199,503	\$ 532,516	\$ 184,448	1,970,661
Corporate obligations	A	Moody's	Level 1	\$ –	\$ –	\$ 498,409	\$ –	498,409
Corporate obligations	BBB	S&P	Level 1	\$ –	\$ 844,994	\$ 1,069,261	\$ 381,768	2,296,023
Corporate obligations	Baa	Moody's	Level 1	\$ –	\$ 190,113	\$ –	\$ –	190,113
State and local bonds	AAA	S&P	Level 2	\$ 4,025,464	\$ –	\$ –	\$ –	4,025,464
State and local bonds	AA	S&P	Level 2	\$ 2,502,200	\$ –	\$ –	\$ –	2,502,200
State and local bonds	Aa	Moody's	Level 2	\$ 2,178,030	\$ –	\$ –	\$ –	2,178,030
Equities	N/R	N/A	Level 1	N/A	N/A	N/A	N/A	7,900,406
Mortgage backed securities	AAA	S&P	Level 1	\$ –	\$ –	\$ –	\$ 249,208	249,208
Investment pools/mutual funds								
OPEB mutual funds	N/R	N/A	Level 1	N/A	N/A	N/A	N/A	9,374,424
Real asset mutual funds	N/R	N/A	Level 2	N/A	N/A	N/A	N/A	2,761,338
Real estate investment trusts	N/R	N/A	Level 2	N/A	N/A	N/A	N/A	202,651
Morgan Stanley Institutional Liquidity Fund	AAA	S&P	Level 2	N/A	N/A	N/A	N/A	8,149,150
MSDLAF MAX Class	AAA	S&P	Amortized Cost	N/A	N/A	N/A	N/A	212,967,822
MSDLAF Liquid Class	AAA	S&P	Amortized Cost	N/A	N/A	N/A	N/A	13,663,350
MSDLAF Term Series	AAA	Fitch	Amortized Cost	\$ 10,000,000	\$ –	\$ –	\$ –	10,000,000
Total investments								<u>\$ 290,732,618</u>

N/A – Not Applicable

N/R – Not Rated

The Minnesota School District Liquid Asset Fund (MSDLAF) is regulated by Minnesota Statutes and is an external investment pool, which is not registered with the Securities and Exchange Commission. The District's investment in this pool is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the MSDLAF – Liquid Class. Investments in the MSDLAF MAX Class must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the state of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24-hour hold on all requests for redemptions. MSDLAF Term investments have a maturity of 60 days to 1 year and early withdrawal may result in substantial early redemption penalties.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form and, therefore, are not subject to custodial credit risk disclosures. Although the District’s investment policies do not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

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

For assets held in the Post-Employment Benefits Trust Fund, the investment options available to the District are expanded to include the investment types specified in Minnesota Statutes § 356A.06, Subd. 7. The District’s investment policies do not further restrict investing in specific financial instruments.

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

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

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the current year ended is as follows:

	Balance – Beginning of Year	Change in Accounting Principle*	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized						
Land	\$ 16,064,079	\$ –	\$ –	\$ –	\$ –	\$ 16,064,079
Construction in progress	63,332,181	–	34,111,232	–	(22,378,132)	75,065,281
Total capital assets, not depreciated/amortized	79,396,260	–	34,111,232	–	(22,378,132)	91,129,360
Capital assets, depreciated/amortized						
Land improvements	45,396,972	–	115,919	–	7,423,657	52,936,548
Buildings	675,147,037	–	–	–	14,743,525	689,890,562
Buildings – under lease	5,464,646	–	–	–	–	5,464,646
Furniture and equipment	50,975,257	–	1,847,258	(91,107)	210,950	52,942,358
Furniture and equipment – under lease	3,042,605	–	620,055	–	–	3,662,660
Software subscriptions	–	679,304	2,048,544	–	–	2,727,848
Total capital assets, depreciated/amortized	780,026,517	679,304	4,631,776	(91,107)	22,378,132	807,624,622
Less accumulated depreciation/amortization for						
Land improvements	(22,376,276)	–	(1,547,949)	–	–	(23,924,225)
Buildings	(247,679,209)	–	(16,694,921)	–	–	(264,374,130)
Buildings – under lease	(1,126,192)	–	(1,126,192)	–	–	(2,252,384)
Furniture and equipment	(38,131,261)	–	(1,929,735)	76,807	–	(39,984,189)
Furniture and equipment – under lease	(608,521)	–	(732,532)	–	–	(1,341,053)
Software subscriptions	–	–	(389,203)	–	–	(389,203)
Total accumulated depreciation/amortization	(309,921,459)	–	(22,420,532)	76,807	–	(332,265,184)
Net capital assets, depreciated/amortized	470,105,058	679,304	(17,788,756)	(14,300)	22,378,132	475,359,438
Total capital assets, net	\$ 549,501,318	\$ 679,304	\$ 16,322,476	\$ (14,300)	\$ –	\$ 566,488,798

*The change in accounting principle was for new subscription-based information technology arrangement standard requirements in the current year.

Depreciation/amortization expense for the year was charged to the following governmental functions:

Administration	\$ 1,388
District support services	81,730
Elementary and secondary regular instruction	423,317
Vocational education instruction	90,928
Special education instruction	13,470
Instructional support services	6,730
Pupil support	3,311
Food service	320,910
Community service	1,232
Depreciation/amortization not included in other functions	21,477,516
Total depreciation/amortization expense	\$ 22,420,532

NOTE 4 – LONG-TERM LIABILITIES**A. General Obligation Bonds Payable**

The District currently has the following general obligation bonds payable outstanding:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Face/Par Value</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
2016A Taxable OPEB Refunding Bonds	10/27/2016	2.00–2.55%	\$ 20,170,000	02/01/2030	\$ 12,820,000
2018A School Building Bonds	02/22/2018	3.00–5.00%	\$ 150,000,000	02/01/2043	138,085,000
2020A School Building Bonds	04/29/2020	3.00–5.00%	\$ 93,370,000	02/01/2045	87,305,000
Total general obligation bonds payable					<u>\$ 238,210,000</u>

These bonds were issued to finance acquisition, construction, and/or improvements of capital facilities, to finance the retirement (refunding) of prior bond issues, or to finance OPEB obligations. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds. The annual future debt service levies authorized equal 105 percent of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

B. Certificates of Participation Payable

The District currently has the following certificates of participation outstanding:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Face/Par Value</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
2014A Certificates of Participation	04/17/2014	3.00–5.00%	\$ 24,895,000	02/01/2035	\$ 17,625,000
2015A Certificates of Participation	04/09/2015	2.00–4.00%	\$ 8,985,000	02/01/2041	7,125,000
Total certificates of participation payable					<u>\$ 24,750,000</u>

These certificates of participation were issued to finance the construction of additions to several elementary sites and one middle school site. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on the certificates. These certificates of participation are being paid by the General Fund.

C. Financed Purchases Payable

During fiscal year 2021, the District financed the purchase of computer equipment. The assets acquired through this agreement were not capitalized, as individual values were below the District's capitalization threshold. The amount financed totaled \$566,843 with an interest rate of 3.0 percent, which will be paid by the General Fund. The agreement requires payments through August 2023.

The agreement is secured by the equipment. If the District fails to make the rental payments specified in this agreement or otherwise defaults, the lender may 1) declare all rental payments due or to become due, to be immediately due and payable, 2) take possession without terminating the agreement, holding the District responsible for the difference in the net income derived from such possession and the rent due under this agreement, 3) take legal action to force performance under the terms of the agreement.

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)**D. Lease Liability**

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

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Copiers	9.00%	03/01/2021	06/30/2028	\$ 2,094,848
Anoka-Hennepin Technical High School	4.00%	07/01/2017	06/30/2027	2,025,476
Coon Rapids Family Center	4.00%	07/01/2015	07/31/2026	190,525
Regional High School	4.00%	03/20/1997	07/31/2024	<u>1,158,242</u>
Total lease liability				<u>\$ 5,469,091</u>

E. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including pensions, compensated absences, severance benefits, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund. The District has also established an Employee Benefits Trust Fund to finance OPEB obligations.

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

Pension Plans	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA	\$ 80,380,415	\$ 27,117,778	\$ 2,732,834	\$ 10,071,231
TRA	<u>354,226,495</u>	<u>106,488,402</u>	<u>75,866,330</u>	<u>(61,372,418)</u>
Total	<u>\$ 434,606,910</u>	<u>\$ 133,606,180</u>	<u>\$ 78,599,164</u>	<u>\$ (51,301,187)</u>

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)**F. Minimum Debt Payments**

Minimum annual principal and interest payments to maturity for general obligation bonds payable, certificates of participation payable, financed purchases payable, and leases payable are as follows:

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation Payable		Financed Purchases Payable		Leases Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 7,140,000	\$ 8,298,103	\$ 1,405,000	\$ 1,122,238	\$ 193,735	\$ 5,812	\$ 1,819,899	\$ 280,751
2025	7,445,000	7,991,503	1,470,000	1,057,888	–	–	1,461,580	175,714
2026	7,765,000	7,671,003	1,530,000	990,488	–	–	1,215,426	96,888
2027	8,100,000	7,334,373	1,605,000	920,188	–	–	865,043	37,383
2028	8,455,000	6,979,560	1,675,000	845,538	–	–	107,143	5,593
2029–2033	47,460,000	29,716,728	9,645,000	2,973,444	–	–	–	–
2034–2038	56,250,000	20,921,906	5,885,000	815,488	–	–	–	–
2039–2043	66,060,000	11,113,413	1,535,000	124,600	–	–	–	–
2044–2045	29,535,000	1,335,600	–	–	–	–	–	–
	<u>\$ 238,210,000</u>	<u>\$ 101,362,189</u>	<u>\$ 24,750,000</u>	<u>\$ 8,849,872</u>	<u>\$ 193,735</u>	<u>\$ 5,812</u>	<u>\$ 5,469,091</u>	<u>\$ 596,329</u>

G. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
General obligation bonds payable	\$ 245,055,000	\$ –	\$ 6,845,000	\$ 238,210,000	\$ 7,140,000
Certificates of participation payable	26,090,000	–	1,340,000	24,750,000	1,405,000
Unamortized premium/discount	13,730,562	–	694,486	13,036,076	–
Financed purchases payable	382,211	–	188,476	193,735	193,735
Leases payable	6,744,290	620,055	1,895,254	5,469,091	1,819,899
Net pension liability	232,656,293	230,462,256	28,511,639	434,606,910	–
Compensated absences payable	5,821,754	4,875,502	4,448,459	6,248,797	4,500,000
Severance payable	24,561,000	2,370,305	2,678,305	24,253,000	2,700,000
	<u>\$ 555,041,110</u>	<u>\$ 238,328,118</u>	<u>\$ 46,601,619</u>	<u>\$ 746,767,609</u>	<u>\$ 17,758,634</u>

NOTE 5 – NET POSITION/FUND BALANCES**A. Net Investment in Capital Assets**

The government-wide statement of net position at year-end includes the District's net investment in capital assets calculated as follows:

Net investment in capital assets	
Capital assets	
Not depreciated/amortized	\$ 91,129,360
Depreciated/amortized, net of accumulated depreciation/amortization	475,359,438
Less capital-related long-term debt outstanding	(268,564,537)
Less capital-related accounts and retainage payable	(2,689,876)
Add debt adjustment for unspent debt proceeds	<u>15,675,306</u>
Total net investment in capital assets	<u><u>\$ 310,909,691</u></u>

B. Governmental Fund Balance Classification

The classifications on the following page are a breakdown of equity components of governmental funds, which are defined earlier in the report. When applicable, certain state funding restrictions, which have an accumulated deficit balance at June 30 are included in unassigned fund balance in the District's financial statements in accordance with accounting principles generally accepted in the United States of America. A description of these deficit balance restrictions is included herein since the District has specific authority to future resources for such deficits. Fund balance is only assigned if there is available unassigned fund balance to cover such deficits that are part of disclosure purposes only.

Minimum Unassigned Fund Balance Policy – The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes the District will strive to maintain a minimum unassigned General Fund balance (excluding restricted deficits) of 10.0 percent of the annual operating budget. Annually, amounts in excess of 10.0 percent will be moved to an assigned fund balance to be allocated towards School Board approved strategic investments. At June 30, 2023, the unassigned fund balance of the General Fund was 11.2 percent of the fiscal 2024 General Fund operating budget.

NOTE 5 – NET POSITION/FUND BALANCES (CONTINUED)

Classifications – At year-end, a summary of the District’s governmental fund balance classifications are as follows:

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	\$ 1,485,586	\$ –	\$ –	\$ 506,314	\$ 1,991,900
Prepaid items	1,491,339	–	–	20,038	1,511,377
Total nonspendable	2,976,925	–	–	526,352	3,503,277
Restricted					
Student activities	136,506	–	–	–	136,506
Scholarships	712,240	–	–	–	712,240
Staff development	3,335,033	–	–	–	3,335,033
Operating capital	19,836,206	–	–	–	19,836,206
Learning and development	3,403,978	–	–	–	3,403,978
Area learning center	730,542	–	–	–	730,542
Gifted and talented	480,988	–	–	–	480,988
Basic skills programs	3,759,116	–	–	–	3,759,116
Safe schools levy	1,726,266	–	–	–	1,726,266
Medical Assistance	1,671,281	–	–	–	1,671,281
Capital projects	–	12,985,430	–	–	12,985,430
Debt service	–	–	3,563,313	–	3,563,313
Food service	–	–	–	9,508,243	9,508,243
Community education programs	–	–	–	6,105,464	6,105,464
Early childhood family education	–	–	–	1,553,862	1,553,862
School readiness	–	–	–	1,041,843	1,041,843
Adult basic education	–	–	–	476,182	476,182
Community service	–	–	–	383,805	383,805
Total restricted	35,792,156	12,985,430	3,563,313	19,069,399	71,410,298
Assigned					
Alternative compensation	760,447	–	–	–	760,447
Building carryover	7,862,190	–	–	–	7,862,190
Separation/retirement benefits	12,376,573	–	–	–	12,376,573
Strategic investments	22,207,887	–	–	–	22,207,887
Math action plan	5,404	–	–	–	5,404
Specific capital projects	18,249,143	–	–	–	18,249,143
International baccalaureate	349,963	–	–	–	349,963
Project Lead the Way	1,361,239	–	–	–	1,361,239
Magnet program	718,489	–	–	–	718,489
Total assigned	63,891,335	–	–	–	63,891,335
Unassigned					
Capital projects levy restricted account deficit	(5,086,300)	–	–	–	(5,086,300)
Long-term facilities maintenance restricted account deficit	(3,834,227)	–	–	–	(3,834,227)
Unassigned	55,201,196	–	–	–	55,201,196
Total unassigned	46,280,669	–	–	–	46,280,669
Total	\$ 148,941,085	\$ 12,985,430	\$ 3,563,313	\$ 19,595,751	\$ 185,085,579

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

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

2. Teachers Retirement Association (TRA)

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

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul Public Schools or Minnesota State Colleges and Universities (MnSCU)). Educators first hired by MnSCU may elect either TRA coverage or coverage through the Defined Contribution Plan administered by Minnesota State.

B. Benefits Provided

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

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

1. GERF Benefits

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

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**Tier II Benefits**

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

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2023, were \$6,057,915. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

	Year Ended June 30,					
	2021		2022		2023	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic Plan	11.00 %	12.13 %	11.00 %	12.34 %	11.00 %	12.55 %
Coordinated Plan	7.50 %	8.13 %	7.50 %	8.34 %	7.50 %	8.55 %

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2023, were \$24,508,795. The District's contributions were equal to the required contributions for each year as set by state statutes.

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

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

	<i>in thousands</i>
Employer contributions reported in the TRA’s Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	\$ 482,679
Add employer contributions not related to future contribution efforts	(2,178)
Deduct the TRA’s contributions not included in allocation	<u>(572)</u>
Total employer contributions	479,929
Total nonemployer contributions	<u>35,590</u>
Total contributions reported in the Schedule of Employer and Nonemployer Allocations	<u>\$ 515,519</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. The TRA has rounded percentage amounts to the nearest ten thousandths.

D. Pension Costs**1. GERF Pension Costs**

At June 30, 2023, the District reported a liability of \$80,380,415 for its proportionate share of the General Employees Fund’s net pension liability. The District’s net pension liability reflected a reduction due to the state of Minnesota’s contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The state of Minnesota’s proportionate share of the net pension liability associated with the District totaled \$2,356,617. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 1.0149 percent at the end of the measurement period and 1.0055 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$ 80,380,415
State’s proportionate share of the net pension liability associated with the District	\$ 2,356,617

For the year ended June 30, 2023, the District recognized pension expense of \$9,719,098 for its proportionate share of the GERF’s pension expense. In addition, the District recognized an additional \$352,133 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$16 million to the GERF.

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

At June 30, 2023, the District reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 671,397	\$ 854,579
Changes in actuarial assumptions	18,028,144	340,420
Net collective difference between projected and actual investment earnings	1,802,167	–
Changes in proportion	558,155	1,537,835
District’s contributions to the GERF subsequent to the measurement date	<u>6,057,915</u>	<u>–</u>
Total	<u>\$ 27,117,778</u>	<u>\$ 2,732,834</u>

The \$6,057,915 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2024	\$ 6,676,726
2025	\$ 6,747,467
2026	\$ (2,366,372)
2027	\$ 7,269,208

2. TRA Pension Costs

At June 30, 2023, the District reported a liability of \$354,226,495 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District’s proportionate share was 4.4237 percent at the end of the measurement period and 4.3351 percent for the beginning of the period.

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

District’s proportionate share of the net pension liability	\$ 354,226,495
State’s proportionate share of the net pension liability associated with the District	\$ 26,269,271

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

For the year ended June 30, 2023, the District recognized a negative pension expense of \$64,984,523. It also recognized \$3,612,105 as an increase to pension expense for the support provided by direct aid.

At June 30, 2023, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,116,505	\$ 3,044,528
Changes in actuarial assumptions	55,610,172	72,048,511
Net collective difference between projected and actual investment earnings on pension plan investments	12,335,811	–
Changes in proportion	8,917,119	773,291
District’s contributions to the TRA subsequent to the measurement date	<u>24,508,795</u>	<u>–</u>
Total	<u>\$ 106,488,402</u>	<u>\$ 75,866,330</u>

A total of \$24,508,795 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2024	\$ (57,102,812)
2025	\$ 11,247,018
2026	\$ 4,599,396
2027	\$ 46,473,689
2028	\$ 895,986

E. Long-Term Expected Return on Investment

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

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

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

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

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25%	2.50%
Wage growth rate		2.85% before July 1, 2028, and 3.25% thereafter
Projected salary increase	3.00%	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Investment rate of return	6.50%	7.00%

1. GERF

The long-term rate of return on pension plan investments used in the determination of the total liability is 6.50 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.50 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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

Actuarial assumptions for the GERF Plan are reviewed every four years. The most recent four-year experience study for the GERF Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**2. TRA**

Salary increases were based on a service-related table.

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

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

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

The following changes in actuarial assumptions occurred in 2022:

1. GERF**CHANGES IN ACTUARIAL ASSUMPTIONS**

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

2. TRA**CHANGES IN ACTUARIAL ASSUMPTIONS**

- None.

G. Discount Rate**1. GERF**

The discount rate used to measure the total pension liability in 2022 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**2. TRA**

The discount rate used to measure the total pension liability was 7.00 percent. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2022 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.

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 above and on the preceding page, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	5.50%	6.50%	7.50%
District's proportionate share of the GERF net pension liability	\$ 126,965,076	\$ 80,380,415	\$ 42,173,804
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	\$ 558,418,780	\$ 354,226,495	\$ 186,852,487

I. Pension Plan Fiduciary Net Position

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

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

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**A. Plan Description**

The District provides post-employment benefits to certain eligible employees through the OPEB Plan, a single-employer defined benefit plan administered by the District. Management of the plan is vested with the School Board of the District. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements.

The District administers a defined benefit Post-Employment Benefits Trust Fund. The assets of the plan are reported in the District's financial report in the Post-Employment Benefits Trust Fund, established by the District to finance these obligations. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan. The plan does not issue a publicly available financial report.

B. Benefits Provided

All retirees of the District upon retirement have the option under state law to continue their health insurance coverage through the District. Retirees must pay the full district premium rate to continue coverage for medical and dental insurance.

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has established the Post-Employment Benefits Trust Fund to finance these obligations. The District did not contribute to the OPEB Plan for the year ended June 30, 2023. Required benefit payments of \$2,046,722 were paid by the Post-Employment Benefits Trust Fund for the current year.

D. Membership

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

Retirees and beneficiaries receiving benefits	218
Active plan members	<u>4,222</u>
Total members	<u><u>4,440</u></u>

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**E. Net OPEB Liability (Asset) of the District**

The District's net OPEB liability (asset) was based on the actuarial valuation performed as of September 1, 2021, and was rolled forward to June 30, 2023, as allowed using generally accepted actuarial principles. The components of the net OPEB liability (asset) of the District at year-end were as follows:

Total OPEB liability	\$ 32,111,788
Plan fiduciary net position	<u>(36,006,775)</u>
District's net OPEB liability (asset)	<u>\$ (3,894,987)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>112.1%</u>

F. Actuarial Method and Assumptions

The total OPEB liability was determined using an actuarial valuation date of September 1, 2021, and a measurement date of June 30, 2023, using the entry-age method and the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.50%
Investment rate of return	5.50%
Inflation	2.50%
Initial healthcare trend rate	7.20%
Ultimate healthcare trend rate	3.80%
Year ultimate trend rate reached	2071

Retirement rates, withdrawal rates, and mortality assumptions were updated based on the assumptions used for the Minnesota PERA and TRA in the most recently published experience studies.

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

The District's policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statutes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

A single discount rate of 5.50 percent was used to measure the total OPEB liability. The long-term expected rate of return on OPEB 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 OPEB 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.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equity	36.00 %	7.30 %
International equity	12.00	6.80 %
Fixed income	46.00	3.60 %
Real estate	<u>6.00</u>	7.00 %
Total	<u><u>100.00 %</u></u>	5.50 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 5.70 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

H. Discount Rate

A single discount rate of 5.50 percent was used to measure the total OPEB liability. This single discount rate was based on the expected long-term rate of future investment return on OPEB Plan assets. Since the District has sufficient assets to meet projected benefit payments for all future projection years, the single discount rate was applied to all periods of the projected benefit payments to determine the total OPEB liability. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been taken into account. The District discount rate used in the prior measurement date was 5.50 percent.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**I. Changes in the Net OPEB Liability (Asset)**

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
	<u>(a)</u>	<u>(b)</u>	<u>(a-b)</u>
Beginning balance	\$ 30,072,516	\$ 36,003,516	\$ (5,931,000)
Changes for the year			
Service cost	1,532,270	–	1,532,270
Interest	1,682,758	–	1,682,758
Differences between expected and actual experience	870,966	–	870,966
Investment earnings (charges)	–	2,049,981	(2,049,981)
Benefit payments	(2,046,722)	(2,046,722)	–
Total net changes	<u>2,039,272</u>	<u>3,259</u>	<u>2,036,013</u>
Ending balance	<u>\$ 32,111,788</u>	<u>\$ 36,006,775</u>	<u>\$ (3,894,987)</u>

There were no plan or assumption changes since the prior measurement date.

J. Net OPEB Liability (Asset) Sensitivity to Discount and Healthcare Cost Trend Rate Changes

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
OPEB discount rate	4.50%	5.50%	6.50%
Net OPEB liability (asset)	\$ (1,259,129)	\$ (3,894,987)	\$ (6,374,895)

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

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

	1% Decrease in Healthcare Trend Rate	Current Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
OPEB healthcare trend rate	6.20%, decreasing to 2.80% over several decades	7.20%, decreasing to 3.80% over several decades	8.20%, decreasing to 4.80% over several decades
Net OPEB liability (asset)	\$ (7,399,546)	\$ (3,894,987)	\$ 219,065

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

For the current year ended, the District recognized OPEB expense of \$879,747. As of year-end, 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
Differences between expected and actual economic experience	\$ 5,893,922	\$ 3,078,520
Changes in actuarial assumptions	2,050,438	1,818,553
Net collective difference between projected and actual investment earnings on OPEB Plan investments	<u>2,050,979</u>	<u>–</u>
Total	<u>\$ 9,995,339</u>	<u>\$ 4,897,073</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,	OPEB Expense Amount
2024	\$ (377,661)
2025	\$ 569,034
2026	\$ 1,765,644
2027	\$ 1,344,882
2028	\$ 1,506,941
Thereafter	\$ 289,426

NOTE 8 – FLEXIBLE BENEFIT PLAN

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

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

The Plan is administered by the District for child care and medical expense reimbursements. The flexible benefit plan is included in the financial statements within the District’s operating funds.

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

NOTE 9 – INTERFUND TRANSACTIONS**A. Transfers**

During fiscal 2023, the General Fund transferred \$105,590 to the Community Service Special Revenue Fund to finance regular program costs and support operations. Such interfund transfers are reported in the fund financial statements, but are eliminated in the government-wide financial statements.

B. Interfund Receivables and Payables

As of June 30, 2023, the General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund recorded receivables of \$1,931,431, \$45,181, and \$70,110, respectively, from the Post-Employment Benefits Trust Fund for the reimbursement of claims paid on behalf of the Post-Employment Benefits Trust Fund.

NOTE 10 – COMMITMENTS AND CONTINGENCIES**A. Construction Contracts**

At June 30, 2023, the District had commitments totaling approximately \$16.4 million under various construction contracts for which the work was not yet completed.

B. Federal and State Revenues

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

C. Legal Claims

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

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 11

Public Employees Retirement Association Pension Benefits Plan
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended June 30, 2023

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	1.1636%	\$ 54,660,098	\$ -	\$ 54,660,098	\$ 61,088,719	89.48%	78.70%
06/30/2016	06/30/2015	1.0971%	\$ 56,857,414	\$ -	\$ 56,857,414	\$ 63,413,333	89.66%	78.20%
06/30/2017	06/30/2016	1.0730%	\$ 87,122,275	\$ 1,137,835	\$ 88,260,110	\$ 66,343,252	131.32%	68.90%
06/30/2018	06/30/2017	1.0627%	\$ 67,842,067	\$ 853,041	\$ 68,695,108	\$ 68,451,509	99.11%	75.90%
06/30/2019	06/30/2018	1.0707%	\$ 59,398,047	\$ 1,948,325	\$ 61,346,372	\$ 71,892,909	82.62%	79.50%
06/30/2020	06/30/2019	1.0382%	\$ 57,399,752	\$ 1,784,089	\$ 59,183,841	\$ 73,404,326	78.20%	80.20%
06/30/2021	06/30/2020	1.0568%	\$ 63,359,988	\$ 1,953,818	\$ 65,313,806	\$ 75,369,334	84.07%	79.10%
06/30/2022	06/30/2021	1.0055%	\$ 42,939,355	\$ 1,311,272	\$ 44,250,627	\$ 72,346,480	59.35%	87.00%
06/30/2023	06/30/2022	1.0149%	\$ 80,380,415	\$ 2,356,617	\$ 82,737,032	\$ 75,881,227	105.93%	76.70%

Public Employees Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2023

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 4,756,000	\$ 4,756,000	\$ -	\$ 63,413,333	7.50%
06/30/2016	\$ 4,975,743	\$ 4,975,743	\$ -	\$ 66,343,252	7.50%
06/30/2017	\$ 5,134,160	\$ 5,134,160	\$ -	\$ 68,451,509	7.50%
06/30/2018	\$ 5,392,445	\$ 5,392,445	\$ -	\$ 71,892,909	7.50%
06/30/2019	\$ 5,505,217	\$ 5,505,217	\$ -	\$ 73,404,326	7.50%
06/30/2020	\$ 5,650,749	\$ 5,650,749	\$ -	\$ 75,369,334	7.50%
06/30/2021	\$ 5,427,318	\$ 5,427,318	\$ -	\$ 72,346,480	7.50%
06/30/2022	\$ 5,691,092	\$ 5,691,092	\$ -	\$ 75,881,227	7.50%
06/30/2023	\$ 6,057,915	\$ 6,057,915	\$ -	\$ 80,772,952	7.50%

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 11

Teachers Retirement Association Pension Benefits Plan
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended June 30, 2023

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	4.3954%	\$202,536,867	\$ 14,248,167	\$ 216,785,034	\$200,639,283	100.95%	81.50%
06/30/2016	06/30/2015	4.1269%	\$255,289,580	\$ 31,313,677	\$ 286,603,257	\$209,458,667	121.88%	76.80%
06/30/2017	06/30/2016	4.1150%	\$981,525,684	\$ 98,518,727	\$ 1,080,044,411	\$215,488,107	455.49%	44.88%
06/30/2018	06/30/2017	4.1522%	\$828,854,441	\$ 80,123,053	\$ 908,977,494	\$223,518,898	370.82%	51.57%
06/30/2019	06/30/2018	4.2518%	\$267,052,837	\$ 25,090,596	\$ 292,143,433	\$234,929,413	113.67%	78.07%
06/30/2020	06/30/2019	4.3234%	\$275,574,424	\$ 24,387,464	\$ 299,961,888	\$245,412,387	112.29%	78.21%
06/30/2021	06/30/2020	4.3508%	\$321,442,934	\$ 26,937,792	\$ 348,380,726	\$252,763,936	127.17%	75.48%
06/30/2022	06/30/2021	4.3351%	\$189,716,938	\$ 16,000,438	\$ 205,717,376	\$259,463,237	73.12%	86.63%
06/30/2023	06/30/2022	4.4237%	\$354,226,495	\$ 26,269,271	\$ 380,495,766	\$273,428,693	129.55%	76.17%

Teachers Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2023

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 15,709,400	\$ 15,709,400	\$ -	\$209,458,667	7.50%
06/30/2016	\$ 16,161,608	\$ 16,161,608	\$ -	\$215,488,107	7.50%
06/30/2017	\$ 16,763,614	\$ 16,763,614	\$ -	\$223,518,898	7.50%
06/30/2018	\$ 17,619,706	\$ 17,619,706	\$ -	\$234,929,413	7.50%
06/30/2019	\$ 18,921,295	\$ 18,921,295	\$ -	\$245,412,387	7.71%
06/30/2020	\$ 20,018,904	\$ 20,018,904	\$ -	\$252,763,936	7.92%
06/30/2021	\$ 21,101,109	\$ 21,101,109	\$ -	\$259,463,237	8.13%
06/30/2022	\$ 22,801,699	\$ 22,801,699	\$ -	\$273,428,693	8.34%
06/30/2023	\$ 24,508,795	\$ 24,508,795	\$ -	\$286,661,077	8.55%

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 11

Other Post-Employment Benefits Plan
 Schedule of Changes in the District's Net
 OPEB Liability and Related Ratios
 Year Ended June 30, 2023

	District Fiscal Year-End Date						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB liability							
Service cost	\$ 1,518,000	\$ 1,571,000	\$ 1,233,000	\$ 1,276,000	\$ 948,000	\$ 977,000	\$ 1,532,270
Interest	1,531,000	1,641,000	1,265,000	1,283,000	1,013,000	1,073,000	1,682,758
Assumption changes	-	(9,581,000)	-	(546,000)	-	2,852,000	-
Differences between expected and actual experience	(447,000)	555,000	(1,568,000)	(5,671,000)	58,000	6,983,000	870,966
Benefit payments	(1,075,000)	(669,000)	(673,000)	(631,000)	(1,238,000)	(667,000)	(2,046,722)
Net change in total OPEB liability	1,527,000	(6,483,000)	257,000	(4,289,000)	781,000	11,218,000	2,039,272
Total OPEB liability – beginning of year	27,062,000	28,589,000	22,106,000	22,363,000	18,074,000	18,855,000	30,072,516
Total OPEB liability – end of year	28,589,000	22,106,000	22,363,000	18,074,000	18,855,000	30,073,000	32,111,788
Plan fiduciary net position							
Investment earnings (charges)	2,786,000	1,949,000	1,734,000	1,423,000	5,712,000	(3,662,000)	2,049,981
Benefit payments	(1,075,000)	(669,000)	(673,000)	(631,000)	(1,238,000)	(667,000)	(2,046,722)
Net change in plan fiduciary net position	1,711,000	1,280,000	1,061,000	792,000	4,474,000	(4,329,000)	3,259
Plan fiduciary net position – beginning of year	31,015,000	32,726,000	34,006,000	35,067,000	35,859,000	40,333,000	36,003,516
Plan fiduciary net position – end of year	32,726,000	34,006,000	35,067,000	35,859,000	40,333,000	36,003,516	36,006,775
Net OPEB liability (asset)	<u>\$ (4,137,000)</u>	<u>\$ (11,900,000)</u>	<u>\$ (12,704,000)</u>	<u>\$ (17,785,000)</u>	<u>\$ (21,478,000)</u>	<u>\$ (5,930,516)</u>	<u>\$ (3,894,987)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>114.47%</u>	<u>153.83%</u>	<u>156.81%</u>	<u>198.40%</u>	<u>213.91%</u>	<u>119.72%</u>	<u>112.13%</u>
Covered payroll	<u>\$269,394,000</u>	<u>\$283,482,000</u>	<u>\$294,980,000</u>	<u>\$319,350,000</u>	<u>\$321,790,000</u>	<u>\$331,316,000</u>	<u>\$341,255,000</u>
Net OPEB liability (asset) as a percentage of covered payroll	<u>(1.54%)</u>	<u>(4.20%)</u>	<u>(4.31%)</u>	<u>(5.57%)</u>	<u>(6.67%)</u>	<u>(1.79%)</u>	<u>(1.14%)</u>

Note: The District implemented GASB Statement Nos. 74 and 75 for the year ended June 30, 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 11

Other Post-Employment Benefits Plan
 Schedule of Investment Returns
 Year Ended June 30, 2023

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	8.92%
2018	5.92%
2019	5.15%
2020	4.09%
2021	16.20%
2022	(9.16%)
2023	5.70%

Note: The District implemented GASB Statement Nos. 74 and 75 for the year ended June 30, 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

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INDEPENDENT SCHOOL DISTRICT NO. 11

Notes to Required Supplementary Information
June 30, 2023**PERA – GENERAL EMPLOYEES RETIREMENT FUND****2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 11

Notes to Required Supplementary Information (continued)
June 30, 2023

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**2019 CHANGES IN PLAN PROVISIONS**

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year, with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio, to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 11

Notes to Required Supplementary Information (continued)
June 30, 2023**PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)****2017 CHANGES IN PLAN PROVISIONS**

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 11

Notes to Required Supplementary Information (continued)
June 30, 2023

TEACHERS RETIREMENT ASSOCIATION (TRA)**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 11

Notes to Required Supplementary Information (continued)
June 30, 2023

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)**2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 11

Notes to Required Supplementary Information (continued)
June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS PLAN**2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The medical claim costs were updated, based on expected future claims experience.
- The annual medical trends were updated, based on industry observations and the current Getzen Model.
- Mortality scale assumption was updated to MP-2020.
- The percentage of retirees electing spousal coverage was lowered from 20.00 percent to 15.00 percent, based on recent experience.
- For retirees with family coverage, 0.5 dependent children are assumed to be covered (previously no dependent children were assumed to be covered at retirement).

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The medical claim costs were updated, based on recent claims experience.
- The annual medical trends were updated, based on industry observations and the current Getzen Model.
- The potential costs associated with the excise tax on “Cadillac Plans” effective in 2022, due to the implementation of the Patient Protection and Affordable Care Act (PPACA) were removed, due to the repeal of the tax effective December 20, 2019.
- Retirement rates, withdrawal rates, mortality assumptions, salary scale assumptions, and spouse age difference assumptions were updated, based on the assumptions recommended in the most recently published experience studies for the Minnesota PERA and TRA.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The medical claim costs were updated, based on recent claims experience.
- The annual medical trends were updated, based on industry observations and the current Getzen Model.
- The potential costs associated with the excise tax on “Cadillac Plans” effective in 2020, due to the implementation of the PPACA; the effective date was updated from 2018 to 2020, due to recent legislative changes to delay the implementation of the excise tax.
- Retirement rates, withdrawal rates, and mortality assumptions were updated, based on the assumptions used for the Minnesota TRA and PERA in the July 1, 2016 pension valuations.

SUPPLEMENTARY INFORMATION

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GOVERNMENTAL FUNDS

Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. The governmental fund category for the District includes the General Fund, Capital Projects – Building Construction Fund, Debt Service Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund.

The statements and schedules that follow are to provide further detail and support additional analysis for the District’s major and nonmajor governmental funds.

INDEPENDENT SCHOOL DISTRICT NO. 11

Nonmajor Governmental Funds
Combining Balance Sheet
as of June 30, 2023

	Special Revenue Funds		Total
	Food Service	Community Service	
Assets			
Cash and temporary investments	\$ 10,467,226	\$ 12,630,936	\$ 23,098,162
Receivables			
Current taxes	–	2,705,860	2,705,860
Delinquent taxes	–	50,527	50,527
Accounts and interest	9,686	5,748	15,434
Due from other governmental units	464,414	1,190,126	1,654,540
Due from Post-Employment Benefits Trust	45,181	70,110	115,291
Inventory	506,314	–	506,314
Prepaid items	1,835	18,203	20,038
	<u>\$ 11,494,656</u>	<u>\$ 16,671,510</u>	<u>\$ 28,166,166</u>
Liabilities			
Salaries payable	\$ 103,984	\$ 845,611	\$ 949,595
Accounts and contracts payable	711,882	597,523	1,309,405
Due to other governmental units	–	406,837	406,837
Unearned revenue	662,398	488,090	1,150,488
Total liabilities	1,478,264	2,338,061	3,816,325
Deferred inflows of resources			
Property taxes levied for subsequent year	–	4,716,771	4,716,771
Unavailable revenue – delinquent taxes	–	37,319	37,319
Total deferred inflows of resources	–	4,754,090	4,754,090
Fund balances			
Nonspendable	508,149	18,203	526,352
Restricted	9,508,243	9,561,156	19,069,399
Total fund balances	<u>10,016,392</u>	<u>9,579,359</u>	<u>19,595,751</u>
	<u>\$ 11,494,656</u>	<u>\$ 16,671,510</u>	<u>\$ 28,166,166</u>
Total liabilities, deferred inflows of resources, and fund balances			

INDEPENDENT SCHOOL DISTRICT NO. 11

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2023

	Special Revenue Funds		Total
	Food Service	Community Service	
Revenue			
Local sources			
Property taxes	\$ –	\$ 4,194,148	\$ 4,194,148
Investment earnings	353,199	440,206	793,405
Other	8,233,047	13,461,882	21,694,929
State sources	1,074,856	7,909,349	8,984,205
Federal sources	14,797,947	1,842,137	16,640,084
Total revenue	<u>24,459,049</u>	<u>27,847,722</u>	<u>52,306,771</u>
Expenditures			
Current			
Food service	23,210,679	–	23,210,679
Community service	–	26,320,977	26,320,977
Capital outlay	1,190,930	217,611	1,408,541
Debt service			
Principal	13,153	29,699	42,852
Interest	801	6,909	7,710
Total expenditures	<u>24,415,563</u>	<u>26,575,196</u>	<u>50,990,759</u>
Excess of revenue over expenditures	43,486	1,272,526	1,316,012
Other financing sources			
Transfers in	–	105,590	105,590
Net change in fund balances	43,486	1,378,116	1,421,602
Fund balances			
Beginning of year	<u>9,972,906</u>	<u>8,201,243</u>	<u>18,174,149</u>
End of year	<u>\$ 10,016,392</u>	<u>\$ 9,579,359</u>	<u>\$ 19,595,751</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

General Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	2023	2022
Assets		
Cash and temporary investments	\$ 176,314,721	\$ 181,284,473
Receivables		
Current taxes	66,482,801	67,057,439
Delinquent taxes	1,269,889	989,241
Accounts and interest	1,254,419	1,041,934
Due from other governmental units	69,188,298	73,490,131
Due from Post-Employment Benefits Trust	1,931,431	629,647
Inventory	1,485,586	1,838,663
Prepaid items	1,491,339	1,139,631
Total assets	\$ 319,418,484	\$ 327,471,159
Liabilities		
Salaries payable	\$ 35,582,158	\$ 34,841,846
Accounts and contracts payable	22,113,056	21,518,492
Due to other governmental units	1,408,217	1,262,688
Unearned revenue	643,871	842,490
Total liabilities	59,747,302	58,465,516
Deferred inflows of resources		
Property taxes levied for subsequent year	109,798,888	100,338,651
Unavailable revenue – delinquent taxes	931,209	855,083
Total deferred inflows of resources	110,730,097	101,193,734
Fund balances (deficit)		
Nonspendable for inventory	1,485,586	1,838,663
Nonspendable for prepaid items	1,491,339	1,139,631
Restricted for student activities	136,506	127,323
Restricted for scholarships	712,240	710,083
Restricted for staff development	3,335,033	3,886,564
Restricted for capital projects levy	–	157,495
Restricted for operating capital	19,836,206	21,194,099
Restricted for learning and development	3,403,978	3,321,433
Restricted for area learning center	730,542	395,498
Restricted for gifted and talented	480,988	353,872
Restricted for basic skills programs	3,759,116	4,658,547
Restricted for safe schools levy	1,726,266	1,235,378
Restricted for long-term facilities maintenance	–	1,853,930
Restricted for Medical Assistance	1,671,281	2,716,009
Assigned for alternative compensation	760,447	1,533,770
Assigned for operating referendum shift	–	3,713,577
Assigned for building carryover	7,862,190	7,876,678
Assigned for separation/retirement benefits	12,376,573	12,075,770
Assigned for strategic investments	22,207,887	12,628,263
Assigned for math action plan	5,404	1,002,978
Assigned for specific capital projects	18,249,143	18,601,336
Assigned for international baccalaureate	349,963	327,770
Assigned for Project Lead the Way	1,361,239	1,399,501
Assigned for magnet program	718,489	811,197
Assigned for operating referendum	–	2,844,298
Assigned for subsequent year's budget	–	1,793,486
Unassigned – capital projects levy restricted account deficit	(5,086,300)	–
Unassigned – long-term facilities maintenance restricted account deficit	(3,834,227)	–
Unassigned	55,201,196	59,614,760
Total fund balances	148,941,085	167,811,909
Total liabilities, deferred inflows of resources, and fund balances	\$ 319,418,484	\$ 327,471,159

INDEPENDENT SCHOOL DISTRICT NO. 11

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2023
 (With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Over (Under) Budget	2022
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 108,495,278	\$ 107,224,739	\$ (1,270,539)	\$ 103,850,835
Investment earnings	3,500,000	6,490,385	2,990,385	382,177
Other	12,044,857	11,074,096	(970,761)	11,100,525
State sources	422,808,070	422,209,384	(598,686)	409,044,858
Federal sources	25,758,922	34,864,933	9,106,011	39,317,855
Total revenue	572,607,127	581,863,537	9,256,410	563,696,250
Expenditures				
Current				
Administration	14,026,903	13,810,405	(216,498)	13,591,794
District support services	15,184,235	14,338,494	(845,741)	13,171,185
Elementary and secondary regular instruction	259,805,541	258,160,841	(1,644,700)	240,881,106
Vocational education instruction	14,920,100	15,212,475	292,375	14,842,015
Special education instruction	116,770,950	125,780,361	9,009,411	112,187,715
Instructional support services	47,867,679	50,457,272	2,589,593	50,684,022
Pupil support services	55,339,968	54,046,082	(1,293,886)	52,979,803
Sites and buildings	55,118,539	63,153,758	8,035,219	64,392,746
Fiscal and other fixed cost programs	1,400,000	1,404,552	4,552	1,043,771
Debt service				
Principal	3,198,104	3,380,878	182,774	3,187,357
Interest	1,395,783	1,531,636	135,853	1,678,344
Total expenditures	585,027,802	601,276,754	16,248,952	568,639,858
Excess (deficiency) of revenue over expenditures	(12,420,675)	(19,413,217)	(6,992,542)	(4,943,608)
Other financing sources (uses)				
Debt issued	–	620,055	620,055	709,084
Insurance recovery	2,000	27,928	25,928	–
Transfers (out)	–	(105,590)	(105,590)	(97,376)
Total other financing sources (uses)	2,000	542,393	540,393	611,708
Net change in fund balances	\$ (12,418,675)	(18,870,824)	\$ (6,452,149)	(4,331,900)
Fund balances				
Beginning of year		167,811,909		172,143,809
End of year		\$ 148,941,085		\$ 167,811,909

INDEPENDENT SCHOOL DISTRICT NO. 11

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and temporary investments	\$ 10,467,226	\$ 10,307,811
Receivables		
Accounts and interest	9,686	8,523
Due from other governmental units	464,414	96,851
Due from Post-Employment Benefits Trust	45,181	15,213
Inventory	506,314	705,169
Prepaid items	<u>1,835</u>	<u>7,063</u>
Total assets	<u><u>\$ 11,494,656</u></u>	<u><u>\$ 11,140,630</u></u>
Liabilities		
Salaries payable	\$ 103,984	\$ 72,191
Accounts and contracts payable	711,882	498,519
Unearned revenue	<u>662,398</u>	<u>597,014</u>
Total liabilities	<u>1,478,264</u>	<u>1,167,724</u>
Fund balances		
Nonspendable for inventory	506,314	705,169
Nonspendable for prepaid items	1,835	7,063
Restricted for food service	<u>9,508,243</u>	<u>9,260,674</u>
Total fund balances	<u>10,016,392</u>	<u>9,972,906</u>
Total liabilities and fund balances	<u><u>\$ 11,494,656</u></u>	<u><u>\$ 11,140,630</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Food Service Special Revenue Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2023
 (With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		2022	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 4,200	\$ 353,199	\$ 348,999	\$ 11,912
Other – primarily meal sales	9,117,000	8,233,047	(883,953)	1,625,005
State sources	1,350,000	1,074,856	(275,144)	677,452
Federal sources	10,608,881	14,797,947	4,189,066	25,764,983
Total revenue	<u>21,080,081</u>	<u>24,459,049</u>	<u>3,378,968</u>	<u>28,079,352</u>
Expenditures				
Current				
Salaries	6,605,652	6,852,805	247,153	6,640,261
Employee benefits	2,703,390	2,459,454	(243,936)	2,324,243
Purchased services	1,861,763	2,064,079	202,316	2,675,353
Supplies and materials	9,757,758	11,800,093	2,042,335	9,806,988
Other expenditures	30,000	34,248	4,248	30,325
Capital outlay	330,000	1,190,930	860,930	133,772
Debt service				
Principal	–	13,153	13,153	12,911
Interest	–	801	801	1,043
Total expenditures	<u>21,288,563</u>	<u>24,415,563</u>	<u>3,127,000</u>	<u>21,624,896</u>
Net change in fund balances	<u>\$ (208,482)</u>	43,486	<u>\$ 251,968</u>	6,454,456
Fund balances				
Beginning of year		<u>9,972,906</u>		<u>3,518,450</u>
End of year		<u>\$ 10,016,392</u>		<u>\$ 9,972,906</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and temporary investments	\$ 12,630,936	\$ 10,211,997
Receivables		
Current taxes	2,705,860	2,608,900
Delinquent taxes	50,527	40,349
Accounts and interest	5,748	85,688
Due from other governmental units	1,190,126	1,544,305
Due from Post-Employment Benefits Trust	70,110	22,210
Prepaid items	<u>18,203</u>	<u>18,906</u>
Total assets	<u>\$ 16,671,510</u>	<u>\$ 14,532,355</u>
Liabilities		
Salaries payable	\$ 845,611	\$ 717,772
Accounts and contracts payable	597,523	431,744
Due to other governmental units	406,837	450,902
Unearned revenue	<u>488,090</u>	<u>493,599</u>
Total liabilities	2,338,061	2,094,017
Deferred inflows of resources		
Property taxes levied for subsequent year	4,716,771	4,202,548
Unavailable revenue – delinquent taxes	<u>37,319</u>	<u>34,547</u>
Total deferred inflows of resources	4,754,090	4,237,095
Fund balances		
Nonspendable for prepaid items	18,203	18,906
Restricted for community education programs	6,105,464	4,594,191
Restricted for early childhood family education	1,553,862	1,454,924
Restricted for school readiness	1,041,843	1,054,456
Restricted for adult basic education	476,182	604,960
Restricted for community service	<u>383,805</u>	<u>473,806</u>
Total fund balances	<u>9,579,359</u>	<u>8,201,243</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 16,671,510</u>	 <u>\$ 14,532,355</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Community Service Special Revenue Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2023
 (With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Over (Under) Budget	2022
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 4,183,801	\$ 4,194,148	\$ 10,347	\$ 4,303,798
Investment earnings	20,000	440,206	420,206	20,004
Other – primarily tuition and fees	13,207,932	13,461,882	253,950	12,414,222
State sources	7,801,005	7,909,349	108,344	7,498,936
Federal sources	1,740,138	1,842,137	101,999	2,483,991
Total revenue	26,952,876	27,847,722	894,846	26,720,951
Expenditures				
Current				
Salaries	16,731,952	16,919,343	187,391	15,492,460
Employee benefits	4,808,719	4,644,017	(164,702)	4,378,929
Purchased services	3,083,187	3,083,474	287	2,585,832
Supplies and materials	1,924,254	1,669,243	(255,011)	1,241,849
Other expenditures	10,340	4,900	(5,440)	5,756
Capital outlay	145,328	217,611	72,283	88,520
Debt service				
Principal	34,710	29,699	(5,011)	27,325
Interest	–	6,909	6,909	6,374
Total expenditures	26,738,490	26,575,196	(163,294)	23,827,045
Excess of revenue over expenditures	214,386	1,272,526	1,058,140	2,893,906
Other financing sources				
Transfers in	189,154	105,590	(83,564)	97,376
Net change in fund balances	\$ 403,540	1,378,116	\$ 974,576	2,991,282
Fund balances				
Beginning of year		8,201,243		5,209,961
End of year		\$ 9,579,359		\$ 8,201,243

INDEPENDENT SCHOOL DISTRICT NO. 11

Capital Projects – Building Construction Fund
 Comparative Balance Sheet
 as of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and temporary investments	\$ 14,125,236	\$ 27,118,760
Receivables		
Accounts and interest	4,850	21,347
Due from other governmental units	<u>1,545,220</u>	<u>1,416,220</u>
Total assets	<u>\$ 15,675,306</u>	<u>\$ 28,556,327</u>
Liabilities		
Accounts and contracts payable	\$ 2,689,876	\$ 2,274,132
Fund balances		
Restricted for capital projects	<u>12,985,430</u>	<u>26,282,195</u>
Total liabilities and fund balances	<u>\$ 15,675,306</u>	<u>\$ 28,556,327</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Capital Projects – Building Construction Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2023
 (With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Over (Under) Budget	2022
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 1,000	\$ 607,424	\$ 606,424	\$ 29,903
Expenditures				
Capital outlay				
Purchased services	500,000	1,066,951	566,951	1,377,326
Capital expenditures	14,500,000	12,837,238	(1,662,762)	14,600,968
Total expenditures	<u>15,000,000</u>	<u>13,904,189</u>	<u>(1,095,811)</u>	<u>15,978,294</u>
Net change in fund balances	<u>\$ (14,999,000)</u>	(13,296,765)	<u>\$ 1,702,235</u>	(15,948,391)
Fund balances				
Beginning of year		<u>26,282,195</u>		<u>42,230,586</u>
End of year		<u>\$ 12,985,430</u>		<u>\$ 26,282,195</u>

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INDEPENDENT SCHOOL DISTRICT NO. 11

Debt Service Fund
Balance Sheet by Account
as of June 30, 2023
(With Comparative Totals as of June 30, 2022)

	Regular Debt Service Account	OPEB Debt Service Account	Totals	
			2023	2022
Assets				
Cash and temporary investments	\$ 8,802,314	\$ 1,281,985	\$ 10,084,299	\$ 9,193,974
Receivables				
Current taxes	7,711,249	1,127,061	8,838,310	9,510,229
Delinquent taxes	168,147	24,412	192,559	151,987
Due from other governmental units	2,251	39	2,290	2,110
	<u>16,683,961</u>	<u>2,433,497</u>	<u>19,117,458</u>	<u>18,858,300</u>
Total assets	\$ 16,683,961	\$ 2,433,497	\$ 19,117,458	\$ 18,858,300
Liabilities				
Accounts and contracts payable	\$ 3,132	\$ -	\$ 3,132	\$ 500
Deferred inflows of resources				
Property taxes levied for subsequent year	13,442,011	1,964,658	15,406,669	15,319,557
Unavailable revenue – delinquent taxes	126,159	18,185	144,344	135,399
Total deferred inflows of resources	13,568,170	1,982,843	15,551,013	15,454,956
Fund balances				
Restricted for debt service	3,112,659	450,654	3,563,313	3,402,844
	<u>3,112,659</u>	<u>450,654</u>	<u>3,563,313</u>	<u>3,402,844</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,683,961	\$ 2,433,497	\$ 19,117,458	\$ 18,858,300

INDEPENDENT SCHOOL DISTRICT NO. 11

Debt Service Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account
 Budget and Actual
 Year Ended June 30, 2023
 (With Comparative Totals for the Year Ended June 30, 2022)

	2023			Total
	Budget	Regular Debt Service Account	OPEB Debt Service Account	
Revenue				
Local sources				
Property taxes	\$ 15,299,765	\$ 13,346,075	\$ 1,943,719	\$ 15,289,794
Investment earnings	-	248,101	42,211	290,312
State sources	2,500	22,511	387	22,898
Total revenue	<u>15,302,265</u>	<u>13,616,687</u>	<u>1,986,317</u>	<u>15,603,004</u>
Expenditures				
Debt service				
Principal	6,845,000	5,210,000	1,635,000	6,845,000
Interest	8,591,303	8,269,600	321,703	8,591,303
Issue costs and fiscal charges	6,200	5,732	500	6,232
Total expenditures	<u>15,442,503</u>	<u>13,485,332</u>	<u>1,957,203</u>	<u>15,442,535</u>
Net change in fund balances	<u>\$ (140,238)</u>	131,355	29,114	160,469
Fund balances				
Beginning of year		<u>2,981,304</u>	<u>421,540</u>	<u>3,402,844</u>
End of year		<u>\$ 3,112,659</u>	<u>\$ 450,654</u>	<u>\$ 3,563,313</u>

	<u>2022</u>	
	<u>Over (Under)</u>	<u>Actual</u>
	<u>Budget</u>	
\$	(9,971)	\$ 15,157,245
	290,312	17,090
	20,398	21,030
	<u>300,739</u>	<u>15,195,365</u>
	–	6,565,000
	–	8,871,853
	<u>32</u>	<u>6,675</u>
	<u>32</u>	<u>15,443,528</u>
<u>\$</u>	<u>300,707</u>	(248,163)
		<u>3,651,007</u>
		<u>\$ 3,402,844</u>

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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District maintains three internal service funds. These funds are used to account for the District's self-insured health, dental, and workers' compensation benefits insurance activities.

The statements that follow are to provide further detail and support additional analysis for the District's internal service funds.

INDEPENDENT SCHOOL DISTRICT NO. 11

Internal Service Funds
Combining Statement of Net Position
as of June 30, 2023
(With Comparative Totals as of June 30, 2022)

	Dental	Health	Workers'	Totals	
	Benefits Self-Insurance	Benefits Self-Insurance	Compensation Benefits Self-Insurance	2023	2022
Assets					
Current assets					
Cash and temporary investments	\$ 3,333,829	\$ 24,861,231	\$ 2,383,511	\$ 30,578,571	\$ 35,255,063
Cash and investments held by trustee	–	1,390,000	194,000	1,584,000	100,000
Receivables					
Accounts and interest	1,413	752,206	–	753,619	17,249
Total current assets	<u>3,335,242</u>	<u>27,003,437</u>	<u>2,577,511</u>	<u>32,916,190</u>	<u>35,372,312</u>
Liabilities					
Current liabilities					
Accounts and contracts payable	172,275	241,850	278,261	692,386	266,056
Due to other governmental units	–	–	–	–	14,494
Unearned revenue	832,555	10,405,454	–	11,238,009	11,264,310
Claims incurred, but not reported	450,000	6,600,000	2,250,000	9,300,000	9,300,000
Total current liabilities	<u>1,454,830</u>	<u>17,247,304</u>	<u>2,528,261</u>	<u>21,230,395</u>	<u>20,844,860</u>
Net position					
Unrestricted	<u>\$ 1,880,412</u>	<u>\$ 9,756,133</u>	<u>\$ 49,250</u>	<u>\$ 11,685,795</u>	<u>\$ 14,527,452</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Internal Service Funds
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Dental Benefits Self-Insurance	Health Benefits Self-Insurance	Workers' Compensation Benefits Self-Insurance	Totals	
				2023	2022
Operating revenue					
Charges for services	\$ 5,198,401	\$ 67,436,321	\$ 1,511,682	\$ 74,146,404	\$ 73,635,921
Operating expenses					
Dental benefit claims	5,405,754	—	—	5,405,754	5,274,851
Health benefit claims	—	70,381,074	—	70,381,074	68,646,410
Workers' compensation claims	—	—	2,241,877	2,241,877	1,129,854
Total operating expenses	<u>5,405,754</u>	<u>70,381,074</u>	<u>2,241,877</u>	<u>78,028,705</u>	<u>75,051,115</u>
Operating income (loss)	(207,353)	(2,944,753)	(730,195)	(3,882,301)	(1,415,194)
Nonoperating revenue					
Investment earnings	<u>111,128</u>	<u>833,032</u>	<u>96,484</u>	<u>1,040,644</u>	<u>71,570</u>
Change in net position	(96,225)	(2,111,721)	(633,711)	(2,841,657)	(1,343,624)
Net position					
Beginning of year	<u>1,976,637</u>	<u>11,867,854</u>	<u>682,961</u>	<u>14,527,452</u>	<u>15,871,076</u>
End of year	<u>\$ 1,880,412</u>	<u>\$ 9,756,133</u>	<u>\$ 49,250</u>	<u>\$ 11,685,795</u>	<u>\$ 14,527,452</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	<u>Dental Benefits Self-Insurance</u>	<u>Health Benefits Self-Insurance</u>	<u>Workers' Compensation Benefits Self-Insurance</u>
Cash flows from operating activities			
Charges for services	\$ 5,195,987	\$ 66,676,064	\$ 1,511,682
Payments for dental claims	(5,398,239)	-	-
Payments for health claims	-	(70,182,220)	-
Payments for workers' compensation claims	-	-	(2,036,410)
Net cash flows from operating activities	<u>(202,252)</u>	<u>(3,506,156)</u>	<u>(524,728)</u>
Cash flows from investing activities			
Investment income received	<u>111,128</u>	<u>833,032</u>	<u>96,484</u>
Net change in cash and cash equivalents	(91,124)	(2,673,124)	(428,244)
Cash and cash equivalents			
Beginning of year	<u>3,424,953</u>	<u>28,924,355</u>	<u>3,005,755</u>
End of year	<u>\$ 3,333,829</u>	<u>\$ 26,251,231</u>	<u>\$ 2,577,511</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ (207,353)	\$ (2,944,753)	\$ (730,195)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Changes in assets and liabilities			
Accounts and interest receivable	1,217	(737,587)	-
Accounts and contracts payable	7,515	198,854	219,961
Due to other governmental units	-	-	(14,494)
Unearned revenue	<u>(3,631)</u>	<u>(22,670)</u>	<u>-</u>
Net cash flows from operating activities	<u>\$ (202,252)</u>	<u>\$ (3,506,156)</u>	<u>\$ (524,728)</u>
Cash and cash equivalents are reported on the Statement of Net Position as follows:			
Cash and temporary investments	\$ 3,333,829	\$ 24,861,231	\$ 2,383,511
Cash and investments held by trustee	<u>-</u>	<u>1,390,000</u>	<u>194,000</u>
Total cash and cash equivalents	<u>\$ 3,333,829</u>	<u>\$ 26,251,231</u>	<u>\$ 2,577,511</u>

Totals	
<u>2023</u>	<u>2022</u>
\$ 73,383,733	\$ 74,028,460
(5,398,239)	(5,231,521)
(70,182,220)	(68,659,065)
(2,036,410)	(1,089,956)
(4,233,136)	(952,082)
1,040,644	71,570
(3,192,492)	(880,512)
35,355,063	36,235,575
<u>\$ 32,162,571</u>	<u>\$ 35,355,063</u>
\$ (3,882,301)	\$ (1,415,194)
(736,370)	765,491
426,330	82,493
(14,494)	(11,920)
(26,301)	(372,952)
<u>\$ (4,233,136)</u>	<u>\$ (952,082)</u>
\$ 30,578,571	\$ 35,255,063
1,584,000	100,000
<u>\$ 32,162,571</u>	<u>\$ 35,355,063</u>

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SECTION III
STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 11's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents**Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Indicators

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides, and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the District's ACFR for the relevant year.

INDEPENDENT SCHOOL DISTRICT NO. 11

Net Position by Component
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 185,917,028	\$ 204,073,301	\$ 218,382,544	\$ 235,880,355
Restricted	46,906,014	48,287,453	50,477,214	50,158,608
Unrestricted	<u>27,446,986</u>	<u>(251,620,247)</u>	<u>(241,723,937)</u>	<u>(352,929,563)</u>
Total primary government	<u>\$ 260,270,028</u>	<u>\$ 740,507</u>	<u>\$ 27,135,821</u>	<u>\$ (66,890,600)</u>

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015, reported as a change in accounting principle as a result of implementing this standard, which decreased unrestricted net position by approximately \$292.4 million. Prior year amounts have not been restated.

Note 2: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017, reported as a change in accounting principle as a result of implementing this standard, which increased unrestricted net position by approximately \$10.9 million. Prior year amounts have not been restated.

Note 3: The District implemented GASB Statement No. 84 in fiscal 2020, reported as a change in accounting principle as a result of implementing this standard, which increased net position by approximately \$1.2 million. Prior year amounts have not been restated.

Note 4: The District implemented GASB Statement No. 96 in fiscal 2023, reported as a change in accounting principle as a result of implementing this standard, which increased net position by approximately \$0.7 million. Prior year amounts have not been restated.

Source: District Finance Department

2018	2019	2020	2021	2022	2023
\$ 251,621,061	\$ 266,426,811	\$ 271,366,863	\$ 282,745,417	\$ 298,711,539	\$ 310,909,691
49,923,152	46,776,326	42,651,038	47,592,872	58,818,927	55,675,341
<u>(474,706,660)</u>	<u>(352,896,394)</u>	<u>(367,785,815)</u>	<u>(375,293,860)</u>	<u>(357,705,200)</u>	<u>(287,809,003)</u>
<u>\$ (173,162,447)</u>	<u>\$ (39,693,257)</u>	<u>\$ (53,767,914)</u>	<u>\$ (44,955,571)</u>	<u>\$ (174,734)</u>	<u>\$ 78,776,029</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Change in Net Position
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Expenses				
Administration	\$ 10,133,357	\$ 11,029,312	\$ 11,651,601	\$ 15,797,838
District support services	11,726,589	12,153,009	12,125,324	13,614,578
Elementary and secondary regular instruction	196,952,338	196,696,425	211,193,051	304,365,474
Vocational education instruction	9,138,680	10,048,896	11,351,496	16,364,892
Special education instruction	82,942,593	82,481,544	89,829,550	124,510,952
Instructional support services	33,232,797	38,907,381	35,272,850	48,783,986
Pupil support services	38,509,921	39,106,800	40,888,280	48,280,242
Sites and buildings	33,547,953	33,843,024	32,037,070	34,648,346
Fiscal and other fixed cost programs	1,053,303	885,282	919,221	864,454
Food service	18,488,692	19,963,114	20,495,748	20,753,066
Community service	19,602,487	20,049,915	21,312,471	24,456,361
Depreciation/amortization not included in other functions	-	-	-	-
Interest and fiscal charges	4,243,607	4,118,313	3,672,926	3,030,260
Total governmental activities expenses	459,572,317	469,283,015	490,749,588	655,470,449
Program revenues				
Charges for services				
Elementary and secondary regular instruction	3,356,460	3,304,546	3,261,498	3,096,002
Pupil support services	2,546,223	219,969	224,850	213,407
Food service	8,739,814	8,156,347	8,183,190	8,655,202
Community service	11,181,266	11,099,786	11,845,905	12,560,411
All other	392,714	557,773	566,513	555,326
Operating grants and contributions	87,883,921	92,885,298	91,927,110	99,785,419
Capital grants and contributions	5,944,277	6,732,090	6,559,085	6,555,795
Total governmental activities program revenues	120,044,675	122,955,809	122,568,151	131,421,562
Net expense	(339,527,642)	(346,327,206)	(368,181,437)	(524,048,887)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	41,212,655	69,686,390	79,144,328	79,675,456
Property taxes, levied for community service	1,579,792	3,062,787	2,980,947	3,158,921
Property taxes, levied for debt service	22,754,066	20,259,393	10,547,972	9,434,526
General grants and aids	294,389,000	282,002,635	293,443,296	314,820,569
Other general revenues	5,944,568	8,299,198	7,687,430	10,164,877
Gain on sale of capital assets	-	1,060,004	-	-
Investment earnings	107,660	133,762	772,778	1,874,161
Total general revenues and other changes in net position	365,987,741	384,504,169	394,576,751	419,128,510
Change in net position	\$ 26,460,099	\$ 38,176,963	\$ 26,395,314	\$ (104,920,377)

Note: The District changed the allocation of depreciation/amortization, using an unallocated category, beginning in fiscal 2019.

Source: District Finance Department

2018	2019	2020	2021	2022	2023
\$ 15,530,926	\$ 9,251,795	\$ 13,380,165	\$ 13,412,010	\$ 12,878,176	\$ 11,966,168
14,172,662	13,498,372	14,000,172	13,458,540	12,111,042	14,774,067
302,154,959	150,927,631	244,583,783	237,222,655	230,482,186	208,209,691
17,814,956	8,407,277	14,340,328	14,449,732	14,245,613	12,202,390
126,481,663	74,684,308	113,365,851	112,215,954	107,266,094	109,041,124
48,818,024	30,508,033	45,974,988	51,523,674	48,251,348	43,076,924
50,337,615	41,653,674	47,813,406	43,929,470	51,845,017	50,828,279
30,088,215	29,826,536	38,787,474	35,285,189	34,933,401	43,705,120
883,510	931,571	1,283,776	1,339,091	1,043,771	1,404,552
20,478,517	19,461,614	18,930,306	13,224,787	21,296,888	23,991,780
25,323,533	22,770,077	25,458,526	21,032,314	22,705,090	25,222,818
–	13,212,734	14,654,894	16,731,997	20,096,942	21,477,516
6,321,029	7,339,174	9,372,341	9,911,645	9,892,439	9,456,849
658,405,609	422,472,796	601,946,010	583,737,058	587,048,007	575,357,278
2,973,768	2,874,708	2,310,515	2,382,505	3,676,755	4,142,355
196,802	173,129	101,967	43,857	1,910	1,922
8,694,988	8,548,884	6,190,151	579,984	1,625,005	8,233,047
12,823,123	13,045,925	12,398,390	7,763,088	12,414,222	13,461,882
481,113	432,353	476,673	443,075	422,119	566,649
103,900,939	107,068,215	107,518,643	112,065,412	127,043,881	123,194,533
8,324,963	7,363,132	7,116,767	6,732,527	6,399,874	6,205,534
137,395,696	139,506,346	136,113,106	130,010,448	151,583,766	155,805,922
(521,009,913)	(282,966,450)	(465,832,904)	(453,726,610)	(435,464,241)	(419,551,356)
80,070,051	88,037,683	94,117,689	101,160,547	103,895,756	107,300,865
3,440,042	3,734,960	3,607,043	3,744,343	4,306,766	4,196,920
9,581,387	16,785,810	16,542,459	15,561,072	15,162,705	15,298,739
308,065,622	291,688,609	324,492,746	338,133,650	349,347,454	355,427,323
9,185,248	8,367,847	7,674,017	3,504,262	6,999,741	6,376,798
–	–	–	–	–	–
4,395,716	7,820,731	4,129,562	435,079	532,656	9,222,170
414,738,066	416,435,640	450,563,516	462,538,953	480,245,078	497,822,815
<u>\$ (106,271,847)</u>	<u>\$ 133,469,190</u>	<u>\$ (15,269,388)</u>	<u>\$ 8,812,343</u>	<u>\$ 44,780,837</u>	<u>\$ 78,271,459</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Summary of Governmental Revenues by Source – Government-Wide
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Program Revenues			General Revenues	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	General Grants and Aids
2014	\$ 26,216,477	\$ 87,883,921	\$ 5,944,277	\$ 65,546,513	\$ 294,389,000
2015	23,338,421	92,885,298	6,732,090	93,008,570	282,002,635
2016	24,081,956	91,927,110	6,559,085	92,673,247	293,443,296
2017	25,080,348	99,785,419	6,555,795	92,268,903	314,820,569
2018	25,169,794	103,900,939	8,324,963	93,091,480	308,065,622
2019	25,074,999	107,068,215	7,363,132	108,558,453	291,688,609
2020	21,477,696	107,518,643	7,116,767	114,267,191	324,492,746
2021	11,212,509	112,065,412	6,732,527	120,465,962	338,133,650
2022	18,140,011	127,043,881	6,399,874	123,365,227	349,347,454
2023	26,405,855	123,194,533	6,205,534	126,796,524	355,427,323

Note: The change in “tax shift,” as approved in legislation, impacted the amount of tax revenue recognized in fiscal year 2014. Changes in the amount of revenue recognized, due to the tax shift, are offset by an adjustment to state aid payments by an equal amount.

Source: District Finance Department

Other	Total
\$ 6,052,228	\$ 486,032,416
9,492,964	507,459,978
8,460,208	517,144,902
12,039,038	550,550,072
13,580,964	552,133,762
16,188,578	555,941,986
11,803,579	586,676,622
3,939,341	592,549,401
7,532,397	631,828,844
15,598,968	653,628,737

INDEPENDENT SCHOOL DISTRICT NO. 11

Summary of Governmental Expenses by Function – Government-Wide
Last Ten Fiscal Years

Fiscal Year	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction	Instructional Support Services	Pupil Support Services
2014	\$ 10,133,357	\$ 11,726,589	\$ 196,952,338	\$ 9,138,680	\$ 82,942,593	\$ 33,232,797	\$ 38,509,921
2015	11,029,312	12,153,009	196,696,425	10,048,896	82,481,544	38,907,381	39,106,800
2016	11,651,601	12,125,324	211,193,051	11,351,496	89,829,550	35,272,850	40,888,280
2017	15,797,838	13,614,578	304,365,474	16,364,892	124,510,952	48,783,986	48,280,242
2018	15,530,926	14,172,662	302,154,959	17,814,956	126,481,663	48,818,024	50,337,615
2019	9,251,795	13,498,372	150,927,631	8,407,277	74,684,308	30,508,033	41,653,674
2020	13,380,165	14,000,172	244,583,783	14,340,328	113,365,851	45,974,988	47,813,406
2021	13,412,010	13,458,540	237,222,655	14,449,732	112,215,954	51,523,674	43,929,470
2022	12,878,176	12,111,042	230,482,186	14,245,613	107,266,094	48,251,348	51,845,017
2023	11,966,168	14,774,067	208,209,691	12,202,390	109,041,124	43,076,924	50,828,279

Note: The District changed the allocation of depreciation/amortization, using an unallocated category, beginning in fiscal 2019.

Source: District Finance Department

Sites and Buildings	Fiscal and Other Fixed Cost Programs	Food Service	Community Service	Depreciation/ Amortization Not Included in Other Functions	Interest and Fiscal Charges	Total
\$ 33,547,953	\$ 1,053,303	\$ 18,488,692	\$ 19,602,487	\$ -	\$ 4,243,607	\$ 459,572,317
33,843,024	885,282	19,963,114	20,049,915	-	4,118,313	469,283,015
32,037,070	919,221	20,495,748	21,312,471	-	3,672,926	490,749,588
34,648,346	864,454	20,753,066	24,456,361	-	3,030,260	655,470,449
30,088,215	883,510	20,478,517	25,323,533	-	6,321,029	658,405,609
29,826,536	931,571	19,461,614	22,770,077	13,212,734	7,339,174	422,472,796
38,787,474	1,283,776	18,930,306	25,458,526	14,654,894	9,372,341	601,946,010
35,285,189	1,339,091	13,224,787	21,032,314	16,731,997	9,911,645	583,737,058
34,933,401	1,043,771	21,296,888	22,705,090	20,096,942	9,892,439	587,048,007
43,705,120	1,404,552	23,991,780	25,222,818	21,477,516	9,456,849	575,357,278

INDEPENDENT SCHOOL DISTRICT NO. 11

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 1,604,942	\$ 1,550,387	\$ 2,080,183	\$ 1,882,543
Restricted	32,730,243	35,850,205	37,215,904	38,441,070
Assigned	48,935,003	45,994,578	44,543,019	47,940,161
Unassigned	39,630,232	44,018,586	51,641,291	52,427,466
Total General Fund	<u>\$ 122,900,420</u>	<u>\$ 127,413,756</u>	<u>\$ 135,480,397</u>	<u>\$ 140,691,240</u>
All other governmental funds				
Nonspendable	\$ 203,822	\$ 169,259	\$ 266,006	\$ 321,625
Restricted	30,908,842	22,611,014	17,517,470	12,559,846
Unassigned	<u>(2,525,119)</u>	<u>(548,139)</u>	<u>—</u>	<u>—</u>
Total all other governmental funds	<u>\$ 28,587,545</u>	<u>\$ 22,232,134</u>	<u>\$ 17,783,476</u>	<u>\$ 12,881,471</u>
Total all governmental funds	<u>\$ 151,487,965</u>	<u>\$ 149,645,890</u>	<u>\$ 153,263,873</u>	<u>\$ 153,572,711</u>

2018	2019	2020	2021	2022	2023
\$ 3,354,141	\$ 1,950,166	\$ 1,804,646	\$ 1,723,962	\$ 2,978,294	\$ 2,976,925
39,935,096	37,761,013	33,928,812	38,748,541	40,610,231	35,792,156
51,114,693	58,201,805	53,910,083	76,695,554	64,608,624	63,891,335
53,795,570	53,202,274	68,865,317	54,975,752	59,614,760	46,280,669
<u>\$ 148,199,500</u>	<u>\$ 151,115,258</u>	<u>\$ 158,508,858</u>	<u>\$ 172,143,809</u>	<u>\$ 167,811,909</u>	<u>\$ 148,941,085</u>
\$ 213,971	\$ 164,093	\$ 403,389	\$ 441,519	\$ 731,138	\$ 526,352
156,700,880	65,514,919	118,268,647	54,168,485	47,128,050	35,618,142
—	—	—	—	—	—
<u>\$ 156,914,851</u>	<u>\$ 65,679,012</u>	<u>\$ 118,672,036</u>	<u>\$ 54,610,004</u>	<u>\$ 47,859,188</u>	<u>\$ 36,144,494</u>
<u>\$ 305,114,351</u>	<u>\$ 216,794,270</u>	<u>\$ 277,180,894</u>	<u>\$ 226,753,813</u>	<u>\$ 215,671,097</u>	<u>\$ 185,085,579</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Local sources				
Property taxes	\$ 65,713,545	\$ 93,363,966	\$ 92,802,862	\$ 92,477,028
Investment earnings	100,538	119,365	613,415	1,633,518
Other	32,161,045	31,637,619	31,769,386	35,238,998
State sources	366,563,327	359,051,453	369,387,488	384,911,941
Federal sources	21,653,871	21,947,024	22,542,003	23,830,674
Total revenues	<u>486,192,326</u>	<u>506,119,427</u>	<u>517,115,154</u>	<u>538,092,159</u>
Expenditures				
Current				
Administration	10,541,372	10,952,299	11,209,601	11,950,258
District support services	11,365,014	12,100,886	11,878,483	12,758,651
Elementary and secondary regular instruction	194,199,976	198,263,491	205,852,643	214,049,773
Vocational education instruction	8,756,125	9,461,120	11,091,739	11,829,820
Special education instruction	81,206,982	82,498,283	87,339,870	93,002,275
Instructional support services	32,732,548	38,915,994	34,716,364	37,095,277
Pupil support services	38,761,114	39,344,548	41,136,463	43,372,659
Sites and buildings	38,738,698	37,508,938	37,601,819	54,525,821
Fiscal and other fixed cost programs	1,053,303	885,282	919,221	864,454
Food service	18,167,895	19,078,844	19,308,239	19,726,538
Community service	19,591,609	20,117,916	21,333,730	22,151,192
Capital outlay	16,288,612	23,219,348	16,271,688	3,112,975
Debt service				
Principal	19,888,709	18,142,164	10,526,343	9,790,000
Interest	4,243,065	4,390,835	4,311,234	3,835,971
Issue costs and fiscal charges	-	-	-	-
Total expenditures	<u>495,535,022</u>	<u>514,879,948</u>	<u>513,497,437</u>	<u>538,065,664</u>
Excess of revenues over (under) expenditures	(9,342,696)	(8,760,521)	3,617,717	26,495
Other financing sources (uses)				
Debt issued	24,895,000	8,985,000	-	-
Refunding debt issued	-	-	-	20,170,000
Premium on debt issued	2,710,960	8,333	-	162,283
Payments to refunded bond escrow agent	-	-	-	(20,056,167)
Sale of capital assets	-	3,182,545	266	6,227
Insurance recovery	-	-	-	-
Transfers in	1,254,220	8,790,770	12,519,380	40,343
Transfers (out)	<u>(1,254,220)</u>	<u>(8,790,770)</u>	<u>(12,519,380)</u>	<u>(40,343)</u>
Total other financing sources (uses)	<u>27,605,960</u>	<u>12,175,878</u>	<u>266</u>	<u>282,343</u>
Net change in fund balances	<u>\$ 18,263,264</u>	<u>\$ 3,415,357</u>	<u>\$ 3,617,983</u>	<u>\$ 308,838</u>
Debt service (principal and interest) as a percentage of noncapital expenditures	<u>5.09%</u>	<u>4.64%</u>	<u>3.01%</u>	<u>2.65%</u>

2018	2019	2020	2021	2022	2023
\$ 93,182,548	\$108,668,554	\$113,814,619	\$120,542,512	\$123,311,878	\$126,708,681
3,959,500	7,123,205	3,696,432	412,784	461,086	8,181,526
33,147,128	33,319,496	29,151,713	14,716,771	25,139,752	32,769,025
396,086,289	401,043,458	414,600,522	414,888,518	417,242,276	431,216,487
24,328,974	23,965,921	24,386,308	41,257,741	67,566,829	51,505,017
550,704,439	574,120,634	585,649,594	591,818,326	633,721,821	650,380,736
11,799,047	12,583,845	12,989,502	12,932,034	13,591,794	13,810,405
12,985,818	13,711,981	14,355,919	14,087,100	13,171,185	14,338,494
216,986,641	229,318,800	227,007,447	224,325,498	240,881,106	258,160,841
12,537,531	12,883,806	13,294,938	14,028,276	14,842,015	15,212,475
98,416,930	102,779,035	107,153,208	108,298,018	112,187,715	125,780,361
38,536,508	40,754,280	43,683,548	49,753,765	50,684,022	50,457,272
45,134,905	47,121,762	46,820,254	43,676,999	52,979,803	54,046,082
49,910,376	44,882,112	48,665,238	56,379,387	64,392,746	63,153,758
883,510	931,571	1,283,776	1,339,091	1,043,771	1,404,552
19,640,839	19,425,595	18,635,813	13,340,382	21,477,170	23,210,679
23,031,086	25,049,611	24,833,939	21,182,047	23,704,826	26,320,977
12,792,223	93,486,550	45,856,111	65,339,765	16,200,586	15,312,730
10,255,000	11,680,000	11,875,000	8,350,000	9,792,593	10,268,730
2,993,789	7,948,792	7,748,992	9,774,638	10,557,614	10,130,649
1,875,671	6,325	2,035,172	5,250	6,675	6,232
557,779,874	662,564,065	626,238,857	642,812,250	645,513,621	681,614,237
(7,075,435)	(88,443,431)	(40,589,263)	(50,993,924)	(11,791,800)	(31,233,501)
150,000,000	–	93,370,000	566,843	709,084	620,055
–	–	–	–	–	–
7,409,161	–	6,411,156	–	–	–
–	–	–	–	–	–
–	123,350	–	–	–	–
1,207,914	–	–	–	–	27,928
537,593	326,600	3,492,625	1,443,363	97,376	105,590
(537,593)	(326,600)	(3,492,625)	(1,443,363)	(97,376)	(105,590)
158,617,075	123,350	99,781,156	566,843	709,084	647,983
\$151,541,640	\$ (88,320,081)	\$ 59,191,893	\$ (50,427,081)	\$ (11,082,716)	\$ (30,585,518)
2.53%	3.54%	3.44%	3.26%	3.39%	3.17%

INDEPENDENT SCHOOL DISTRICT NO. 11

Summary of General Fund Changes
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Beginning Balance at July 1</u>	<u>Prior Period Adjustment/ Change in Accounting Principle</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Ending Balance at June 30</u>
2014	\$ 116,116,514	\$ —	\$ 425,622,339	\$ 418,508,539	\$ (329,894)	\$ 122,900,420
2015	122,900,420	(5,257,432)	447,573,096	432,442,276	(5,360,052)	127,413,756
2016	127,413,756	—	466,174,698	445,588,873	(12,519,184)	135,480,397
2017	135,480,397	—	485,963,118	480,711,932	(40,343)	140,691,240
2018	140,691,240	—	496,561,828	489,723,889	670,321	148,199,500
2019	148,199,500	—	511,327,944	508,198,186	(214,000)	151,115,258
2020	151,115,258	1,194,731	528,172,613	518,481,119	(3,492,625)	158,508,858
2021	158,508,858	—	541,941,280	527,429,809	(876,520)	172,143,809
2022	172,143,809	—	563,696,250	568,639,858	611,708	167,811,909
2023	167,811,909	—	581,863,537	601,276,754	542,393	148,941,085

Source: District Finance Department

INDEPENDENT SCHOOL DISTRICT NO. 11

Summary of General Fund Revenue by Source
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Local Property Taxes</u>	<u>State Sources</u>	<u>Federal Sources</u>	<u>Other</u>	<u>Total</u>
2014	\$ 41,335,155	\$ 359,082,266	\$ 12,875,999	\$ 12,328,919	\$ 425,622,339
2015	69,954,018	352,363,108	12,773,973	12,481,997	447,573,096
2016	79,203,778	362,107,926	12,645,431	12,217,563	466,174,698
2017	79,819,927	377,169,935	13,490,545	15,482,711	485,963,118
2018	80,132,114	388,273,676	14,118,876	14,037,162	496,561,828
2019	88,132,188	393,334,683	14,159,639	15,701,434	511,327,944
2020	93,742,673	406,765,388	14,440,004	13,224,548	528,172,613
2021	101,208,532	407,576,523	26,623,485	6,532,740	541,941,280
2022	103,850,835	409,044,858	39,317,855	11,482,702	563,696,250
2023	107,224,739	422,209,384	34,864,933	17,564,481	581,863,537

Note: The change in "tax shift," as approved in legislation, impacted the amount of tax revenue recognized in fiscal year 2014. Changes in the amount of revenue recognized, due to the tax shift, are offset by an adjustment to state aid payments by an equal amount.

Source: District Finance Department

INDEPENDENT SCHOOL DISTRICT NO. 11

Summary of General Fund Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction
2014	\$ 10,541,372	\$ 11,365,014	\$ 194,199,976	\$ 8,756,125	\$ 81,206,982
2015	10,952,299	12,100,886	198,263,491	9,461,120	82,498,283
2016	11,209,601	11,878,483	205,852,643	11,091,739	87,339,870
2017	11,950,258	12,758,651	214,049,773	11,829,820	93,002,275
2018	11,799,047	12,985,818	216,986,641	12,537,531	98,416,930
2019	12,583,845	13,711,981	229,318,800	12,883,806	102,779,035
2020	12,989,502	14,355,919	227,007,447	13,294,938	107,153,208
2021	12,932,034	14,087,100	224,325,498	14,028,276	108,298,018
2022	13,591,794	13,171,185	240,881,106	14,842,015	112,187,715
2023	13,810,405	14,338,494	258,160,841	15,212,475	125,780,361

Source: District Finance Department

<u>Community Services</u>	<u>Instructional Support Services</u>	<u>Pupil Support Services</u>	<u>Sites and Buildings</u>	<u>Fiscal and Other Fixed Cost Programs and Debt Service</u>	<u>Total Expenditures</u>
\$ -	\$ 32,732,548	\$ 38,761,114	\$ 38,738,698	\$ 2,206,710	\$ 418,508,539
600,158	38,915,994	39,344,548	37,508,938	2,796,559	432,442,276
634,179	34,716,364	41,136,463	37,601,819	4,127,712	445,588,873
-	37,095,277	43,372,659	54,525,821	2,127,398	480,711,932
-	38,536,508	45,134,905	49,910,376	3,416,133	489,723,889
-	40,754,280	47,121,762	44,882,112	4,162,565	508,198,186
-	43,683,548	46,820,254	48,665,238	4,511,065	518,481,119
-	49,753,765	43,676,999	56,379,387	3,948,732	527,429,809
-	50,684,022	52,979,803	64,392,746	5,909,472	568,639,858
-	50,457,272	54,046,082	63,153,758	6,317,066	601,276,754

INDEPENDENT SCHOOL DISTRICT NO. 11

Summary of Special Revenue Funds
Revenues and Expenditures
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Food Service Special Revenue Fund</u>	<u>Community Service Special Revenue Fund</u>
<u>Revenue History</u>		
2014	\$ 18,118,894	\$ 19,645,751
2015	18,285,181	19,911,129
2016	18,880,028	21,391,241
2017	20,020,250	22,547,562
2018	19,899,537	23,265,895
2019	19,272,670	23,831,545
2020	16,870,560	23,212,201
2021	12,225,990	21,795,191
2022	28,079,352	26,720,951
2023	24,459,049	27,847,722
<u>Expenditure History</u>		
2014	\$ 18,714,208	\$ 19,716,551
2015	19,954,589	19,674,289
2016	20,019,924	20,795,271
2017	20,094,896	22,176,872
2018	20,082,923	23,062,431
2019	19,850,710	25,092,985
2020	18,964,252	24,847,252
2021	13,526,574	21,210,729
2022	21,624,896	23,827,045
2023	24,415,563	26,575,196

Source: District Finance Department

INDEPENDENT SCHOOL DISTRICT NO. 11

Summary of Special Revenue Fund Balances
Last Ten Fiscal Years

Year Ended June 30,	Food Service Special Revenue Fund	Community Service Special Revenue Fund
2014	\$ 6,523,035	\$ 4,188,056
2015	4,853,627	4,480,433
2016	3,713,801	5,125,332
2017	3,645,382	5,536,365
2018	3,978,531	5,760,887
2019	3,590,422	4,646,866
2020	3,516,203	4,484,967
2021	3,518,450	5,209,961
2022	9,972,906	8,201,243
2023	10,016,392	9,579,359

Source: District Finance Department

INDEPENDENT SCHOOL DISTRICT NO. 11

Schedule of Expenditures per Average Daily Membership
Year Ended June 30, 2023

General Fund	
Administration	\$ 367
District support services	381
Elementary and secondary regular instruction	6,857
Vocational education instruction	404
Special education instruction	3,341
Instructional support services	1,340
Pupil support services	1,435
Sites and buildings	1,677
Fiscal and other fixed cost programs and debt service	168
Total General Fund	<u>15,970</u>
Food Service Special Revenue Fund	648
Community Service Special Revenue Fund	706
Debt Service Fund	<u>410</u>
Total fiscal year 2023	<u>\$ 17,734</u>
Total fiscal year 2022	<u>\$ 16,786</u>

Source: District Finance Department

INDEPENDENT SCHOOL DISTRICT NO. 11

Unrestricted General Fund Balance
Compared to Annual Expenditures
Last Ten Fiscal Years

Fiscal Year	Unrestricted Fund Balance	Annual Expenditures	Balance as a Percentage of Expenditures
2014	\$ 88,565,235	\$ 418,508,539	21.16 %
2015	90,013,164	432,442,276	20.82
2016	96,184,310	445,588,873	21.59
2017	100,367,627	480,711,932	20.88
2018	104,910,263	489,723,889	21.42
2019	111,404,079	508,198,186	21.92
2020	122,775,400	518,481,119	23.68
2021	131,671,306	527,429,809	24.96
2022	124,223,384	568,639,858	21.85
2023	110,172,004	601,276,754	18.32

Source: District Finance Department

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INDEPENDENT SCHOOL DISTRICT NO. 11

Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Calendar Year Payable</u>	<u>Fiscal Year</u>	<u>Total Certified Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Current Levies Collected</u>	
2013	2014	\$ 98,655,488	\$ 97,617,616	98.95	%
2014	2015	92,180,407	91,430,886	99.19	
2015	2016	92,120,923	91,528,254	99.36	
2016	2017	92,349,474	91,951,396	99.57	
2017	2018	92,163,568	91,780,440	99.58	
2018	2019	108,427,599	107,987,001	99.59	
2019	2020	113,685,856	112,922,350	99.33	
2020	2021	119,259,382	118,408,159	99.29	
2021	2022	121,596,755	120,967,603	99.48	
2022	2023	127,541,608	126,832,843	99.44	

Source: District Finance Department

INDEPENDENT SCHOOL DISTRICT NO. 11

Summary of Delinquent Taxes Receivable
Last Ten Fiscal Years

Calendar Year Payable	Balance Due on June 30,					
	2014	2015	2016	2017	2018	2019
2007	\$ 20,572	\$ -	\$ -	\$ -	\$ -	\$ -
2008	72,881	78,146	-	-	-	-
2009	97,337	67,897	92,917	-	-	-
2010	162,961	116,076	55,863	107,913	-	-
2011	252,509	139,577	89,324	45,738	93,576	-
2012	395,579	110,972	123,533	72,395	36,898	71,777
2013	1,037,872	285,727	164,457	111,806	70,466	30,846
2014	-	749,521	208,203	68,829	80,037	57,248
2015	-	-	592,669	54,651	116,890	69,619
2016	-	-	-	398,078	74,347	73,702
2017	-	-	-	-	383,128	54,584
2018	-	-	-	-	-	440,598
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
	<u>\$ 2,039,711</u>	<u>\$ 1,547,916</u>	<u>\$ 1,326,966</u>	<u>\$ 859,410</u>	<u>\$ 855,342</u>	<u>\$ 798,374</u>

Source: District Finance Department

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Certified Levy, Including Credits</u>	<u>Percentage Collected</u>
\$ -	\$ -	\$ -	\$ -	\$ 73,058,335	100.00 %
-	-	-	-	93,398,314	100.00
-	-	-	-	97,288,227	100.00
-	-	-	-	102,966,073	100.00
-	-	-	-	102,770,776	100.00
-	-	-	-	98,639,305	100.00
72,200	-	-	-	98,655,488	100.00
35,403	81,349	-	-	92,180,407	100.00
53,014	33,835	62,234	-	92,120,923	99.93
57,332	51,813	25,262	64,702	92,349,474	99.97
77,476	62,685	34,823	17,192	92,163,568	99.96
161,345	122,116	29,521	109,944	108,427,599	99.97
763,506	355,780	248,601	206,475	113,685,856	99.78
-	851,223	151,984	166,015	119,259,382	99.87
-	-	629,152	239,882	121,596,755	99.48
-	-	-	708,765	127,541,608	100.00
<u>\$ 1,220,276</u>	<u>\$ 1,558,801</u>	<u>\$ 1,181,577</u>	<u>\$ 1,512,975</u>		

INDEPENDENT SCHOOL DISTRICT NO. 11

Assessed Value and Estimated Market Value of Taxable Property
Last Ten Fiscal Years

<u>Payable Year</u>	<u>Tax Capacity (1)</u>	<u>Increase (Decrease)</u>	<u>Estimated Market Value</u>	<u>Tax Capacity as a Percent of Estimated Market Value</u>
2014	\$ 177,995,880	1.13 %	\$ 15,436,818,200	1.15 %
2015	200,738,104	12.78	17,363,954,200	1.16
2016	210,369,431	4.80	18,106,227,100	1.16
2017	223,611,816	6.29	19,129,003,568	1.17
2018	245,108,917	9.61	20,998,091,850	1.17
2019	264,212,847	7.79	22,594,285,250	1.17
2020	285,890,418	8.20	24,413,647,389	1.17
2021	301,895,093	5.60	25,808,521,281	1.17
2022	323,724,851	7.23	27,634,919,553	1.17
2023	386,396,977	19.36	33,417,733,424	1.16

(1) The tax capacity of a parcel of property is calculated by applying the appropriate classification ratio, as defined in state law, to the estimated market valuation of the parcel.

Source: MDE School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 11

Summary of Tax Rates
Last Ten Fiscal Years

Payable Year	General	Community Service	Debt	Total
Based on Net Tax Capacity				
2014	15.496	1.720	11.049	28.265
2015	17.006	1.440	4.036	22.482
2016	14.614	1.525	4.746	20.885
2017	12.814	1.551	4.225	18.590
2018	9.483	1.526	7.383	18.392
2019	8.927	1.338	6.065	16.330
2020	10.310	1.305	5.333	16.948
2021	9.740	1.418	4.994	16.152
2022	10.285	1.299	4.735	16.319
2023	8.590	1.191	3.890	13.671
Based on Market Value				
2014	0.21	–	–	0.21
2015	0.21	–	–	0.21
2016	0.22	–	–	0.22
2017	0.22	–	–	0.22
2018	0.26	–	–	0.26
2019	0.26	–	–	0.26
2020	0.24	–	–	0.24
2021	0.24	–	–	0.24
2022	0.23	–	–	0.23
2023	0.21	–	–	0.21

Source: MDE School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 11

Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	December 31, 2022 Tax Capacity	Rank	Percentage of Total Tax Capacity
Minnegasco Inc.	Utility	\$ 1,780,752	1	0.46 %
Riverdale Village	Retail	1,756,323	2	0.45
Target Corporation	Retail	1,030,528	3	0.27
Allina Health	Health Services	890,525	4	0.23
Riverdale 2005, LLC	Retail	688,174	5	0.18
The Residence at the COR Apartments	Apartments	591,837	6	0.15
SVAP III Riverdale Commons LLC	Commercial	565,276	7	0.15
Xcel Energy	Utility	543,659	8	0.14
Blaine Partners, LLC	Apartments	527,014	9	0.14
Affinity at Ramsey, LLC	Banking	465,998	10	0.12
BRE DDR Riverdale Village Outer Ring, LLC	Retail	–	–	–
BRE DDR Riverdale Village Inner Ring, LLC	Retail	–	–	–
Inland Village Ten, LLC	Commercial	–	–	–
Wal-Mart Real Estate Business Trust	Retail	–	–	–
Lowes Home Centers, Inc.	Retail	–	–	–
Inland Riverdale Commons, LLC	Retail	–	–	–
		\$ 8,840,086		2.29 %

Source: Anoka County and Hennepin County

December 31, 2013 Tax Capacity	Rank	Percentage of Total Tax Capacity
\$ —	—	— %
—	—	—
935,886	2	0.53
444,468	4	0.25
411,310	6	0.23
—	—	—
—	—	—
—	—	—
280,563	10	0.16
—	—	—
1,014,838	1	0.57
808,010	3	0.45
431,070	5	0.24
393,258	7	0.22
359,790	8	0.20
286,770	9	0.16
<u>\$ 5,365,963</u>		<u>3.01 %</u>

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INDEPENDENT SCHOOL DISTRICT NO. 11

Taxable Values
Last Ten Fiscal Years

Payable Year	Taxable Value		Less Exemption and Plus Adjustments	Net Taxable Value	Total Direct Rate
	Real Estate	Personal Property			
2014	\$ 159,406,787	\$ 2,971,154	\$ 15,617,939	\$ 177,995,880	28.265
2015	181,468,231	2,949,756	16,320,117	200,738,104	22.482
2016	190,257,778	3,118,964	16,992,689	210,369,431	20.885
2017	202,374,165	3,321,065	17,916,586	223,611,816	18.590
2018	222,662,163	3,621,588	18,825,166	245,108,917	18.392
2019	240,644,260	3,907,775	19,660,812	264,212,847	16.330
2020	261,272,162	3,969,065	20,649,191	285,890,418	16.948
2021	277,496,877	4,342,554	20,055,662	301,895,093	16.152
2022	298,973,039	3,320,108	21,431,704	323,724,851	16.319
2023	364,504,118	3,591,782	18,301,077	386,396,977	13.671
		<u>Anoka County</u>	<u>Hennepin County</u>	<u>Total</u>	
Total real estate		\$ 291,335,196	\$ 73,168,922	\$ 364,504,118	
Personal property		2,738,826	852,956	3,591,782	
Total real and personal property		294,074,022	74,021,878	368,095,900	
Adjustments					
Subtract captured tax increment		(5,437,742)	(1,326,605)	(6,764,347)	
Subtract fiscal disparity contribution		<u>(19,754,835)</u>	<u>(2,749,761)</u>	<u>(22,504,596)</u>	
Total contribution		<u>(25,192,577)</u>	<u>(4,076,366)</u>	<u>(29,268,943)</u>	
Initial tax capacity		268,881,445	69,945,512	338,826,957	
Add fiscal disparity distribution		<u>36,788,539</u>	<u>10,781,481</u>	<u>47,570,020</u>	
Total adjusted tax capacity		<u>\$ 305,669,984</u>	<u>\$ 80,726,993</u>	<u>\$ 386,396,977</u>	

Source: MDE School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 11

Taxable Rates
Last Ten Fiscal Years

Payable Year	Direct Rates		Overlapping Rates					
	Total Tax Rate	Debt Only	Anoka County	Hennepin County	Andover	Anoka	Blaine	City of Brooklyn Center
2014	28.265	11.049	43.239	49.959	43.197	49.843	36.379	74.133
2015	22.482	4.036	38.123	46.398	37.070	45.014	35.495	70.026
2016	20.885	4.746	38.894	45.350	38.314	41.580	35.578	71.775
2017	18.590	4.225	36.841	44.087	37.374	40.912	34.945	70.498
2018	18.392	7.383	35.820	42.808	34.627	37.791	35.989	67.067
2019	16.330	6.065	34.906	41.861	35.310	36.164	35.950	70.400
2020	16.948	5.333	33.077	41.084	35.948	35.619	35.842	65.233
2021	16.152	4.994	31.086	38.210	35.852	34.253	35.130	64.740
2022	16.319	4.735	29.254	38.535	36.245	34.237	35.113	55.864
2023	13.671	3.890	24.176	34.542	31.075	30.796	31.800	54.747

Source: Anoka County and Hennepin County

Brooklyn Park	Champlin	Coon Rapids	Dayton	Fridley	Ham Lake	Nowthen	Oak Grove	Ramsey
60.469	44.803	47.509	65.600	48.577	29.689	29.456	30.142	44.237
56.136	41.240	44.754	57.029	43.508	26.869	26.104	27.186	42.259
55.251	42.749	44.908	57.150	44.960	26.914	28.749	26.311	43.316
54.365	41.469	44.210	55.467	48.217	25.576	26.416	25.577	42.453
51.159	39.704	42.367	55.664	47.907	25.005	27.149	22.548	41.727
51.869	38.124	41.231	55.212	45.380	23.437	24.164	21.026	40.353
48.862	38.035	40.199	54.139	45.267	22.426	24.288	21.456	39.592
46.409	39.202	38.553	51.378	44.941	21.953	24.680	21.453	39.251
47.546	39.073	38.468	47.733	45.256	21.487	22.238	21.392	42.239
42.392	35.305	35.158	35.109	43.029	19.503	20.728	18.411	40.429

INDEPENDENT SCHOOL DISTRICT NO. 11

Ratio of Net Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Outstanding Bonded Debt</u>	<u>Unamortized Premium (Discount) on Bonds</u>	<u>Net Position Restricted For Debt Service</u>	<u>Net Bonded Debt</u>	<u>Market Value</u>
2014	\$ 75,885,000	\$ 2,076,734	\$ 4,340,876	\$ 73,620,858	\$ 15,436,818,200
2015	58,620,000	1,809,462	3,317,810	57,111,652	17,363,954,200
2016	49,795,000	1,416,535	2,769,876	48,441,659	18,106,227,100
2017	43,790,000	1,410,586	2,509,680	42,690,906	19,129,003,568
2018	185,275,000	8,301,416	224,360	193,352,056	20,998,091,850
2019	175,390,000	7,585,508	757,590	182,217,918	22,594,285,250
2020	258,745,000	13,203,429	686,495	271,261,934	24,413,647,389
2021	251,620,000	12,638,369	84,341	264,174,028	25,808,521,281
2022	245,055,000	12,073,309	—	257,128,309	27,634,919,553
2023	238,210,000	11,508,249	250,115	249,468,134	33,417,733,424

Source: District Finance Department

<u>Percentage of Net Debt to Market Value</u>	<u>Population</u>	<u>Net Debt per Capita</u>
0.48 %	232,420	\$ 317
0.33	234,308	244
0.27	235,680	206
0.22	242,487	176
0.92	242,487	797
0.81	245,575	742
1.11	251,675	1,078
1.02	247,394	1,068
0.93	247,394	1,039
0.75	248,441	1,004

INDEPENDENT SCHOOL DISTRICT NO. 11

Direct and Overlapping Debt
June 30, 2023

Long-term general obligation debt	
Total long-term general obligation debt	\$ 268,622,826
Total unamortized premium/discount	13,036,076
	<hr/>
Net long-term general obligation debt	\$ 281,658,902

Taxing Unit (a)	2021/2022 Taxable Net Tax Capacity	G.O. Debt (b)	Debt Applicable to Tax Capacity in District	
			Percent	Amount
Anoka County	\$ 481,945,798	\$ 36,410,000	53.3 %	\$ 19,406,530
Hennepin County	2,336,109,435	1,036,200,000	2.9	30,049,800
Three Rivers Park District	1,631,381,661	47,670,000	4.1	1,954,470
Anoka County Regional Railroad Authority	481,945,798	5,790,000	53.3	3,086,070
Hennepin County Regional Railroad Authority	2,336,109,435	81,655,000	2.9	2,367,995
Cities				
Andover	44,709,270	39,655,000	94.0	37,275,700
Anoka	22,814,577	23,990,000	100.0	23,990,000
Blaine	99,246,860	48,020,000	50.6	24,298,120
Brooklyn Center	36,686,382	18,030,000	12.9	2,325,870
Brooklyn Park	107,339,075	31,390,000	19.9	6,246,610
Champlin	32,006,834	13,350,000	100.0	13,350,000
Coon Rapids	80,531,638	54,175,000	100.0	54,175,000
Dayton	13,067,151	14,920,000	67.9	10,130,680
Fridley	37,464,571	77,620,000	5.5	4,269,100
Ham Lake	26,008,633	642,948	93.2	599,228
Nowthen	7,649,944	3,305,000	23.3	770,065
Ramsey	36,620,439	36,130,000	89.7	32,408,610
Metropolitan Council	5,092,889,053	9,395,000	6.4	601,280
Metropolitan Transit	4,085,323,537	230,580,000	7.9	18,215,820
				<hr/>
Total overlapping debt				\$ 285,520,948
				<hr/>
Total direct and overlapping debt				\$ 567,179,850

(a) Only those taxing units with general obligation debt outstanding are included.

(b) Includes annual appropriation lease obligations and excludes general obligation debt supported by revenues, revenue debt, and debt supported by state aids.

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping entity's taxable assessed value that is within the District's boundaries and dividing it by the overlapping government's total taxable assessed value.

	G.O. Net Direct Debt	G.O. Net Direct and Overlapping Debt
	<hr/>	<hr/>
Total 2023 market value: \$33,417,733,424	0.84%	1.70%
Per capita (248,441 – district certification)	\$ 1,134	\$ 2,283

Source: District Finance Department

INDEPENDENT SCHOOL DISTRICT NO. 11

Ratio of Annual Debt Service Expenditures for General
Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest and Fees	Total Debt Service	Total General Fund Expenditures	Percentage of Debt Service to General Fund Expenditures
2014	\$ 18,985,000	\$ 3,733,411	\$ 22,718,411	\$ 418,508,539	5.43 %
2015	17,265,000	3,229,135	20,494,135	432,442,276	4.74
2016	8,825,000	2,790,260	11,615,260	445,588,873	2.61
2017	8,095,000	2,304,477	10,399,477	480,711,932	2.16
2018	8,515,000	3,383,816	11,898,816	489,723,889	2.43
2019	9,885,000	6,519,123	16,404,123	508,198,186	3.23
2020	10,015,000	8,416,875	18,431,875	518,481,119	3.55
2021	7,125,000	8,395,247	15,520,247	527,429,809	2.94
2022	6,565,000	8,878,528	15,443,528	568,639,858	2.72
2023	6,845,000	8,597,535	15,442,535	601,276,754	2.57

Source: District Finance Department

INDEPENDENT SCHOOL DISTRICT NO. 11

Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Certificates of Participation	Unamortized Premium/Discount	Financed Purchases and Leases	Special Assessments
2014	\$ 75,885,000	\$ 24,895,000	\$ 4,760,799	\$ 4,383,507	\$ 106,040
2015	58,620,000	33,880,000	4,372,698	3,506,343	86,760
2016	49,795,000	33,075,000	3,850,344	2,610,000	67,480
2017	43,790,000	32,005,000	3,714,969	1,985,000	48,200
2018	185,275,000	30,905,000	10,476,373	1,345,000	28,920
2019	175,390,000	29,770,000	9,631,039	685,000	9,640
2020	258,745,000	28,595,000	15,119,534	—	—
2021	251,620,000	27,370,000	14,425,048	566,843	—
2022	245,055,000	26,090,000	13,730,562	7,126,501	—
2023	238,210,000	24,750,000	13,036,076	5,662,826	—

(1) Based on Schedule of Demographic and Economic Statistics.

Note: Details regarding the District's outstanding debt can be found in the notes to basic financial statements.

<u>Total Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
\$ 110,030,346	1.09 %	\$ 473
100,465,801	0.94	429
89,397,824	0.81	379
81,543,169	0.68	336
228,030,293	1.83	940
215,485,679	1.66	877
302,459,534	2.15	1,202
293,981,891	2.00	1,188
292,002,063	1.99	1,180
281,658,902	1.91	1,134

INDEPENDENT SCHOOL DISTRICT NO. 11

Debt Margin
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Legal debt limit (15% of market value)	\$ 2,315,522,730	\$ 2,604,593,130	\$ 2,715,934,065	\$ 2,869,350,535
Less				
Total net debt applicable to the limit (see Ratio of Net Bonded Debt Outstanding Table)	<u>73,620,858</u>	<u>57,111,652</u>	<u>48,441,659</u>	<u>42,690,906</u>
Legal debt margin	<u>\$ 2,241,901,872</u>	<u>\$ 2,547,481,478</u>	<u>\$ 2,667,492,406</u>	<u>\$ 2,826,659,629</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>3.2%</u>	<u>2.2%</u>	<u>1.8%</u>	<u>1.5%</u>
Total market value	<u>\$15,436,818,200</u>	<u>\$17,363,954,200</u>	<u>\$18,106,227,100</u>	<u>\$19,129,003,568</u>

Source: District Finance Department

2018	2019	2020	2021	2022	2023
\$ 3,149,713,778	\$ 3,389,142,788	\$ 3,662,047,108	\$ 3,871,278,192	\$ 4,145,237,933	\$ 5,012,660,014
193,352,056	182,217,918	271,261,934	264,174,028	257,128,309	249,468,134
<u>\$ 2,956,361,722</u>	<u>\$ 3,206,924,870</u>	<u>\$ 3,390,785,174</u>	<u>\$ 3,607,104,164</u>	<u>\$ 3,888,109,624</u>	<u>\$ 4,763,191,880</u>
<u>6.1%</u>	<u>5.4%</u>	<u>7.4%</u>	<u>6.8%</u>	<u>6.2%</u>	<u>5.0%</u>
<u>\$20,998,091,850</u>	<u>\$22,594,285,250</u>	<u>\$24,413,647,389</u>	<u>\$25,808,521,281</u>	<u>\$27,634,919,553</u>	<u>\$ 33,417,733,424</u>

INDEPENDENT SCHOOL DISTRICT NO. 11

Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b) (000s)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2014	232,420	\$ 10,089,817	\$ 43,412	4.6 %
2015	234,308	10,674,135	45,673	3.5
2016	235,680	11,053,628	46,901	3.6
2017	242,487	11,963,824	49,338	3.4
2018	242,487	12,434,006	51,277	2.5
2019	245,575	12,971,272	52,820	2.9
2020	251,675	14,097,323	56,014	8.9
2021	247,394	14,694,461	59,397	4.4
2022	247,394	14,694,461	59,397	2.2
2023	248,441	14,756,650	59,397	3.4

(a) District certification.

(b) Personal income for the District was derived by multiplying the Anoka County average by the District's population estimate. Personal income below the county level is not available.

(c) U.S. Department of Commerce, Bureau of Economic Analysis for Anoka County available only through 2021.

(d) U.S. Department of Labor, Bureau of Labor Statistics.

INDEPENDENT SCHOOL DISTRICT NO. 11

Demographic Statistics
Last Ten Fiscal Years

Summary of District Population

<u>Year</u>	<u>Population (1)</u>
2014	232,420
2015	234,308
2016	235,680
2017	242,487
2018	242,487
2019	245,575
2020	251,675
2021	247,394
2022	247,394
2023	248,441

Summary of Enrollment (2)

<u>Year</u>	<u>Preschool and Kindergarten</u>	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>
2014	2,980	16,510	17,790	37,280
2015	3,095	16,457	17,609	37,161
2016	3,001	16,716	17,591	37,308
2017	3,128	16,844	18,249	38,221
2018	3,147	16,644	18,357	38,148
2019	3,174	16,439	18,508	38,121
2020	3,309	16,431	18,618	38,358
2021	2,895	15,647	18,578	37,120
2022	3,159	15,787	18,555	37,501
2023	3,098	16,185	18,368	37,651

(1) District certification.

(2) Total adjusted ADM (average daily membership).

Source: District Finance Department

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INDEPENDENT SCHOOL DISTRICT NO. 11

Principal Employers
December 31, 2022 and December 31, 2013

	December 31, 2022			December 31, 2013		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Hennepin County	10,246	1	5.03 %	–	–	– %
ISD No. 11, Anoka-Hennepin	6,100	2	2.99	6,600	1	3.30
Medtronic, Inc.	4,300	3	2.11	–	–	–
Anoka County Government Center	1,800	4	0.88	1,120	7	0.56
Cummins Power Generation	1,400	5	0.69	–	–	–
Target Corporation (multiple locations)	1,301	6	0.64	1,411	5	0.71
Mercy Hospital and Medical Center	1,000	7	0.49	2,200	2	1.10
ATK Federal Premium Ammunition	977	8	0.48	1,578	3	0.79
RMS Company	850	9	0.42	600	9	0.30
Minco Products	533	10	0.26	–	–	–
Pentair Technical Products	–	–	–	1,564	4	0.78
Walmart (multiple locations)	–	–	–	1,390	6	0.70
Pomeon Inc, Division of Medtronic	–	–	–	1,100	8	0.55
Cub Foods (multiple locations)	–	–	–	475	10	0.24
	<u>28,507</u>		<u>13.99 %</u>	<u>18,038</u>		<u>9.02 %</u>

Source: Baker Tilly Financial Advisors

INDEPENDENT SCHOOL DISTRICT NO. 11

School Building Information
June 30, 2023

OWNED		
	Square Feet	Enrollment
Elementary		
Adams (1966)	73,669	478
Andover (1988)	172,634	1,194
Brookside (2019)	134,828	766
Champlin-Brooklyn Park Academy (1995)	120,544	752
Crooked Lake (1968)	51,888	467
Dayton (1975)	62,036	712
Eisenhower (1970)	62,262	480
Evergreen Park (1969)	57,497	437
Franklin (1915)	60,302	325
Hamilton (1964)	58,731	365
Hoover (1966)	64,684	482
Jefferson (1962)	71,824	577
Johnsville (1953)	83,540	671
Lincoln (1949)	69,075	359
Madison (1967)	64,744	412
McKinley (1964)	66,563	589
Mississippi (1961)	57,536	471
Monroe (1964)	77,604	517
Morris Bye (1955)	65,357	457
Oxbow Creek (2002)	132,841	1,036
Ramsey (1974)	133,682	744
Rum River (2001)	131,947	871
Sand Creek (1965)	62,064	610
Sunrise (2019)	145,212	1,078
University Avenue (1961)	77,659	606
Wilson (1964)	64,934	551
Middle		
Coon Rapids (1958)	230,142	1,397
Anoka		
Fred Moore Campus (1954)	243,586	1,155
Washington Campus (1955)	76,377	516
Jackson (1967)	312,416	1,984
Northdale (1975)	206,463	1,275
Oak View (1996)	194,932	1,268
Roosevelt (1965)	179,408	808
High		
Andover (2002)	305,640	1,638
Anoka (1971)	374,400	2,223
Blaine (1972)	400,029	2,791
Champlin Park (1992)	412,799	2,862
Coon Rapids (1963)	469,661	1,993

INDEPENDENT SCHOOL DISTRICT NO. 11

School Building Information (continued)
June 30, 2023

OWNED		
	Square Feet	Enrollment
Other		
Educational Service Center (District Offices) (1965)	209,026	-
Sandburg Educational Center (1903)	98,391	-
River Trail Learning Center at L.O. Jacob (1921)	92,662	140
River Trail at Verndale (1970)	10,164	-
Compass Programs at Bell Center (1964)	29,841	64
Riverview ECSE (1934)	51,759	246
Sorteberg ECSE (1960)	54,837	246
Charles Holden Maintenance Facility (2016)	15,345	-
Secondary Technical Education Program (2002)	58,143	475
LEASED		
	Square Feet	Enrollment
Anoka-Hennepin Regional High School (1960)	30,400	261
Anoka-Hennepin Technical High School (2015)	8,362	92
Bridges (1987)	23,327	79
Pathways (1972)	12,244	89

Source: District Finance Department/MDE ADM Report

INDEPENDENT SCHOOL DISTRICT NO. 11

Full-Time Equivalents (FTEs) Fiscal 2023

<u>SC *</u>		<u>Full-Time 12 Months</u>	<u>Full-Time 10 Months</u>	<u>Part-Time</u>	<u>Total</u>
10	Administrators and supervisors	103	–	–	103
11	Special education consultants/supervisors	15	–	–	15
15	Miscellaneous – Admin/current (hourly)	12	25	–	37
16	Miscellaneous – Admin/current (salaried)	8	29	–	37
17	Miscellaneous – Tier I	–	19	1	20
20	Principals and assistant principals	80	38	–	118
30	Teachers	–	2,987	168	3,155
35	ABE – ECFE teachers	–	25	26	51
36	SR – KR	–	6	29	35
40	Confidentials	21	–	–	21
41	Secretaries and clericals	89	103	13	205
43	School office supervisors	42	1	–	43
45	Paraprofessionals	–	871	153	1,024
48	Technical specs/print shop	12	1	–	13
50	Custodians/maintenance specialists	174	–	–	174
52	Building supervisors	44	–	–	44
60	CN assistants	–	61	130	191
62	CN site supervisors	1	45	–	46
71	Community school coordinators	–	6	4	10
72	Community education – with benefits (hourly)	44	26	2	72
73	Community education – with benefits (salary)	45	6	–	51
74	Community education – part-time	–	–	143	143
76	Community education – casual	–	–	422	422
80	Miscellaneous support services – no benefits	–	–	267	267
88	ESP – CS programmers	–	7	–	7
90	ESP – EC screeners	–	5	–	5
		<u>690</u>	<u>4,261</u>	<u>1,358</u>	<u>6,309</u>

* Salary Code

Note: All FTEs are based on unit defined 1.0 FTE.

Source: District Labor Relations



Corrective Action Plans and
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

A. FINANCIAL STATEMENT FINDINGS

None.

B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

C. MINNESOTA LEGAL COMPLIANCE FINDINGS

None.

D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No audit findings were reported for the year ended June 30, 2022.

SCHOOL BOARD

Management Report

for

Independent School District No. 11
Anoka-Hennepin Schools
Anoka, Minnesota

June 30, 2023

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01-22-24 J-188 PRINCIPALS

Thomas A. Karnowski, CPA

Paul A. Radosevich, CPA

William J. Lauer, CPA

James H. Eichten, CPA

Aaron J. Nielsen, CPA

Victoria L. Holinka, CPA/CMA

Jaelyn M. Huegel, CPA

Kalen T. Karnowski, CPA

To the School Board and Management of
Independent School District No. 11
Anoka, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 11's (the District) financial statements for the year ended June 30, 2023. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota

December 8, 2023

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AUDIT SUMMARY

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

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS*, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

We have audited the 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, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

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

AUDIT OPINIONS AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2023:

- We have issued unmodified opinions on the District's basic financial statements. Our report included a paragraph emphasizing the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), this year. Our opinion was not modified with respect to this matter.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses. It should be understood that internal controls are never perfected, and those controls, which protect the District's funds from such things as fraud and accounting errors, need to be continually reviewed by management and modified as necessary.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

SIGNIFICANT ACCOUNTING POLICIES

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

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2023. However, the District implemented the following governmental accounting standard during the year:

As described in Note 1 of the notes to basic financial statements, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), during fiscal year ended June 30, 2023. This standard changed the way SBITA transactions are reported by the District, which resulted in a restatement of \$679,304 to beginning net position in the current year.

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a state-wide database—MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for the current fiscal year is not finalized until after the District has closed its financial records. General education revenue and certain other revenues are computed using preliminary information on the number of students served in the resident district and also utilizing some estimates, particularly in the area of enrollment options.

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

The District has recorded a liability in the Statement of Net Position for severance benefits payable for which it is probable employees will be compensated. The "vesting method" used by the District to calculate this liability is based on assumptions involving the probability of employees becoming eligible to receive the benefits (vesting), the potential use of accumulated sick leave prior to termination, and the age at which such employees are likely to retire.

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies, primarily described in GASB Statement Nos. 68, 74, and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

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

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

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

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

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

DISAGREEMENTS WITH MANAGEMENT

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated December 8, 2023.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

OTHER AUDIT FINDINGS OR ISSUES

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

OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that 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.

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

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

FINANCIAL TRENDS IN PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

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

The table below presents a summary of the formula allowance for the past decade and as approved for the next two fiscal years. The 2023 Legislature approved per pupil increases of \$275 for fiscal 2024 and \$143 for fiscal 2025. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.00 percent, state-wide.

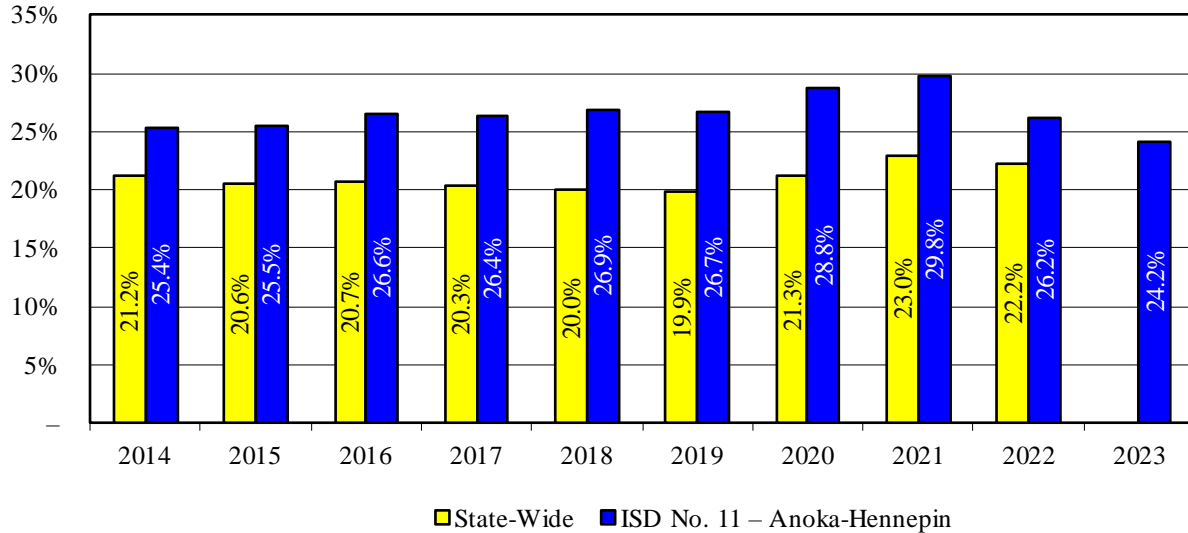
Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2014	\$ 5,302	1.50 %
2015	\$ 5,831	2.00 %
2016	\$ 5,948	2.00 %
2017	\$ 6,067	2.00 %
2018	\$ 6,188	2.00 %
2019	\$ 6,312	2.00 %
2020	\$ 6,438	2.00 %
2021	\$ 6,567	2.00 %
2022	\$ 6,728	2.45 %
2023	\$ 6,863	2.00 %
2024	\$ 7,138	4.00 %
2025	\$ 7,281	2.00 %

For fiscal 2026 and beyond, the actual increase will be equal to the Consumer Price Index-Urban (CPI-U), with a floor of 2.00 percent and a cap of 3.00 percent. CPI-U is determined based upon the prior two fourth-quarter totals. The inclusion of inflationary increases to this formula does not prevent future legislative increases from being approved.

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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

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



Note: State-wide information is not available for fiscal 2023.

The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts decreased gradually from 21.2 percent at the end of fiscal 2014 to 19.9 percent at the end of fiscal 2019, a period of relative stability in the state's economic condition and school funding. This ratio began rising again during the fiscal years impacted by the COVID-19 pandemic, increasing to 23.0 percent at the end of fiscal 2021. In 2022, the state-wide ratio decreased to 22.2 percent as districts returned to more traditional learning models and program operations with the relaxation of pandemic restrictions.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 24.2 percent at the end of the current year, as compared to 26.2 percent at June 30, 2022.

Having an appropriate fund balance is an important factor in assessing the District's financial health because a government, like any organization, requires a certain amount of equity to operate. It is important to review fund balance levels on an ongoing basis to ensure a sufficient equity reserve is available to support programs and cash flow of the District.

The table below shows a comparison of governmental fund revenue per ADM received by Minnesota school districts and your district. Revenues for all governmental funds are included, except for the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. Other financing sources, such as proceeds from sales of capital assets, insurance recoveries, bond sales, loans, and interfund transfers, are also excluded.

Governmental Funds Revenue per Student (ADM) Served							
	State-Wide		Metro Area		ISD No. 11 – Anoka-Hennepin		
	2021	2022	2021	2022	2021	2022	2023
General Fund							
Property taxes	\$ 2,576	\$ 2,645	\$ 3,411	\$ 3,506	\$ 2,713	\$ 2,742	\$ 2,816
Other local sources	438	571	323	446	175	303	461
State	10,514	10,504	10,517	10,536	10,927	10,800	11,088
Federal	992	1,335	956	1,397	714	1,038	916
Total General Fund	<u>14,520</u>	<u>15,055</u>	<u>15,207</u>	<u>15,885</u>	<u>14,529</u>	<u>14,883</u>	<u>15,281</u>
Special revenue funds							
Food Service	576	803	568	770	328	741	642
Community Service	612	731	684	836	584	706	731
Debt Service Fund	<u>1,512</u>	<u>1,508</u>	<u>1,549</u>	<u>1,537</u>	<u>368</u>	<u>351</u>	<u>358</u>
Total revenue	<u>\$ 17,220</u>	<u>\$ 18,097</u>	<u>\$ 18,008</u>	<u>\$ 19,028</u>	<u>\$ 15,809</u>	<u>\$ 16,681</u>	<u>\$ 17,012</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>37,301</u>	<u>37,875</u>	<u>38,078</u>
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.							
Source of state-wide and metro area data: School District Profiles Report published by the MDE							

ADM used in the table above and on the following page are based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables. Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The mix of local and state revenues vary from year-to-year primarily based on funding formulas and the state's financial condition. 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's revenues per ADM have been below both the metro area and state-wide averages in recent years.

The District earned \$647,786,995 in the governmental funds reflected above in fiscal 2023, an increase of \$16,004,652 (2.5 percent) from the prior year. Total revenue per ADM served increased by \$331 (2.0 percent) per student. The increase was primarily due to an increase in funding within the General Fund. Property taxes were up as approved through the annual tax levy process. Other local sources in the General Fund increased over the prior year, largely due to more investment earnings. State sources were up with the increase in the basic formula allowance as discussed earlier and improved funding for state special education. Food service revenues were down with the end of the federal program that provided free meals for all students in the prior year. Increased programming and participation contributed to the per student revenue increase in the Community Service Special Revenue Fund. Debt Service Fund revenue per capita was up in the current year, due to an increase in property taxes and investment earnings.

The following table reflects similar comparative data available from the MDE for all governmental fund expenditures, excluding the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. Other financing uses, such as bond refundings and transfers, are also excluded.

Governmental Funds Expenditures per Student (ADM) Served							
	State-Wide		Metro Area		ISD No. 11 – Anoka-Hennepin		
	2021	2022	2021	2022	2021	2022	2023
General Fund							
Administration and district support	\$ 1,184	\$ 1,249	\$ 1,205	\$ 1,300	\$ 698	\$ 697	\$ 722
Elementary and secondary regular instruction	6,198	6,494	6,527	6,838	5,983	6,301	6,730
Vocational education instruction	197	210	179	191	369	389	393
Special education instruction	2,626	2,724	2,792	2,883	2,901	2,958	3,295
Instructional support services	812	816	917	939	1,324	1,329	1,321
Pupil support services	1,228	1,429	1,285	1,558	1,171	1,398	1,419
Sites, buildings, and other	1,083	1,113	1,052	1,076	1,055	1,055	1,148
Total General Fund – noncapital	13,328	14,035	13,957	14,785	13,501	14,127	15,028
General Fund capital expenditures	793	876	815	897	638	885	762
Total General Fund	14,121	14,911	14,772	15,682	14,139	15,012	15,790
Special revenue funds							
Food Service	532	670	522	659	363	571	641
Community Service	610	689	682	774	569	629	698
Debt Service Fund	1,576	1,599	1,609	1,561	364	356	354
Total expenditures	<u>\$ 16,839</u>	<u>\$ 17,869</u>	<u>\$ 17,585</u>	<u>\$ 18,676</u>	<u>\$ 15,435</u>	<u>\$ 16,568</u>	<u>\$ 17,483</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>37,301</u>	<u>37,875</u>	<u>38,078</u>
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.							
Source of state-wide and metro area data: School District Profiles Report published by the MDE							

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs.

The District's expenditures per ADM have also been below the averages presented above in recent years.

The District spent \$665,752,845 in the governmental funds reflected above in fiscal 2023, an increase of \$38,161,921 (6.1 percent) from the prior year. On a per student basis, with increasing enrollment, this represents an increase of \$915 (5.5 percent). General Fund expenditures increased by \$778 per student. Spending was up in elementary and secondary regular instruction (\$429 per student) and special education instruction (\$337 per pupil), largely due to the contractually approved increases and more positions in the current year, an increase in purchased services, and curriculum spending. Food service was up with more capital spending and inflationary increases on personnel and supply costs in the current year. Community service was up consistent with revenues with the increase in program participation.

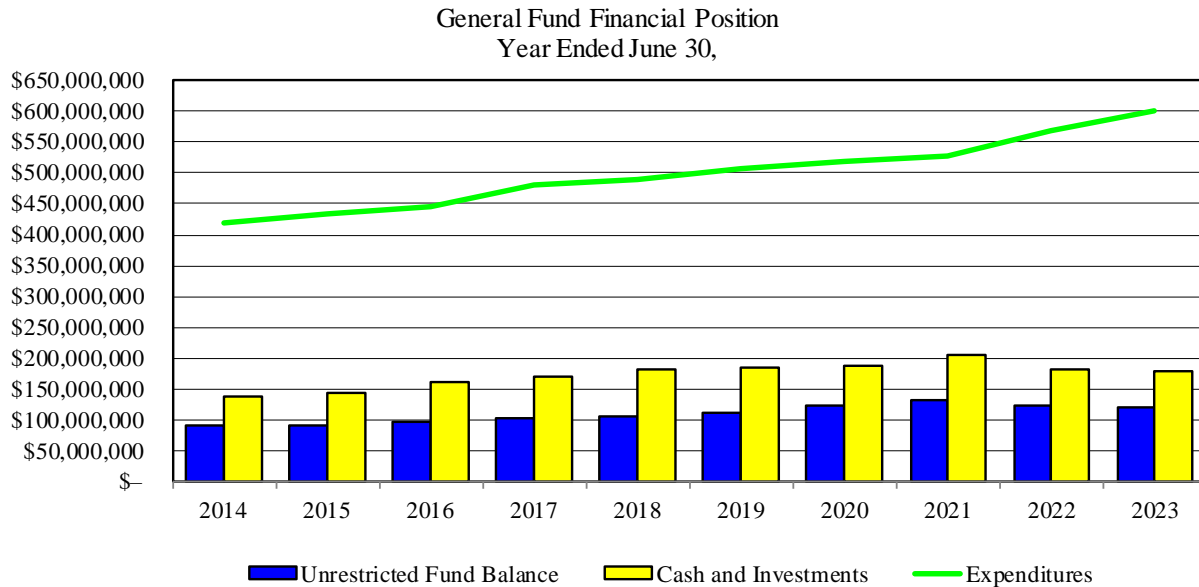
SUMMARY

The COVID-19 pandemic caused numerous financial and operational challenges for districts in recent years; creating instability in student populations, requiring numerous shifts in the delivery of educational services, and resulted in substantial new and unfamiliar federal revenue streams, to name a few. Challenges remain, with tight labor markets, inflationary increases, and the end of many federal pandemic-related funding programs. District school boards, administrators, and employees continue to manage these issues, as districts strive to provide a safe and effective learning experience for their students.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

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



The District ended fiscal year 2023 with a General Fund cash balance of \$178,246,152 (net of interfund receivables and payables), a decrease of \$3,667,968 from the previous year. Unrestricted fund balance (consisting of any assigned and unassigned fund balances, but excluding restricted account deficits) at year-end totaled \$119,092,531, a decrease of \$5,130,853.

Total fund balance of the General Fund decreased by \$18,870,824, compared to a decrease of \$12,418,675 approved in the final budget.

GENERAL FUND COMPONENTS OF FUND BALANCE

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

	June 30,				
	2019	2020	2021	2022	2023
Nonspendable fund balances	\$ 1,950,166	\$ 1,804,646	\$ 1,723,962	\$ 2,978,294	\$ 2,976,925
Restricted fund balances (1)	36,716,967	33,248,953	38,748,541	40,610,231	26,871,629
Unrestricted fund balances					
Assigned	58,201,805	53,910,083	76,695,554	64,608,624	63,891,335
Unassigned	54,246,320	69,545,176	54,975,752	59,614,760	55,201,196
Total fund balance	\$ 151,115,258	\$ 158,508,858	\$ 172,143,809	\$ 167,811,909	\$ 148,941,085
Unrestricted fund balances as a percentage of expenditures	22.1%	23.8%	25.0%	21.8%	19.8%
Unassigned fund balances as a percentage of expenditures	10.7%	13.4%	10.4%	10.5%	9.2%
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

The table above reflects the total General Fund unrestricted fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula.

The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

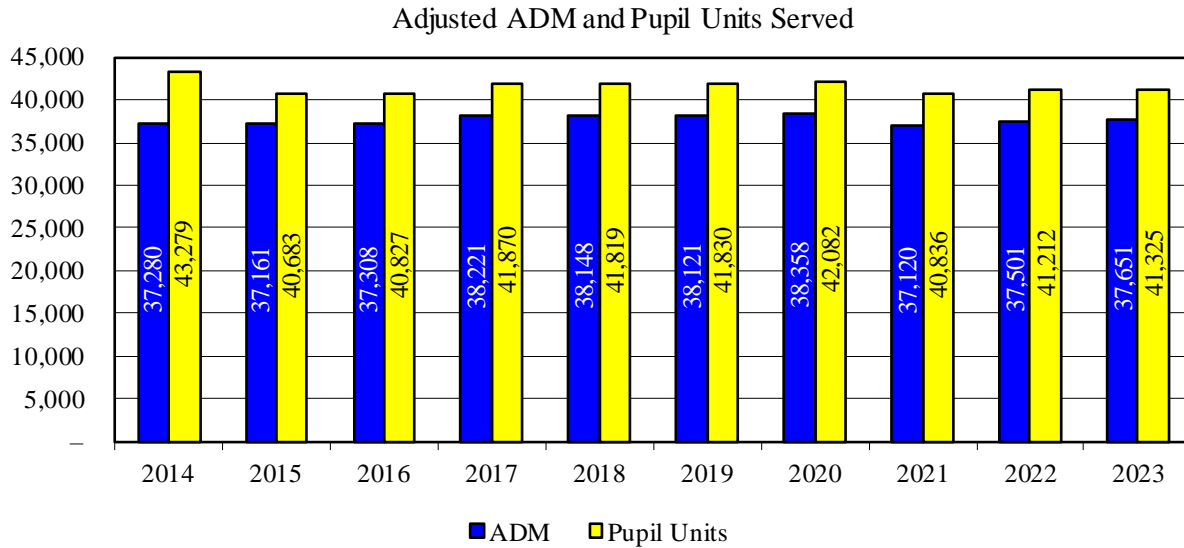
Minimum Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding maintaining a minimum fund balance for the General Fund. The policy states that the District will strive to maintain a minimum General Fund unassigned balance (excluding restricted deficits) of 10.0 percent of the annual operating budget, which consists of budgets in the unassigned fund balance category.

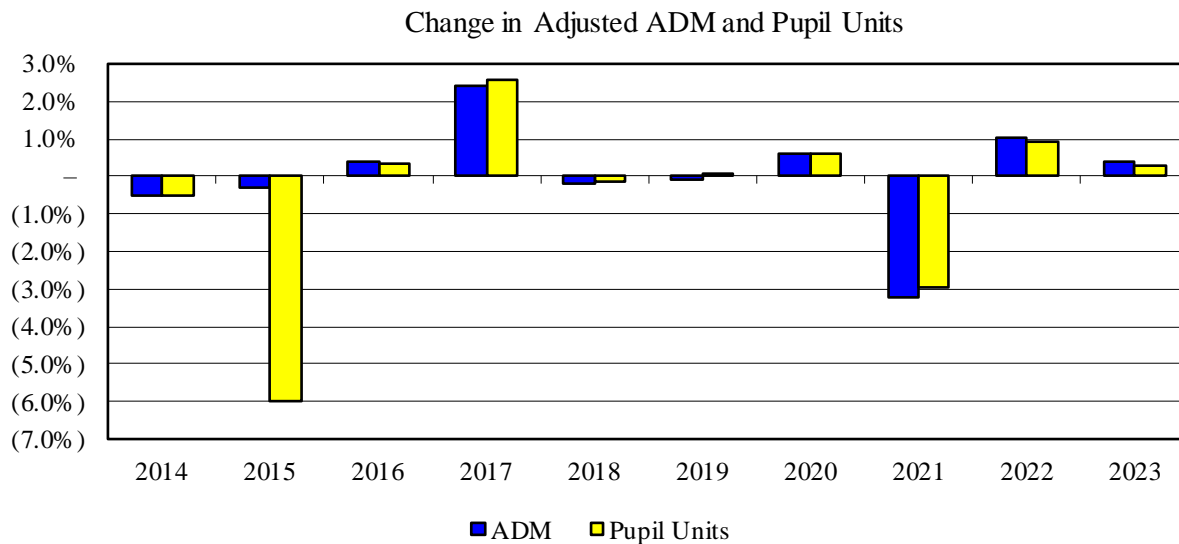
At June 30, 2023, the total unassigned fund balance of the General Fund was 11.2 percent of the fiscal 2024 General Fund operating budget.

AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

The following graph presents the District’s adjusted ADM and pupil units for the past 10 years:



The following graph shows the rate of change in ADM served by the District from year-to-year, along with the change in the resulting pupil units:



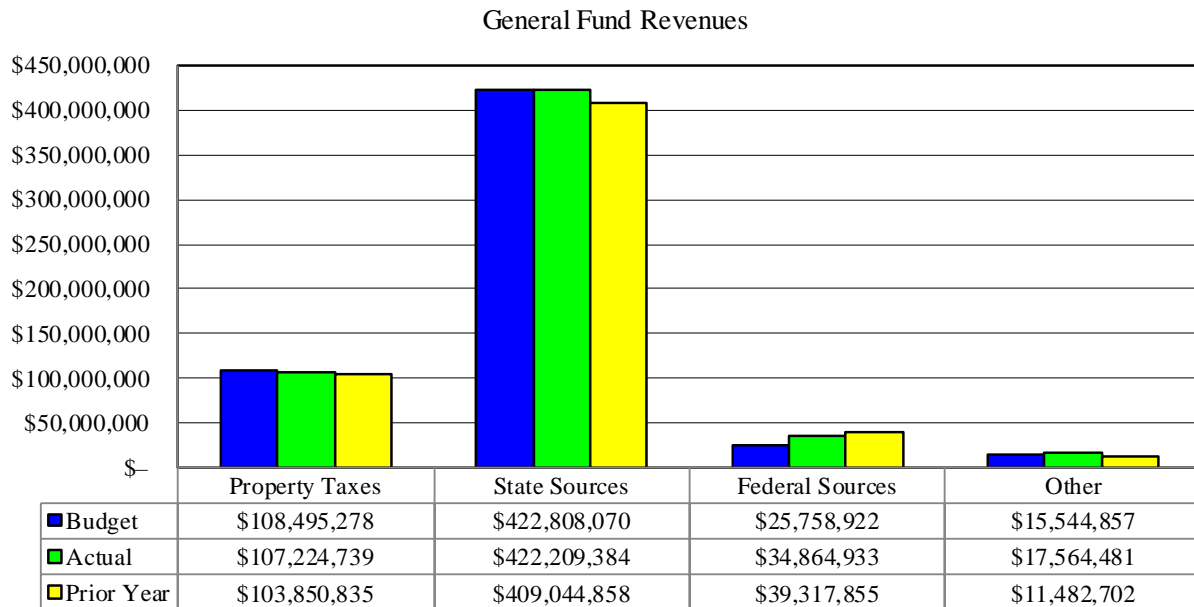
Note: The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments which affect this year’s revenue, and also the final adjustments caused by open enrollment gains and losses.

The District served an estimated ADM of 37,651 in 2023, an increase of 150 ADM (about 0.4 percent) from the prior year. The resulting pupil units served by the District increased by 113 to 41,325.

GENERAL FUND REVENUES

The following graph presents the District's General Fund revenues for 2023:



For 2023, revenues of \$581,863,537 were over budget by \$9,256,410, or 1.6 percent, and were \$18,167,287, or 3.2 percent, more than the prior year.

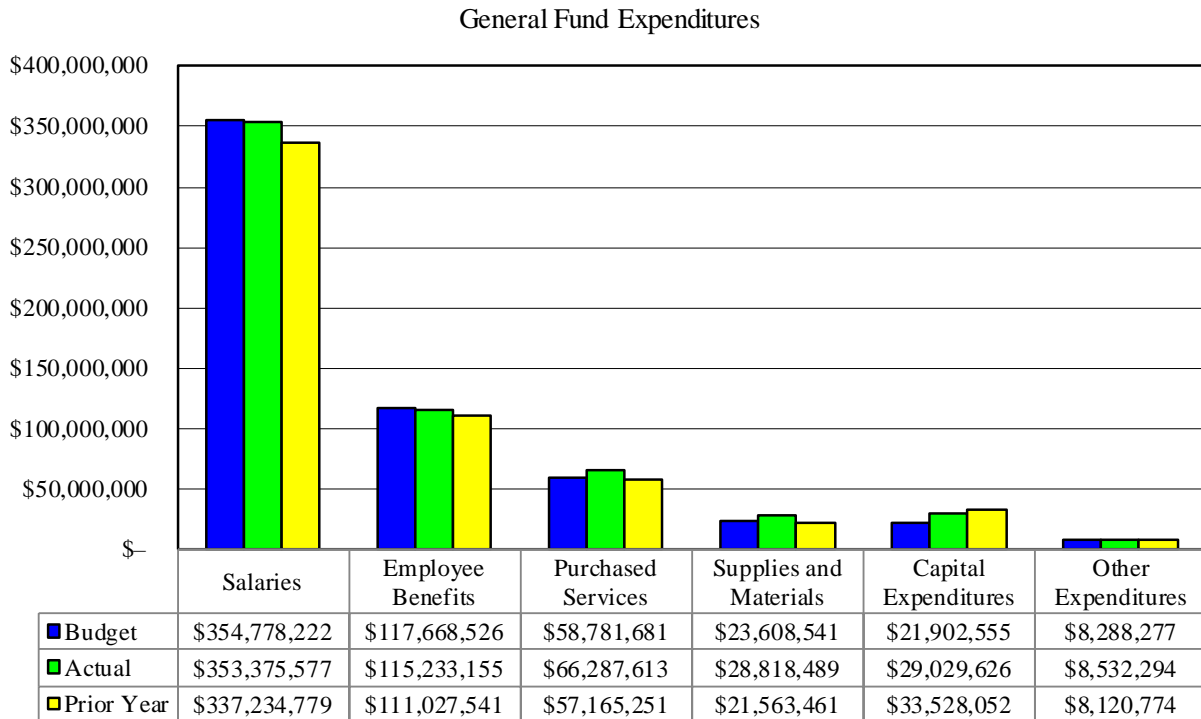
Favorable variances to budget for federal and other sources more than offset the slight shortfall in projected amounts in property taxes and state sources. Conservative budgeting for new grants and investment earnings accounted for the favorable variance in federal and other sources, respectively. A change in use of special education grant funding for tuition bills to other districts also caused federal sources to exceed budget.

The District reported increases over the prior year in property taxes, state sources, and other revenues. An increase in the board approved levy contributed to the growth in property taxes in the current year. State sources were up due to the District serving more students and funding improvements in general education and special education funding formulas. The increase in other revenues was directly related to the improved investment earnings recognized by the District in fiscal 2023.

The graph above reflects the concentration of state sources (72.6 percent), followed by property taxes (18.4 percent), to finance General Fund operations.

GENERAL FUND EXPENDITURES

The following graph summarizes the District's General Fund expenditures for 2023:



In 2023, expenditures of \$601,276,754 were \$16,248,952, or 2.8 percent, over the final budget, and were \$32,636,896, or 5.7 percent, more than the prior year.

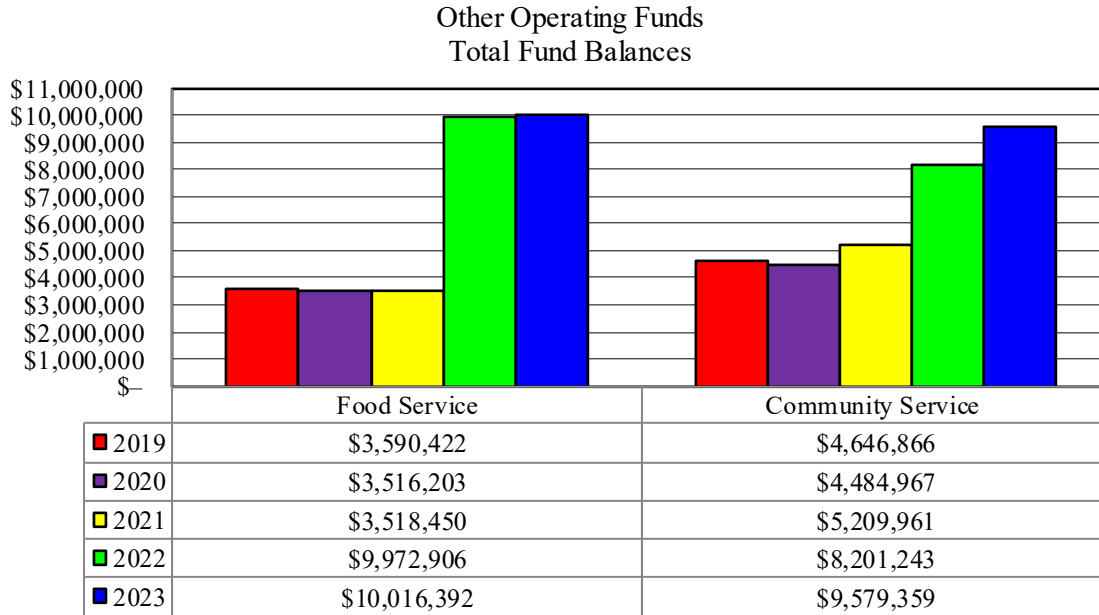
Salary and benefit-related charges, which account for 77.9 percent of General Fund expenditures, increased by \$20,346,412 (4.5 percent) and were \$3,838,016 (0.8 percent) under amounts planned in the budget. Conservative budgeting, attrition, and difficulty filling open positions contributed to salaries and benefits ending the year less than projected.

Spending shifted in the current year with more expenditures in purchased services for tuition, special education contracted services, and utilities. Supplies and materials were up with more spending for technology levy spending, new curriculum, and utilities.

Capital spending was over budget largely due to the timing of expenditures for long-term facilities maintenance projects in the current year, but was down compared to the prior year with more strategic investments for capital in the prior year.

OTHER FUNDS OF THE DISTRICT

The following graph shows what is referred to as the other operating funds. The remaining nonoperating funds are only included in narrative form below, since their level of fund balance can fluctuate significantly, due to such things as issuing and spending the proceeds of refunding or building bonds and, therefore, the trend of fund balance levels is not necessarily a key indicator of financial health. It does not mean that these funds cannot experience financial trouble or that their fund balances are unimportant.



Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund reported a fund balance increase of \$43,486 over the prior year, compared to a budgeted decrease of \$208,482. Food Service Special Revenue Fund revenue sources were \$3,378,968 over budget, while expenditures were over budget by \$3,127,000. The Food Service Special Revenue Fund had a year-end fund balance of \$10,016,392, representing 41.0 percent of annual expenditures. Revenues were over budget with unanticipated federal entitlements provided during the year, along with conservative budgeting. Expenditures were over budget due to increases in supplies and materials more than anticipated and with more capital spending than planned in the budget.

Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund reported an increase in fund balance of \$1,378,116 over the prior year, compared to a budgeted increase of \$403,540. Revenues and other financing sources were \$811,282 over budget, while expenditures were under budget by \$163,294. The Community Service Special Revenue Fund had a year-end fund balance of \$9,579,359, representing 36.0 percent of annual expenditures. Conservative budgeting and increased program participation contributed to the variances to projected amounts.

It is critical that Food Service and Community Service Special Revenue Funds be self-sustaining, so as not to place additional burden on General Fund operations. As the graph above indicates, the District has been successful in maintaining the fiscal health of these two funds, which have also assisted in funding several capital improvements to the respective programs in recent years. The District should review upcoming capital needs of the child nutrition and community service operations and incorporate that information in establishing an optimal level of fund balance that is also within state and federal fund balance limits.

Capital Projects – Building Construction Fund

The activity of this fund is largely controlled by various debt issues used for the acquisition, construction, or improvement of major capital facilities. The District had current year capital spending of \$13,904,189 spread across several district projects. The Capital Projects – Building Construction Fund has a year-end fund balance of \$12,985,430 restricted for capital projects.

Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue’s financing plan. It is important to remember that resources of the Debt Service Fund are restricted to the payment of outstanding debt obligations of the District. As of June 30, 2023, the District has \$3,563,313 restricted for debt service.

Proprietary Funds – Internal Service Funds

The District uses internal service funds to account for the self-insurance activities of the District’s employee dental, health, and workers’ compensation benefit plans. The following table presents the combined activity reported for the past three fiscal years for the internal service funds:

	June 30,		
	2021	2022	2023
Operating revenue			
Charges for services	\$ 74,232,610	\$ 73,635,921	\$ 74,146,404
Operating expenses			
Dental benefit claims	5,251,401	5,274,851	5,405,754
Health benefit claims	66,025,264	68,646,410	70,381,074
Workers’ compensation claims	1,342,902	1,129,854	2,241,877
Total operating expenses	<u>72,619,567</u>	<u>75,051,115</u>	<u>78,028,705</u>
Operating income (loss)	1,613,043	(1,415,194)	(3,882,301)
Nonoperating revenue			
Investment earnings	<u>22,295</u>	<u>71,570</u>	<u>1,040,644</u>
Change in net position	1,635,338	(1,343,624)	(2,841,657)
Net position			
Beginning of year	<u>14,235,738</u>	<u>15,871,076</u>	<u>14,527,452</u>
End of year	<u>\$ 15,871,076</u>	<u>\$ 14,527,452</u>	<u>\$ 11,685,795</u>

Post-Employment Benefits Trust Fund

The District has established a Post-Employment Benefits Trust Fund to account for an irrevocable trust account established to finance the District’s liability for post-employment healthcare benefits. At year-end, trust net position of \$36,006,775 is available for future OPEB payments.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	June 30,		Change
	2023	2022	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 185,085,579	\$ 215,671,097	\$ (30,585,518)
Total capital assets, net of depreciation/amortization	566,488,798	549,501,318	16,987,480
Long-term liabilities, excluding pensions	(312,160,699)	(322,384,817)	10,224,118
Pension adjustments	(379,599,894)	(465,572,592)	85,972,698
OPEB adjustments	8,993,253	9,873,000	(879,747)
Other adjustments	9,968,992	12,737,260	(2,768,268)
	<u>\$ 78,776,029</u>	<u>\$ (174,734)</u>	<u>\$ 78,950,763</u>
Total net position – governmental activities			
Net position			
Net investment in capital assets	\$ 310,909,691	\$ 298,711,539	\$ 12,198,152
Restricted	55,675,341	58,818,927	(3,143,586)
Unrestricted	(287,809,003)	(357,705,200)	69,896,197
	<u>\$ 78,776,029</u>	<u>\$ (174,734)</u>	<u>\$ 78,950,763</u>
Total net position			

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

Total net position increased by \$78,950,763 during fiscal 2023. The District's net investment in capital assets increased \$12,198,152 this year. The change in this category of net position typically depends on the relationship of the rate at which the District is adding additional capital assets, the rate capital assets are being depreciated and amortized, and how that relates to the rate at which the District is repaying the debt issued to purchase or construct those assets. The increases the District has seen in recent years have also been impacted by facility-related levies, which have allowed the District to undertake improvement projects without additional debt. The change in restricted net position was due to a decrease in amounts restricted for capital asset acquisition and state funding restrictions. The change in unrestricted net position is due in part to adjustments in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension plan liabilities and related deferments. The financial operations of the General Fund and internal service funds, as previously discussed, also contributed to the change in unrestricted net position.

ACCOUNTING AND AUDITING UPDATES

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

GASB STATEMENT NO. 100, *ACCOUNTING CHANGES AND ERROR CORRECTIONS—AN AMENDMENT OF GASB STATEMENT NO. 62*

The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The requirements of this statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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.

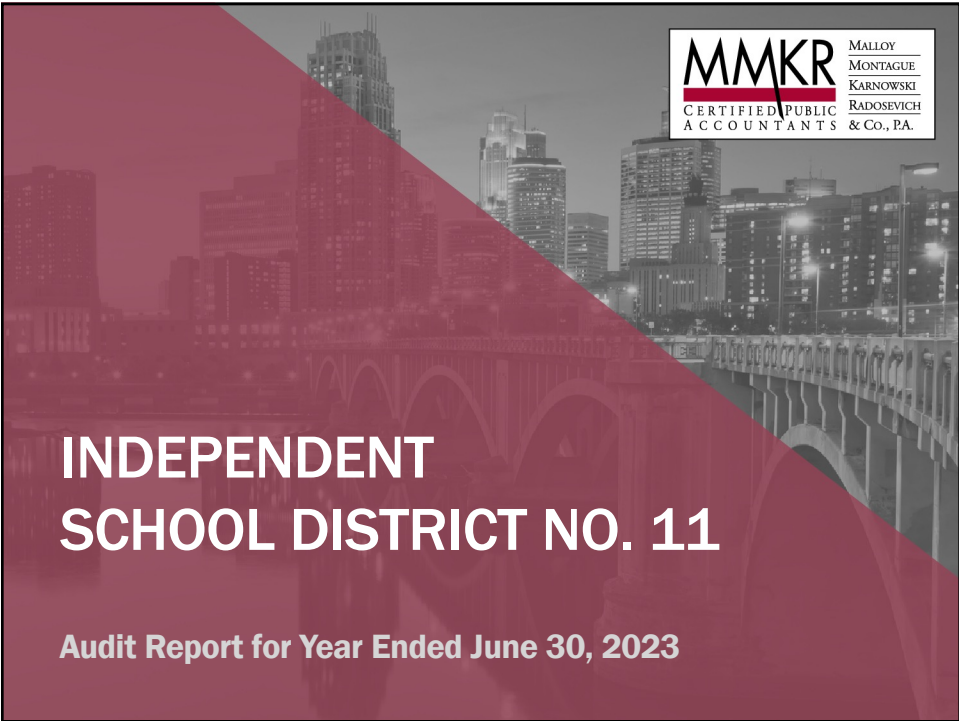
This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used, but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable 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.

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.

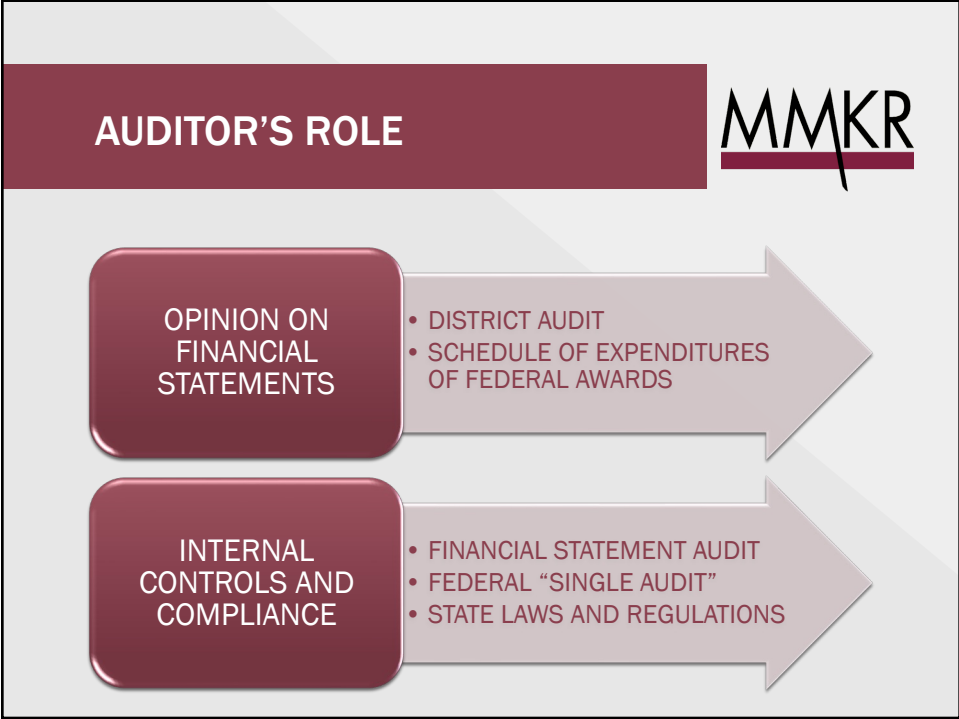
With respect to financial statements prepared using the current financial resources measurement focus, this statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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AUDIT RESULTS



- DISTRICT FINANCIAL AUDIT**
 - Unmodified Opinion on Basic Financial Statements.
 - Implemented New SBITA Standard in the Current Year.
- INTERNAL CONTROL AND COMPLIANCE – FINANCIAL AUDIT**
 - No material weaknesses or instances of noncompliance reported in the current year.

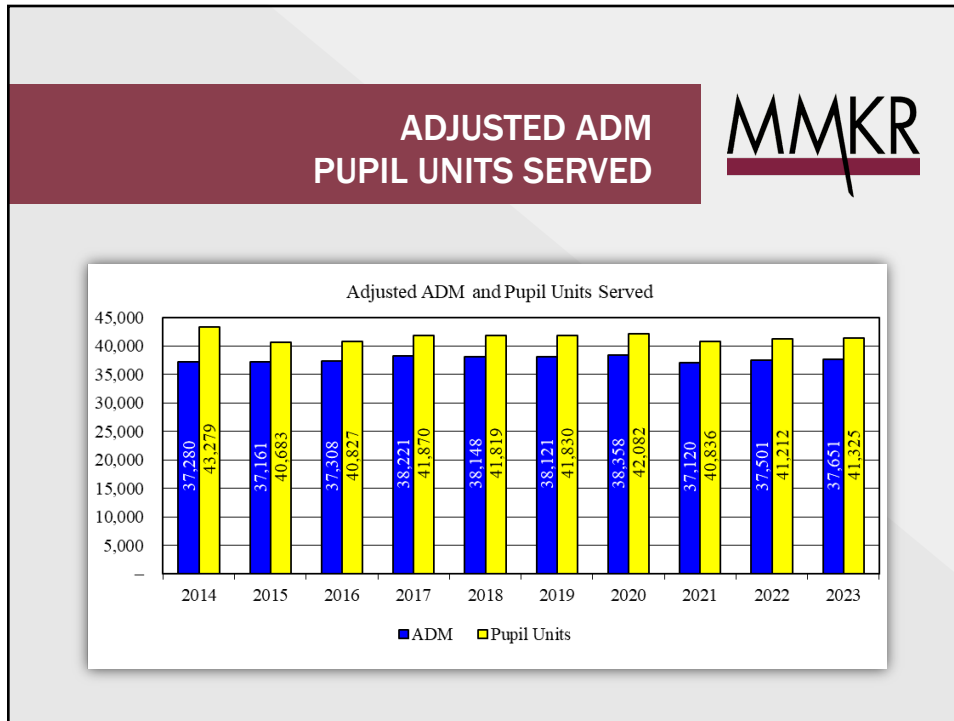
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AUDIT RESULTS (CONTINUED)

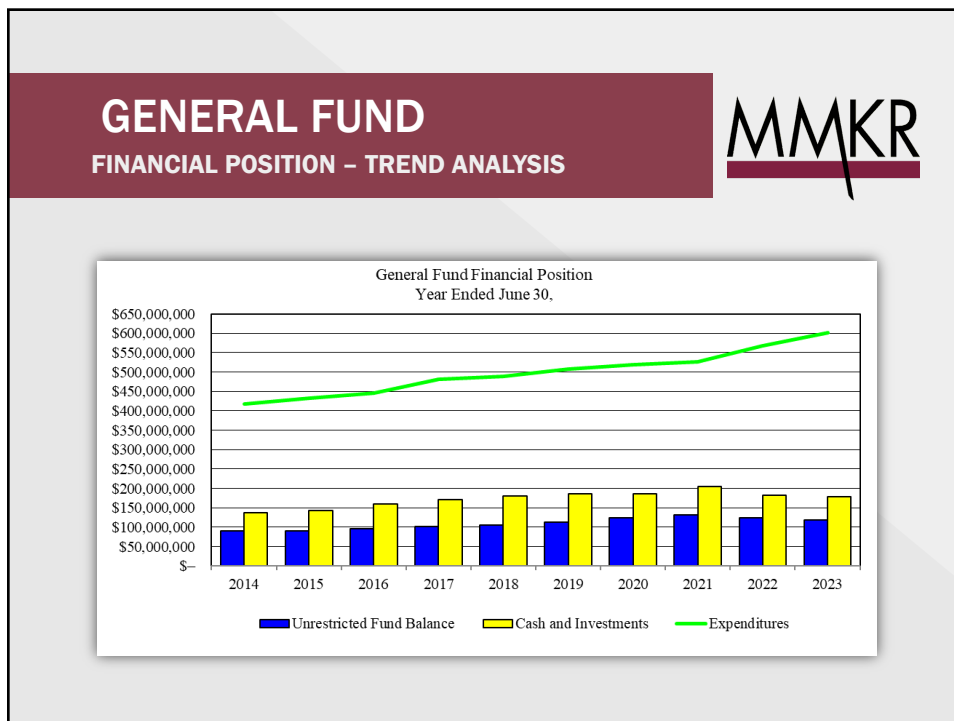


- MN LEGAL COMPLIANCE**
 - No noncompliance with Minnesota laws and regulations reported in the current year.
- SINGLE AUDIT of FEDERAL AWARDS**
 - Clean opinion on SEFA
 - No material weaknesses or instances of noncompliance reported in the current year.

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GENERAL FUND FINANCIAL POSITION – TREND ANALYSIS

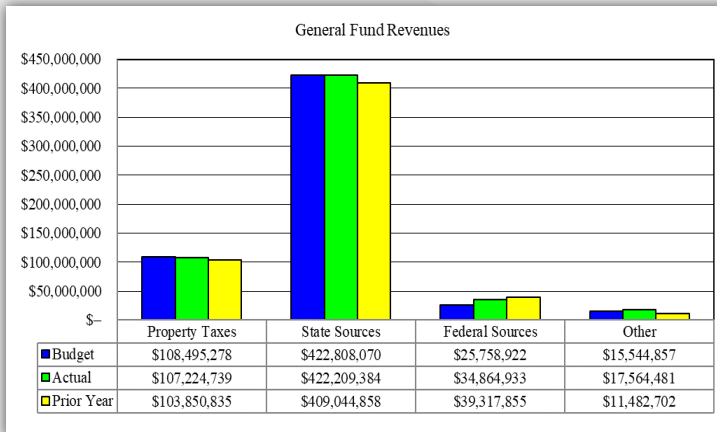
	June 30,				
	2019	2020	2021	2022	2023
Nonspendable fund balances	\$ 1,950,166	\$ 1,804,646	\$ 1,723,962	\$ 2,978,294	\$ 2,976,925
Restricted fund balances (1)	36,716,967	33,248,953	38,748,541	40,610,231	26,871,629
Unrestricted fund balances					
Assigned	58,201,805	53,910,083	76,695,554	64,608,624	63,891,335
Unassigned	54,246,320	69,545,176	54,975,752	59,614,760	55,201,196
Total fund balance	\$ 151,115,258	\$ 158,508,858	\$ 172,143,809	\$ 167,811,909	\$ 148,941,085
Unrestricted fund balances as a percentage of expenditures	22.1%	23.8%	25.0%	21.8%	19.8%
Unassigned fund balances as a percentage of expenditures	10.7%	13.4%	10.4%	10.5%	9.2%

(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.



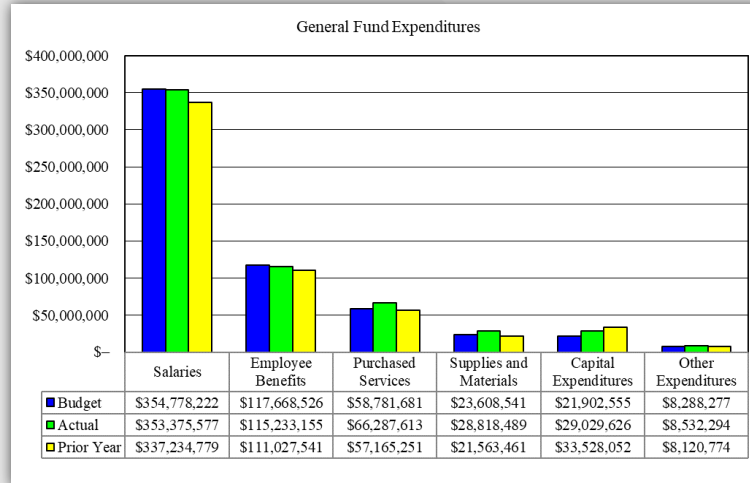
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GENERAL FUND REVENUE



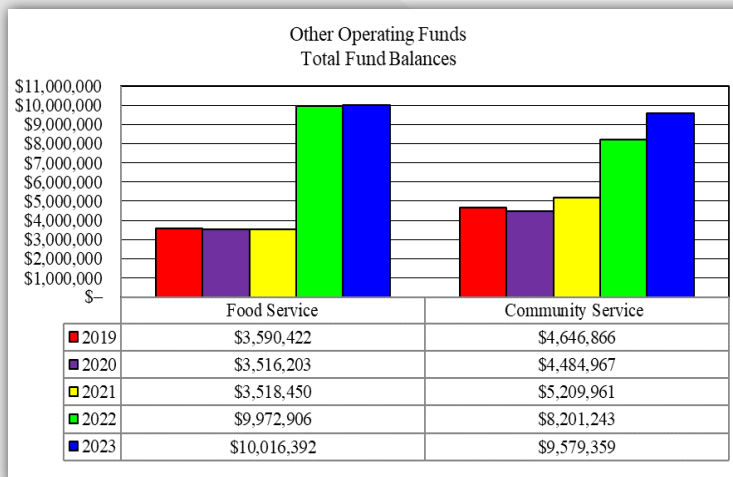
8

GENERAL FUND EXPENDITURES



9

OTHER GOVERNMENTAL FUNDS



10

INTERNAL SERVICE FUNDS

SUMMARY CHANGES IN NET POSITION

	June 30,		
	2021	2022	2023
Operating revenue			
Charges for services	\$ 74,232,610	\$ 73,635,921	\$ 74,146,404
Operating expenses			
Dental benefit claims	5,251,401	5,274,851	5,405,754
Health benefit claims	66,025,264	68,646,410	70,381,074
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Operating income (loss)	1,613,043	(1,415,194)	(3,882,301)
Nonoperating revenue			
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Change in net position	1,635,338	(1,343,624)	(2,841,657)
Net position			
Beginning of year	<u>14,235,738</u>	<u>15,871,076</u>	<u>14,527,452</u>
End of year	<u>\$ 15,871,076</u>	<u>\$ 14,527,452</u>	<u>\$ 11,685,795</u>



Labor Relations update

January 22, 2024



ANOKA-HENNEPIN
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Labor Relations update

Purpose

Policy 209 Negotiations Code of Ethics:

Administration will review the status of negotiations at public School Board meetings.

Note: Consistent with the Open Meeting Law and PELRA - detailed negotiation discussions are addressed in closed sessions of the School Board.

Employee groups

Background information

Anoka-Hennepin Schools is comprised of 19 employee groups:

- 5 policy groups (non-bargaining units): Administrators/Supervisors, Cabinet, Misc. Community Education, Confidentials, Misc E-12.
- 14 bargaining groups:
 - 2022-24 Master Agreements: Building Supervisors, Child Nutrition Site Supervisors, Education Office Professionals, Paraeducators, School/Kindergarten Readiness teachers.
 - 2023-25 Master Agreements: Child Nutrition Assistants, Community School Coordinators.
 - Open: Custodians, Education Support Specialists, Principals, School Office Supervisors, Special Education Program Supervisors, Teachers, Technical Specialists.

Budget facts

General Fund salaries and benefits total \$498 million

- Salaries and benefits are approximately 82% of the general fund budget.
- 1% increase on salaries and benefits is equal to \$4.98 million.
- 1% increase on the basic general ed formula is equal to \$2.87 million.

FY24: 4% increase on the Basic General Ed Formula is equal to \$11.5 million.

FY24: budget includes a 2.5% increase in salaries and 5% increase in benefits.



Custodians

2023-25

Exclusive representative:	SEIU, Local 284
Employees:	171
Base cost:	\$11.7 million
Meetings to date:	6, filed for mediation 1/10/24
Most recent Union proposal:	16.31% increase; \$2 million in new money 2023-24 starting rates \$19.50 to \$42.25/hr
Most recent district proposal:	10.98% increase; \$1.3 million in new money 2023-24 starting rates \$19.50 to \$41.85/hr
Next meeting/status:	Mediation scheduled January 25



Education support specialists

2023-25

Exclusive representative:	Education Minnesota Anoka-Hennepin (Community School Programmers and Early Childhood Screeners)
Employees:	9
Base cost:	\$570,000
Meetings to date:	0
Next meeting:	Not scheduled

Principals/Assistant principals

2023-25

Exclusive representative:	Anoka-Hennepin Elementary and Secondary Principals' Association (AHESPA)
Employees:	132
Base cost:	\$21.4 million
Meetings to date:	4
Most recent Union proposal:	9.98% increase; \$2.2 million in new money 3% on salary schedule each year
Next meeting:	January 30, 2023

School office supervisors

2023-25

Exclusive representative:	Anoka-Hennepin Office Professional Supervisors Association
Employees:	42
Base cost:	\$3.4 million
Meetings to date:	1
Most recent Union proposal:	11.17% increase; \$400,000 in new money. Increase salary schedule 5% Year 1 and 4% Year 2
Next meeting:	To be determined

Special Education program supervisors

2023-25

Exclusive representative:	Special Education Program Supervisors Association
Employees:	16
Base cost:	\$2.3 million
Meetings to date:	2
Most recent Union proposal:	22.57% increase; \$550,000 in new money \$10,000 increase to salary schedule each year
Most recent district proposal:	Language items only
Next meeting:	January 24, 2024

Technical specialists

2023-25

Exclusive representative:	Minnesota Association of School Employees
Employees:	13
Base cost:	\$950,000
Meetings to date:	3
Most recent Union Proposal:	15.38% increase; \$150,000 in new money 6% on salary schedule each year
Most recent district Proposal:	6.01% increase; \$60,000 in new money 1% on salary schedule each year
Next meeting:	TBD

Teachers (K-12 and ABE/ECFE)

2023-2025

Exclusive representative:	Anoka-Hennepin Education Minnesota (AHM)
Employees:	3,271
Base cost:	\$339 million
Meetings to date:	11; mediation January 3 and January 18
Next meeting/status:	Tentative Agreement reached January 19

Summary of all open groups

*as of last public meeting

Bargaining Group	Base Cost (2022-23)	Budgeted Amount + 2.5% salary, 5% benefits (2024-25)	Most Recent Group Proposal (2024-25)	Amount Over Budget
Custodians	\$11,678,001	\$12,363,189	\$13,650,422	\$1,287,233
Ed Support Spec	\$572,670	N/A	N/A	N/A
Principals	\$21,378,663	\$22,577,017	\$23,565,042	\$988,025
Schl Ofc Sup	\$3,446,287	\$3,645,331	\$3,841,367	\$196,036
SpEd Supervisors	\$2,308,795	\$2,439,560	\$2,858,431	\$418,871
Tech Specialists	\$950,037	\$1,007,011	\$1,091,040	\$84,029
Teachers	\$339,206,990	\$358,313,415	\$405,108,898*	\$46,795,483*
Total	\$379,563,200	\$400,345,523	\$450,115,200	\$49,769,677

Historic Financials

New money and proposed new compensation

	FY24	FY25	Biennial Total
New Money from Legislature	\$30 million	\$36 million	\$66 million
Proposed Compensation Increase - All Open Groups*	\$44 million	\$71 million	\$115 million
Difference	-\$14 million	-\$35 million	-\$49 million

* last public proposals

Next steps

- Provide regular updates at Board meetings
- Follow rules of mediation
- www.ahschools.us/negotiations

Questions and comments



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