



MINNEOTA PUBLIC SCHOOLS | SCHOOL BOARD REGULAR MEETING

Tuesday, November 19, 2024 @ 5:30 pm | Conference Room

+ *Mission: A community in continuous pursuit of excellence.*

+ *Vision: A partnership of staff, family, and community promoting lifelong learning in an everchanging world.*

SCHOOL BOARD MEMBERS

___ Jon Buysse, Director

___ Ryan Runia, Clerk

___ Martin Hennen, Director

___ Tom Skorczewski, Vice Chair

___ Terri Myhre, Director

___ Abby Thostenson, Chair

___ Carmen Panka, Treasurer

AGENDA – REGULAR MEETING

1. Regular Order of Business

- 1.1. Call to Order.....Chair Abby Thostenson
- 1.2. Pledge of Allegiance
- 1.3. Roll Call
- 1.4. Approval of the Meeting AgendaM/S/V
- 1.5. Recognition of Visitors and Guests
- 1.6. Viking Pride: Positive Comments by School Board Members and Administration I/D

2. Presentations

- 2.1. 2023-2024 Financial Audit: Marlene Verdoes, Hoffman-Brobst I/D
- 2.2. Flexible Learning Year Overview: Scott Monson I/D

3. Business Agenda

- 3.1. Approval of the Minutes from the October 21, 2024 Regular Meeting.....M/S/V
- 3.2. Approval of Bills-Check RegisterM/S/V

4. Leadership Reports

- 4.1. School Board and Committee Reports: School Board Members
- 4.2. Activities Director/Community Education Coordinator: Patty Myrvik
- 4.3. Elementary Principal/Curriculum Coordinator: Nicolle Johnston
- 4.4. High School Principal: Heather Anderson
- 4.5. Superintendent: Scott Monson
- 4.6. Enrollment: Scott Monson
- 4.7. Student Activity Fund: Scott Monson
- 4.8. Financial: Scott Monson

5. Consent Agenda M/S/V

- 5.1. Approve Personnel Items
- 5.2. Approve Open Enrollments:
 - 5.2.1. Three Pre-K Students from the Canby School District
 - 5.2.2. One Pre-K Student from the Yellow Medicine East School District
 - 5.2.3. Two Pre-K Students from the Marshall School District
 - 5.2.4. One Pre-K Student from the RTR School District
 - 5.2.5. One 2nd Grader from the Ivanhoe School District

- 5.2.6. One 2nd Grader from the Marshall School District
- 5.2.7. One 7th Grader from the Lynd School District
- 5.2.8. One 11th Grader from the Canby School District
- 5.3. Declare three (3) nurse’s beds/cots as surplus

6. Previous Business

- 6.1. Policy and Procedures Review – 2nd Reading M/S/V
 - 6.1.1. Policy #713: Student Activity Accounting
 - 6.1.2. Policy #721: Uniform Grant Guidance Policy Regarding Federal Revenue Sources
 - 6.1.3. Policy #901: Community Education
 - 6.1.4. Policy #902: Use of School District Facilities and Equipment
 - 6.1.5. Policy #904: Distribution of Materials on School Property By Nonschool Persons
 - 6.1.6. Policy #905: Advertising
 - 6.1.7. District Procedures for Technology Offboarding

7. New Business

- 7.1. Accept/Approve the 2023-2024 Financial Audit M/S/V
- 7.2. Review 2023-2024 Achievement and Integration Plan and 2023-2024 World’s Best Workforce Plan Summaries I/D
- 7.3. Approve eLearning Day Plans M/S/V
- 7.4. Policy and Procedures Review – 1st Reading I/D
 - 7.4.1. Policy #213: School Board Committees
 - 7.4.2. Policy #427: Workload Limits for Certain Special Education Teachers
 - 7.4.3. Policy #520: Student Surveys
 - 7.4.4. Policy #530: Immunization Requirements
 - 7.4.5. Policy #533: Wellness
 - 7.4.6. Policy #612.1: Development of Parent and Family Engagement Policies for Title I Programs
 - 7.4.7. Policy #801: Equal Access to School Facilities
- 7.5. Approve a Resolution for Acceptance of Gifts/Donations/Grants..... M/S/V-RC

8. Calendar Review: Meeting & Dates I/D

9. Potential Items for Future Meetings I/D

10. Adjournment M/S/V

PRESENTATION

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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INTRODUCTORY SECTION

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF SCHOOL BOARD MEMBERS AND OFFICIALS
JUNE 30, 2024**

<u>SCHOOL BOARD MEMBERS</u>		<u>TERM EXPIRES</u>
Abby Thostenson	Chairperson	January 1, 2027
Tom Skorczewski	Vice Chairperson	January 1, 2027
Carmen Panka	Treasurer	January 1, 2025
Ryan Runia	Clerk	January 1, 2025
Terri Myhre	Director	January 1, 2025
Jon Buysse	Director	January 1, 2027
Martin Hennen	Director	January 1, 2027
 <u>SCHOOL OFFICIAL</u>		
Scott Monson	Superintendent	



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INDEPENDENT AUDITOR'S REPORT

Members of the School Board
Independent School District No. 414
Minneota, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Independent School District No. 414, Minneota, Minnesota as of and for the year ended June 30, 2024, and the related notes to the basic 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 and each major fund of Independent School District No. 414, Minneota, Minnesota as of June 30, 2024, and the respective changes in financial position 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 Independent School District No. 414, Minneota, Minnesota, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Independent School District No. 414, Minneota, Minnesota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 Independent School District No. 414, Minneota, Minnesota'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 Independent School District No. 414, Minneota, Minnesota's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Independent School District No. 414, Minneota, Minnesota's basic financial statements. The accompanying uniform financial accounting and reporting standards compliance table is presented for purposes of additional analysis and is 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 uniform financial accounting and reporting standards compliance table is 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 audit report. The other information comprises the introductory and other supplementary information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Summarized Comparative Information

We have previously audited Independent School District No. 414, Minneota, Minnesota's June 30, 2023 financial statements, and our report, dated December 15, 2023, expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024, on our consideration of Independent School District No. 414, Minneota, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 414, Minneota, Minnesota'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 Independent School District No. 414, Minneota, Minnesota's internal control over financial reporting and compliance.

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

November 18, 2024

REQUIRED SUPPLEMENTAL INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

As management of Independent School District No. 414, Minneota, Minnesota, we offer readers of Independent School District No. 414, Minneota, Minnesota's financial statements this narrative overview and analysis of the financial activities of Independent School District No. 414, Minneota, Minnesota for the fiscal year ended June 30, 2024.

FINANCIAL HIGHLIGHTS

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

- Net position in the Statement of Net Position increased \$864,280 from the prior year to \$2,899,031. This increase was primarily the result of increases in the tuition revenue, admissions, student fees, investment earnings, and revenue from state sources, and favorable differences between actual and expected investment earnings and liability experience for both the Teacher Retirement Association and Public Employees Retirement Association as it relates to pensions.
- The District's General Fund revenues exceeded expenditures and other financing uses for the year by \$318,076. The unassigned fund balance decreased by \$1,958 and the various nonspendable, restricted, and assigned fund balances increased by \$320,034. The General Fund unassigned fund balance as of June 30, 2024, was \$1,283,036.
- A ten-year tuition agreement has been approved with the Ivanhoe School District to educate Ivanhoe students in grades 7-12 through fiscal year 2029. The District enrolled 49 students through the tuition agreement in 2023-2024. The collaboration the District has with the Ivanhoe School District continues to increase revenue and provide financial and enrollment stability.
- On May 9, 2023, the District held a special election. The District voters authorized the issuance of \$2,450,000 of General Obligation Bonds to provide funds for the acquisition and betterment of school sites and facilities, including the acquisition, installation, replacement and maintenance of software, computers, mobile devices, improved technology and technology systems, networks, infrastructure, and office and instructional technology. The District received the bond proceeds of \$2,450,000 in August, 2023. During the same special election, the voters authorized the District to revoke its existing capital project levy authorization of 8.660% times the net tax capacity of the District and replace it with a new capital project levy authorization of 3.345% times the net tax capacity of the District. The existing capital project levy authorization raised approximately \$500,000 for taxes payable in 2022 the first year it was levied. The proposed new capital project levy authorization will raise approximately \$250,000 for taxes payable in 2024, the first year it is levied, and will be authorized for eight years. The estimated total cost of the projects to be funded over that time period is approximately \$2,000,000. The revenue from the proposed capital project levy authorization will provide funds for the acquisition, installation, replacement, support, and maintenance of software, software licenses, computers, improved technology equipment, networks, infrastructure, and the costs of technology related personnel and training.
- The District was compliant with its existing fund balance policy on June 30, 2024. The District maintained 28% of the District's General Fund operating budget (excluding restricted expenditures) in the combined total of the General Fund committed, assigned, and unassigned fund balances. This is above the 25% stated in the fund balance policy.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts. They are:

- Independent Auditor's Report,
- Required Supplementary Information which includes the Management's Discussion and Analysis (this section),
- Basic financial statements, notes to the basic financial statements, and
- Other supplementary information, and other required reports and information.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont’d)

The basic financial statements include two kinds of statements that present different views of the District:

- The government-wide financial statements, including the Statement of Net Position and the Statement of Activities, provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the government-wide statements. The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the District’s activities are shown in one category:

- **Governmental Activities** – Most of the District’s basic services are included here, such as regular and special education, transportation, administration, food service, and community education. Property taxes and state aids finance most of these activities.

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 are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District has one kind of fund:

- **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 funds 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 statements, additional information (reconciliation schedules) follows the governmental funds statements that explain the relationship (or differences) between these two types of financial statement presentations.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GOVERNMENT-WIDE FINANCIAL STATEMENTS)

NET POSITION

The District's combined net position was \$2,899,031 on June 30, 2024. This was an increase of 42.5% from the previous year total of \$2,034,751. A summary of the District's net position is as follows:

Net Position – Governmental Activities			Percentage Change
	<u>6/30/2024</u>	<u>6/30/2023</u>	
Current and Other Assets	\$ 8,374,903	\$ 5,053,935	
Capital and Right of Use Assets	<u>12,777,332</u>	<u>13,431,311</u>	
Total Assets	<u>21,152,235</u>	<u>18,485,246</u>	14.4%
Related to OPEB	16,927	30,144	
Related to Pensions	<u>1,197,810</u>	<u>1,591,676</u>	
Total Deferred Outflows of Resources	<u>1,214,737</u>	<u>1,621,820</u>	(25.1%)
Current Liabilities	1,996,394	1,544,988	
Noncurrent Liabilities	<u>14,738,532</u>	<u>13,419,701</u>	
Total Liabilities	<u>16,734,926</u>	<u>14,964,689</u>	11.8%
Property Tax Levied for Subsequent Year's Expenditures	2,333,441	2,174,833	
Related to OPEB	68,974	62,187	
Related to Pensions	<u>330,600</u>	<u>870,606</u>	
Total Deferred Inflows of Resources	<u>2,733,015</u>	<u>3,107,626</u>	(12.1%)
Net Investment in Capital and Right of Use Assets	4,399,132	4,263,988	
Restricted	770,682	650,589	
Unrestricted	<u>(2,270,783)</u>	<u>(2,879,826)</u>	
Total Net Position	<u>\$ 2,899,031</u>	<u>\$ 2,034,751</u>	42.5%

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GOVERNMENT-WIDE FINANCIAL STATEMENTS) (Cont'd)

CHANGE IN NET POSITION

The change in net position occurs as a result of revenue being greater than expenses for the year ended June 30, 2024. This increase was a result of a variety of factors including increased tuition revenue, admissions, student fees, investment earnings, and revenue from state sources, and favorable differences between actual and expected investment earnings and liability experience for both the Teacher Retirement Association and Public Employees Retirement Association as it relates to pensions. These increases were offset by an increase in overall salaries and benefits. A summary of the District's revenues and expenses is as follows:

Change in Net Position – Governmental Activities			Percentage
Revenues	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>Change</u>
Program Revenues			
Charges for Services	\$ 748,086	\$ 740,215	
Operating Grants and Contributions	2,342,379	1,534,097	
Capital Grants and Contributions	50,106	-	
General Revenues			
Property Taxes	1,688,883	1,671,613	
Unallocated Federal and State Aid	5,010,174	4,662,174	
Other	265,534	123,763	
Total Revenues	<u>10,105,162</u>	<u>8,731,862</u>	15.7%
Expenses			
District and School Administration	575,242	478,409	
District Support Services	392,951	380,790	
Regular Instruction	3,598,612	2,554,882	
Vocational Instruction	170,054	197,636	
Exceptional Instruction	1,116,476	933,990	
Community Education and Services	222,310	157,096	
Instructional Support Services	176,663	325,154	
Pupil Support Services	1,026,259	967,334	
Site, Buildings and Equipment	878,866	760,809	
Fiscal and Other Fixed Cost Programs	40,372	38,949	
Interest on Long-Term Debt	324,715	256,896	
Depreciation and Amortization - Unallocated	<u>718,362</u>	<u>718,961</u>	
Total Expenses	<u>9,240,882</u>	<u>7,770,906</u>	18.9%
Increase (Decrease) in Net Position	864,280	960,956	
Beginning Net Position	<u>2,034,751</u>	<u>1,073,795</u>	
End of Year Net Position	<u>\$ 2,899,031</u>	<u>\$ 2,034,751</u>	42.5%

The District's total revenues consisted of program revenues of \$3,140,571, property taxes of \$1,688,883, unallocated federal and state aids of \$5,010,174, earnings on investments of \$228,223, and a small amount from miscellaneous other sources. Expenses totaling \$9,240,882 consisted primarily of student instructional costs of \$4,885,142, student support services of \$1,202,922, administration costs of \$968,193, site, buildings and equipment costs of \$878,866, unallocated depreciation and amortization costs of \$718,362, community education services of \$222,310, interest on long-term debt of \$324,715, and minor other amounts.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GOVERNMENT-WIDE FINANCIAL STATEMENTS) (Cont'd)

CHANGE IN NET POSITION (Cont'd)

The cost of all governmental activities this year was \$9,240,882.

- The users of the District's programs paid for 8.1%, or \$748,086, of the costs.
- The federal and state governments subsidized certain programs with grants and contributions. This totaled \$2,392,485, or 25.9% of the total costs.
- Most of the District's net costs of services (\$6,100,311), however, were paid for by state taxpayers based on the statewide education aid formula and by District taxpayers.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS)

FUND BALANCE

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$5,417,885. This was up from \$2,377,309 at the end of the prior year, an increase of \$3,040,576. The General Fund increased \$318,076, primarily due to an increase in tuition revenue, admissions, student fees, general education and state special education aid, and earnings from investments, offset by an increase in salaries and benefits, and an operating transfer to the Community Service Fund. The Food Service Fund had an increase of \$16,232 mainly due to a change in funding sources due to free lunches provided by State of Minnesota starting in fiscal year 2024. The Community Service Fund decreased \$46,646, before other financing sources, due to program expenditures exceeding state revenue and fees from patrons in the School Readiness and Early Childhood Family Education Programs. This decrease was offset by an operating transfer from the General Fund resulting in a net fund balance increase of \$20,907. The Building Construction Fund had an increase of \$2,642,317 due to the issuance of bonds. The Debt Service Fund increased \$43,044 due to increased interest earnings and statutory levy requirements.

REVENUES AND EXPENDITURES

Revenues and other financing sources of the District's governmental funds totaled \$12,759,465. This was an increase of 44.1% over the previous year total of \$8,854,408. Total expenditures and other financing uses were \$9,718,889. This was an increase of 5.1% from the previous year total of \$9,246,736. A summary of the revenues, expenditures, and other financing sources (uses) reported on the governmental financial statements is as follows:

Revenues and Expenditures – Governmental Funds

	<u>Revenue</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Fund Balance Increase (Decrease)</u>
General Fund	\$ 8,059,417	\$ 7,673,788	\$ (67,553)	\$ 318,076
Food Service Fund	492,945	476,713	-	16,232
Community Service Fund	182,964	229,610	67,553	20,907
Building Construction Fund	113,179	97,325	2,626,463	2,642,317
Debt Service Fund	1,216,944	1,173,900	-	43,044
Totals	<u>\$ 10,065,449</u>	<u>\$ 9,651,336</u>	<u>\$2,626,463</u>	<u>\$ 3,040,576</u>

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS) (Cont'd)
GENERAL FUND**

The General Fund is used by the District to record the primary operations of providing educational services to students from kindergarten through grade twelve. Pupil transportation activities, capital purchases, and major maintenance projects are also included in the General Fund.

The following schedule presents a summary of General Fund revenues and other financing sources:

Revenues – General Fund				
	Year Ended 6/30/2024	Year Ended 6/30/2023	Amount Change	Percentage Change
Local Sources				
Property Taxes	\$ 1,120,346	\$ 1,028,652	\$ 91,694	8.9%
Tuition and Contracts	403,456	320,963	82,493	25.7%
Other Local Sources	313,765	226,992	86,773	38.2%
State Sources	6,046,820	5,164,378	882,442	17.1%
Federal Sources	164,692	171,890	(7,198)	(4.2%)
Sales and Other Conversion of Assets	10,338	4,673	5,665	121.2%
Total Revenues	<u>8,059,417</u>	<u>6,917,548</u>	<u>1,141,869</u>	16.5%
Other Financing Sources				
Insurance Recovery	-	165,394	(165,394)	(100.0%)
Total Other Financing Sources	<u>-</u>	<u>165,394</u>	<u>(165,394)</u>	(100.0%)
Total Revenues and Other Financing Sources	<u>\$ 8,059,417</u>	<u>\$ 7,082,942</u>	<u>\$ 976,475</u>	13.8%

The following schedule presents a summary of General Fund expenditures and other financing uses:

Expenditures – General Fund				
	Year Ended 6/30/2024	Year Ended 6/30/2023	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries and Wages	\$ 4,296,694	\$ 4,050,381	\$ 246,313	6.1%
Employee Benefits	1,013,107	931,865	81,242	8.7%
Purchased Services	1,464,442	1,495,760	(31,318)	(2.1%)
Supplies and Materials	660,926	687,416	(26,490)	(3.9%)
Other Expenditures	20,690	21,242	(552)	(2.6%)
Capital Expenditures	199,480	184,502	14,978	8.1%
Debt Service Expenditures	18,449	65,780	(47,331)	(72.0%)
Total Expenditures	<u>7,673,788</u>	<u>7,436,946</u>	<u>236,842</u>	3.2%
Other Financing Uses				
Operating Transfer Out	67,553	-	67,553	100.0%
Total Expenditures and Other Financing Uses	<u>\$ 7,741,341</u>	<u>\$ 7,436,946</u>	<u>\$ 304,395</u>	4.1%

In summary, the 2023-2024 General Fund revenue exceeded expenditures and other financing uses by \$318,076. As a result, the total fund balance increased to \$2,249,926 at June 30, 2024. After deducting statutory and accounting standards restrictions, the unassigned fund balance decreased \$1,958 to \$1,283,036 at June 30, 2024. The District closely monitors the General Fund unassigned fund balance through its budgeting process throughout the year.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS) (Cont'd)
GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year ended June 30, 2024 the District revised its operating budget once. This revision was planned, and was necessary because when the initial budget was prepared and adopted (a budget must be in place prior to the beginning of the fiscal year on July 1) details of student enrollment numbers, salary details, staffing levels, and other significant information items were not yet definite. The revision was made in February 2024 to reflect changes in enrollment data, state funding adjustments, and unforeseen changes in expenditures categories.

While the District's final budget for the General Fund anticipated that expenditures and other financing uses would exceed revenue by \$144,908 the actual results for the year showed a surplus of \$318,076.

- Actual revenues were \$299,415 or 3.9 percent, more than budget, due primarily to more state general education and special education revenue, admissions, and earnings from investments partially offset by less levy revenue, school unemployment aid, and federal revenue than expected.
- Actual expenditures and other financing uses were \$163,569 or 2.1 percent, less than budget. This variance was mainly due to incorrectly budgeting for busing costs and technology purchases.

FOOD SERVICE FUND

The Food Service Fund revenue for 2023-2024 totaled \$492,945 and expenditures were \$476,713, resulting in the fund balance increasing \$16,232. This increase is due primarily to a change in funding sources during the current year. The June 30, 2024 Food Service Fund fund balance is \$184,251.

COMMUNITY SERVICE FUND

In 2023-2024, the total revenues and other financing sources for the Community Service Fund were \$250,517 and total expenditures were \$229,610. Total revenues and other financing sources exceeded expenditures by \$20,907, resulting in an increase of the same amount in the June 30, 2024 fund balance. The Community Service Fund fund balance as of June 30, 2024 is \$53,177.

BUILDING CONSTRUCTION FUND

The Building Construction Fund revenues and other financing sources exceeded expenditures by \$2,642,317 in 2023-2024 due to the issuance of bonds and earnings from investments exceeding bond and initial costs on the technology project. The Building Construction Fund fund balance as of June 30, 2024 is \$2,642,317.

DEBT SERVICE FUND

The Debt Service Fund revenues exceeded expenditures by \$43,044 in 2023-2024 due to the statutory levy process and various aids exceeding debt service payments. The Debt Service Fund fund balance as of June 30, 2024 is \$288,214.

CAPITAL AND RIGHT OF USE ASSETS AND DEBT ADMINISTRATION

CAPITAL AND RIGHT OF USE ASSETS

As of June 30, 2024, the District had net capital and right of use assets of \$12,777,332 representing a broad range of capital and right of use assets, including school buildings and improvements, computer and audio-visual equipment, and various other equipment for instructional, support and administrative purposes. Total depreciation and amortization expense for the year was \$849,495. Information about the District's capital and right of use assets is shown below. More detailed information about the District's capital and right of use assets is presented in Note 4 to the basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

**CAPITAL AND RIGHT OF USE ASSETS AND DEBT ADMINISTRATION (Cont'd)
CAPITAL AND RIGHT OF USE ASSETS (Cont'd)**

Capital and Right of Use Assets – Governmental Activities

	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>Percentage Change</u>
Land	\$ 65,665	\$ 65,665	0.0%
Buildings and Improvements	20,858,327	20,858,327	0.0%
Equipment and Vehicles	2,513,694	2,318,178	8.4%
Right of Use Asset	33,000	33,000	0.0%
Less Accumulated Depreciation and Amortization	<u>(10,693,354)</u>	<u>(9,843,859)</u>	8.6%
Total Net Capital and Right of Use Assets	<u>\$ 12,777,332</u>	<u>\$ 13,431,311</u>	(4.9%)

DEBT ADMINISTRATION

At year-end, the District had \$10,815,000 in general obligation bonds outstanding. The District also had various other long-term liabilities as detailed in Note 5 to the basic financial statements.

- The District issued \$2,450,000 in General Obligation Bonds on August 22, 2023.
- The District continues to pay its scheduled debt payments, retiring \$926,600 of bonds and lease liabilities in the year ending June 30, 2024.

Outstanding Debt

	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>Percentage Change</u>
General Obligation Bonds	\$10,815,000	\$ 9,285,000	16.5%
Right of Use Lease	<u>13,200</u>	<u>19,800</u>	(33.3%)
Total	<u>\$10,828,200</u>	<u>\$ 9,304,800</u>	16.4%

FACTORS BEARING ON THE DISTRICT'S FUTURE

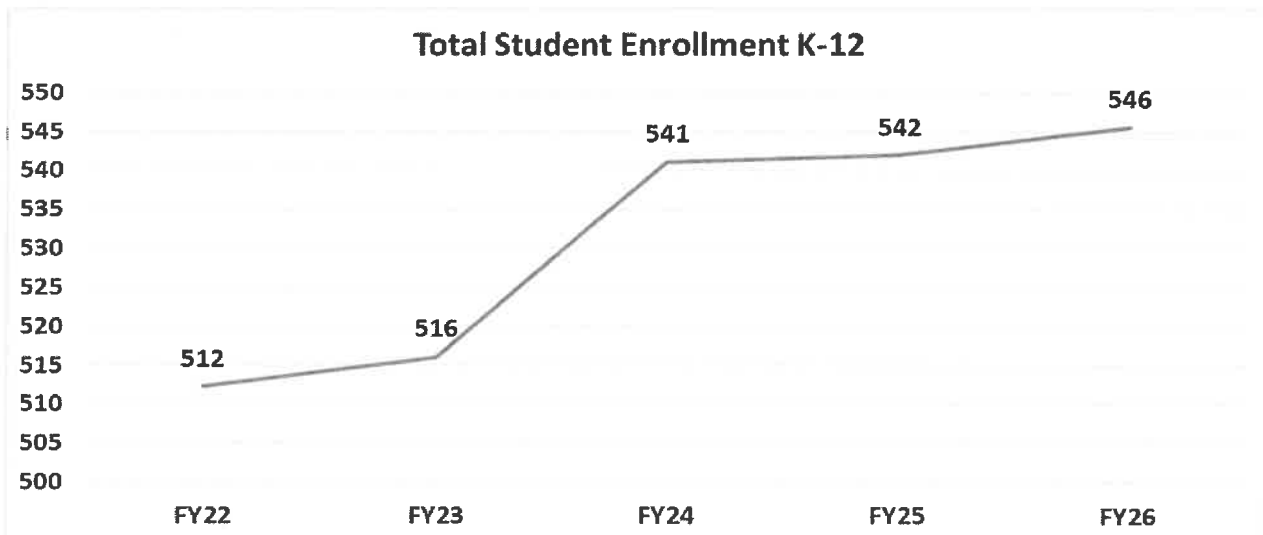
The Minnesota Legislature has made available to districts a \$300 board-controlled levy and a \$424 local optional revenue levy, giving the Minneota District a total of \$724 of board-authorized levy. With the exception of these levies, the District is dependent on the State of Minnesota and local taxpayers for its revenue authority. On November 2, 2021, a ten-year, \$500,000 per year, technology levy was passed. This new levy was to be effective for the 2022-2023 school year. On May 9, 2023, the District passed two Special Election Questions, which essentially 'repealed' the November 2021, ten-year, \$500,000 per year technology levy and replaced it with an eight-year, \$250,000 per year technology levy and the sale of an eight-year, \$2.45 million bond to fund technology. The result of these two questions being approved will be a slight reduction in taxes for district property owners.

In the 2023 Legislative Session, the Legislature approved foundation formula increases of 2.00%, for the 2024-2025 fiscal year. This has a minimal – but still slightly positive – effect for school district operations and maintaining a balanced budget. The Legislature also approved free breakfast and lunch to all K-12 students, regardless of family income during the 2023 Legislative session. This has a positive effect for school district food service funds. Along with these, long-term facilities maintenance revenue was approved in the 2015 Legislative Session, began in 2016-2017. This has a significant, positive effect for the District as the District has been working to maintain the facilities in the District. Economic conditions in Minnesota have been changing and hopefully the Legislature will continue to have options available to them in providing programs and support for K-12 education.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FACTORS BEARING ON THE DISTRICT’S FUTURE (Cont’d)

The PreK-12th grade student enrollment, including Ivanhoe tuition agreement students, increased by approximately 27 students from 2022-2023 to 2023-2024. Since revenue and funding are primarily determined by student enrollment, this enrollment increase led to a more stable and positive budget in 2023-2024. Student enrollment is anticipated to be relatively stable in the future. The District continues to utilize enrollment and financial planning tools, along with detailed and conservative budgeting and a budget monitoring process to plan for these enrollment changes to the best of its ability. The graph below includes all students in Kindergarten through 12th Grade, including students open enrolled into the District and Ivanhoe Tuition Students. With potential unforeseen variances in student enrollment and less-than-necessary funding from the State, the District will likely need to consider attempting to pass an operating referendum sometime in the near future. The District is planning for a February 2025 Building Bond Referendum to address significant deferred maintenance needs along with educational and programming enhancements.



Salary and benefit costs account for slightly less than 70% of the District’s General Fund operating expenditures. Teacher contracts are in effect for two-year periods, with the most recent contract expiring on June 30, 2025. Contracts with certified staff were approved in or before June 2024 and most will expire June 30, 2025. The Superintendent’s contract was approved from July 2022 through June 2025. The High School Principal and Elementary Principal/Curriculum Director’s contracts are current and will expire on June 30, 2026. A contract with paraprofessionals and educational consultants was approved for two years and will expire June 30, 2026. The District will continue to bargain in good faith with staff representatives during negotiations but will also need to balance that commitment with the reality of limited resources and the District’s long-range financial future.

On October 1, 2024, the School Board approved pursuing two questions for the February 11, 2025 building bond referendum. Question #1 will be for infrastructure for \$11,724,100. Question #2 will be for programming options for \$13,089,000.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide District 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 one has questions about this report or needs additional financial information, contact the Business Office, Independent School District No. 414, 504 N. Monroe Street, Minneota, MN 56264, visit the District website at www.minneotaschools.org or call (507) 872-6532.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
STATEMENT OF NET POSITION
JUNE 30, 2024
(with Partial Comparative Information as of June 30, 2023)

	Governmental Activities	
	2024	2023
ASSETS		
Current Assets:		
Cash and Investments	\$ 4,352,713	\$ 2,836,841
Property Taxes Receivable-Net	1,547,689	1,335,211
Accounts and Interest Receivable	163,143	121,128
Due From State of Minnesota	949,974	626,602
Due From Federal Government	111,646	47,717
Due From Other Government Units	1,984	3,322
Inventories	54,523	36,686
Prepaid Expenses	82,641	46,428
Total Current Assets	7,264,313	5,053,935
Noncurrent Assets:		
Investments	1,110,590	-
Capital and Right of Use Assets:		
Land	65,665	65,665
Other Capital and Right of Use Assets, Net of Depreciation and Amortization	12,711,667	13,365,646
Total Noncurrent Assets	13,887,922	13,431,311
TOTAL ASSETS	21,152,235	18,485,246
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB	16,927	30,144
Related to Pensions	1,197,810	1,591,676
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,214,737	1,621,820
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 22,366,972	\$ 20,107,066
LIABILITIES		
Current Liabilities:		
Salaries Payable	\$ 199,330	\$ 184,015
Accounts and Interest Payable	426,856	253,504
Due to State of Minnesota	36,000	-
Payroll Liabilities	163,644	153,266
Unearned Revenue	6,415	11,313
Current Portion of Long-Term Liabilities	1,164,149	942,890
Total Current Liabilities	1,996,394	1,544,988
Noncurrent Liabilities:		
Noncurrent Portion of Long-Term Liabilities	9,948,436	8,508,568
Net Pension Liability	4,646,251	4,736,976
Total OPEB Liability	143,845	174,157
Total Noncurrent Liabilities	14,738,532	13,419,701
TOTAL LIABILITIES	16,734,926	14,964,689
DEFERRED INFLOWS OF RESOURCES		
Property Tax Levied for Subsequent Year's Expenditures	2,333,441	2,174,833
Related to OPEB	68,974	62,187
Related to Pensions	330,600	870,606
TOTAL DEFERRED INFLOWS OF RESOURCES	2,733,015	3,107,626
NET POSITION		
Net Investment in Capital and Right of Use Assets	4,399,132	4,263,988
Restricted For:		
Capital Asset Acquisition	347,314	150,574
Debt Service	70,098	133,832
Food Service	184,251	168,019
Community Service	53,289	44,365
Other Activities	115,730	153,799
Unrestricted	(2,270,783)	(2,879,826)
TOTAL NET POSITION	2,899,031	2,034,751
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 22,366,972	\$ 20,107,066

The accompanying notes are an integral part of the basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(with Partial Comparative Information for the Year Ended June 30, 2023)**

	2024			2023	
	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
District and School Administration	\$ 575,242				(478,409)
District Support Services	392,951				(380,790)
Regular Instruction	3,598,612	486,979	731,732	50,106	(1,592,769)
Vocational Instruction	170,054	-	-	-	(197,636)
Exceptional Instruction	1,116,476	113,692	945,610	-	(285,938)
Community Education and Services	222,310	104,694	40,170	-	(18,298)
Instructional Support Services	176,663	-	40,000	-	(325,154)
Pupil Support Services	1,026,259	42,721	504,117	-	(527,788)
Site, Buildings and Equipment	878,866	-	80,750	-	(675,006)
Fiscal and Other Fixed Cost Programs	40,372	-	-	-	(38,949)
Interest on Long Term Debt	324,715	-	-	-	(256,896)
Depreciation and Amortization-Unallocated **	718,362	-	-	-	(718,961)
Total Governmental Activities	9,240,882	748,086	2,342,379	50,106	(5,496,594)

General Revenues:					
Property Taxes Levied for:					
General Purposes			1,144,337		1,060,982
Community Education and Service			36,306		34,989
Debt Service			508,240		575,642
Federal and State Aid Not Restricted to Specific Purposes				5,010,174	4,662,174
Earnings on Investments				228,223	85,860
Miscellaneous Revenues				37,311	37,903
Total General Revenues			6,964,591		6,457,550
Change in Net Position			864,280		960,956
Net Position - Beginning of Year			2,034,751		1,073,795
Net Position - End of Year			\$ 2,899,031		\$ 2,034,751

** This line excludes direct depreciation and amortization expenses of the various programs

The accompanying notes are an integral part of the basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
BALANCE SHEET - GOVERNMENTAL FUNDS**

JUNE 30, 2024

(with Partial Comparative Information as of June 30, 2023)

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Building Construction	Debt Service	2024	2023
ASSETS							
Cash and Investments	\$ 2,130,464	\$ 118,948	\$ 63,784	\$ 2,563,078	\$ 587,029	\$ 5,463,303	\$ 2,836,841
Current Property Taxes Receivable	393,217	-	13,896	-	1,134,776	1,541,889	1,330,599
Delinquent Property Taxes Receivable	2,434	-	112	-	3,254	5,800	4,612
Accounts and Interest Receivable	63,611	16,141	4,152	79,239	-	163,143	121,128
Due From State of Minnesota	870,372	-	6,483	-	73,119	949,974	626,602
Due From Federal Government	111,646	-	-	-	-	111,646	47,717
Due From Other Governmental Units	1,984	-	-	-	-	1,984	3,322
Inventory	-	54,523	-	-	-	54,523	36,686
Prepaid Expenditures	80,391	2,250	-	-	-	82,641	46,428
TOTAL ASSETS	\$ 3,654,119	\$ 191,862	\$ 88,427	\$ 2,642,317	\$ 1,798,178	\$ 8,374,903	\$ 5,053,935
LIABILITIES							
Salaries Payable	\$ 198,440	\$ 756	134	-	-	\$ 199,330	\$ 184,015
Accounts Payable	208,163	440	3,785	-	-	212,388	148,587
Due to State of Minnesota	36,000	-	-	-	-	36,000	-
Unearned Revenue	-	6,415	-	-	-	6,415	11,313
Payroll Liabilities	163,644	-	-	-	-	163,644	153,266
TOTAL LIABILITIES	606,247	7,611	3,919	-	-	617,777	497,181
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Delinquent Property Taxes	2,434	-	112	-	3,254	5,800	4,612
Property Tax Levied for Subsequent Year's Expenditures	795,512	-	31,219	-	1,506,710	2,333,441	2,174,833
TOTAL DEFERRED INFLOWS OF RESOURCES	797,946	-	31,331	-	1,509,964	2,339,241	2,179,445
FUND BALANCES							
Nonspendable Fund Balances	80,391	56,773	-	-	-	137,164	83,114
Restricted Fund Balances	388,652	127,478	53,177	2,642,317	288,214	3,499,838	709,344
Assigned Fund Balances	497,847	-	-	-	-	497,847	299,857
Unassigned Fund Balances	1,283,036	-	-	-	-	1,283,036	1,284,994
TOTAL FUND BALANCES	2,249,926	184,251	53,177	2,642,317	288,214	5,417,885	2,377,309
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,654,119	\$ 191,862	\$ 88,427	\$ 2,642,317	\$ 1,798,178	\$ 8,374,903	\$ 5,053,935

The accompanying notes are an integral part of the basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024
(with Partial Comparative Information as of June 30, 2023)**

	2024	2023
Total Fund Balances for Governmental Funds	\$ 5,417,885	\$ 2,377,309
 Amounts reported for governmental activities in the Statement of Net Position are different because:		
 Capital and right of use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Those assets consist of:		
Land	65,665	65,665
Other Capital and Right of Use Assets, Net of \$10,693,354 of Accumulated Depreciation and Amortization	12,711,667	13,365,646
 Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.		
	5,800	4,612
 Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(214,468)	(104,917)
 Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Outflows of Resources Related to Pensions	1,197,810	1,591,676
Deferred Outflows of Resources Related to OPEB	16,927	30,144
Deferred Inflows of Resources Related to Pensions	(330,600)	(870,606)
Deferred Inflows of Resources Related to OPEB	(68,974)	(62,187)
 Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Bonds Payable	(10,815,000)	(9,285,000)
Right of Use Lease Liabilities	(13,200)	(19,800)
Other Post Employment Benefits Payable	(143,845)	(174,157)
Pension Benefits Payable	(4,646,251)	(4,736,976)
Unamortized Bond Premium	(286,402)	(148,886)
Unamortized Bond Discounts	2,017	2,228
Total Net Position of Governmental Activities	\$ <u>2,899,031</u>	\$ <u>2,034,751</u>

The accompanying notes are an integral part of the basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

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

	Major Funds						Total Governmental Funds	
	General	Food Service	Community Service	Building Construction	Debt		2024	2023
					Service	Capital		
REVENUES								
Local Property Tax Levies	\$ 1,120,346		\$ 36,288		\$ 507,745	\$	1,664,379	\$ 1,639,186
Other Local and County Revenues	717,221	4,148	105,678	113,179	34,106		974,332	683,420
Revenue From State Sources	6,046,820	249,716	40,998		675,093		7,012,627	5,801,632
Revenue From Federal Sources	164,692	205,960					370,652	376,176
Sales and Other Conversion of Assets	10,338	33,121					43,459	188,600
TOTAL REVENUES	8,059,417	492,945	182,964	113,179	1,216,944		10,065,449	8,689,014
EXPENDITURES								
Current:								
District and School Administration	598,637						598,637	593,427
District Support Services	386,291						386,291	360,549
Regular Instruction	3,660,968						3,660,968	3,135,180
Vocational Instruction	180,591						180,591	237,148
Exceptional Instruction	1,131,138						1,131,138	1,037,659
Community Education and Services			229,610				229,610	173,382
Instructional Support Services	175,689						175,689	330,080
Pupil Support Services	538,497	476,713					1,015,210	950,237
Site, Buildings and Equipment	743,676			97,325			841,001	912,028
Fiscal and Other Fixed Cost Programs	40,372						40,372	38,949
Capital Outlay:								
Debt Service:								
Principal	17,143				920,000		937,143	958,844
Interest	1,306				251,800		253,106	278,141
Other Debt Service Expenditures					2,100		2,100	5,850
TOTAL EXPENDITURES	7,673,788	476,713	229,610	97,325	1,173,900		9,651,336	9,246,736
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	385,629	16,232	(46,646)	15,854	43,044		414,113	(557,722)
OTHER FINANCING SOURCES (USES)								
Bond Proceeds				2,450,000			2,450,000	
Bond Issuance Premium				176,463			176,463	
Insurance Recovery								165,394
Operating Transfers In (Out)	(67,553)		67,553					
TOTAL OTHER FINANCING SOURCES (USES)	(67,553)		67,553	2,626,463			2,626,463	165,394
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	318,076	16,232	20,907	2,642,317	43,044		3,040,576	(392,328)
FUND BALANCE BEGINNING OF YEAR	1,931,850	168,019	32,270		245,170		2,377,309	2,769,637
FUND BALANCE END OF YEAR	\$ 2,249,926	\$ 184,251	\$ 53,177	\$ 2,642,317	\$ 288,214		\$ 5,417,885	\$ 2,377,309

The accompanying notes are an integral part of the basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(with Partial Comparative Information for the Year Ended June 30, 2023)**

	2024	2023
Total Net Change in Fund Balances - Governmental Funds	\$ 3,040,576	\$ (392,328)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Capital outlays to purchase or build capital assets and right of use assets financed with long-term lease liabilities are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation or amortization expense in the Statement of Activities. This is the amount by which depreciation and amortization expense exceeds capital outlays in the period.</p>		
Capital Outlays	195,516	228,665
Depreciation and Amortization Expense	(849,495)	(844,584)
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position. In the current period these amounts consist of:</p>		
Repayment of Bond Principal	920,000	895,000
Repayment of Financed Purchase Lease	-	47,551
Repayment of Right of Use Lease	6,600	6,600
<p>Interest on long-term debt is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues regardless of when it is due. In addition, the amortization of bond premium/discount decreases/increases interest expense in the Statement of Activities.</p>		
	(70,815)	25,872
<p>Property taxes that will not be collected for several months after the District's fiscal year end are not considered available revenues in the governmental funds, and are instead considered unavailable tax revenues. They are, however, recorded as revenues in the Statement of Activities.</p>		
	1,188	594
<p>Governmental funds recognized pension contributions as expenditures at the time of payment, whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.</p>		
State Aid Related to Pension Expense	38,525	42,254
Pension Expense	198,340	926,479
<p>In the Statement of Activities, other post employment benefits are measured by the amounts actuarially accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of actual or implicit resources used.</p>		
	10,308	24,853
Change in Net Position of Governmental Activities	\$ 864,280	\$ 960,956

The accompanying notes are an integral part of the basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The financial statements of Independent School District No. 414, Minneota, Minnesota have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. The GASB pronouncements are recognized as U.S. generally accepted accounting principles for state and local governments.

B. FINANCIAL REPORTING ENTITY

Independent School District No. 414, Minneota, Minnesota (the District) is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

U.S. Generally Accepted Accounting Principles (GAAP) require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units – entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. These financial statements include all funds of the District. There are no other entities for which the District is financially accountable.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. In accordance with GASB Statement No. 84, Fiduciary Activities, and Minnesota State Statutes, the District's School Board does exercise control or oversight responsibility with respect to the underlying student activities. Accordingly, the student activity funds are included in these financial statements.

C. BASIC FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

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 items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position are available. Depreciation and amortization expense that can be specifically identified by function is included in the direct expenses of each function. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. BASIC FINANCIAL STATEMENT PRESENTATION (Cont'd)

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fiduciary funds are used to account for assets held by the District in a fiduciary capacity. No assets of the District were determined to be of this nature, so no fiduciary funds are presented.

Proprietary funds are used to report business-type activities carried on by a school district. No activities of the District were determined to be of this nature, so no proprietary funds are present in the financial statements.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

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

1. Revenue Recognition – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and U.S. generally accepted accounting principles. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.
2. Recording of Expenditures – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues and lease liabilities are recognized on their due dates.

Description of Funds

The existence of the various District funds has been established by the State of Minnesota, Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is as follows:

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Cont'd)

Description of Funds (Cont'd)

Governmental Funds

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the District, as well as the capital related activities such as maintenance of facilities, equipment purchases, health and safety projects, and disabled accessibility projects.

Food Service Fund – The Food Service Fund is used to account for food service revenues and expenditures.

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

Building Construction Fund – The Building Construction Fund is used to account for financial resources to be used for technology and technology upgrades.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

GASB Statement No. 34 specifies that the accounts and activities of each of the District’s most significant governmental funds (termed “major funds”) be reported in separate columns on the fund financial statements. Other non-major funds can be reported in total. Although only the General Fund, Building Construction Fund, and Debt Service Fund are major funds by definition, the District has elected to report all funds as major funds and therefore presents all funds in separate columns on the fund financial statements – an option permitted by GASB Statement No. 34.

E. BUDGETING

Budgets presented in this report for comparison to actual amounts are presented in accordance with U.S. generally accepted accounting principles. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Building Construction, and Debt Service Funds. The approved budget is published in summary form in the District’s legal newspaper by November 30 of each year. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels. Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

Unencumbered expenditure appropriations lapse at year-end. Encumbrances are generally not recorded.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. CASH AND INVESTMENTS

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate and government bonds, repurchase agreements and the State Treasurer's Investment Pool. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances. Investments are reported at fair value.

Cash and investments at June 30, 2024 are comprised of deposits, certificates of deposit, U.S. Treasury Notes, and shares in Minnesota Trust. Minnesota Trust is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC under Rule 2.a.7. The fair value of the position in the pool is the same as the value of the pool shares.

The District has formal policies in place as of June 30, 2024 to address custodial credit risk for deposits. The District does not have formal policies in place to address credit risk, concentration of credit risk, interest rate risk, and custodial credit risk for investments.

G. ACCOUNTS RECEIVABLE

Accounts receivable represent amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. Amounts due from the State of Minnesota and from other governmental units for general education aids and reimbursements under various specific programs are reported at the estimated amounts to be received based on available information at the date of this report. In some instances, adjustments and proration by these agencies, which are dependent upon the amount of funds available for distribution, may result in differing amounts actually being received. Any such differences will be absorbed into operations of the subsequent period. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary. The only receivables not expected to be collected within one year are delinquent property taxes receivable, which are generally immaterial.

H. INVENTORIES

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

I. PREPAYMENTS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

J. PROPERTY TAXES

The Board of Education annually adopts a tax levy and certifies it to the County in December for collection in the following year. The County is responsible for collecting all property taxes for the District. These taxes attach an enforceable lien on taxable property within the District on January 1 and are payable by the property owners in May and October of each year. The taxes are collected by the County Auditor-Treasurer and tax settlements are made to the District periodically throughout the year.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. PROPERTY TAXES (Cont'd)

Statutory funding formulas determine the majority of the District revenue in the General and special revenue funds. This revenue is divided between property taxes and State aids by the legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the “tax shift.” The remaining portion of taxes collectible in 2024 is recorded as a deferred inflow of resources (property tax levied for subsequent year’s expenditures).

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 available to finance the operations of the District in the current year.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets. 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 fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress, if any.

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

The accounting policies for the amortization of right of use assets are discussed in the specific policy note below.

L. LEASES

The District accounts for leases under GASB Statement No. 87, *Leases*. This requires the establishment of a lease liability and related right of use asset for all leases with a term longer than 12 months. The District evaluates each arrangement at inception to determine if it qualifies as a long-term lease.

The District capitalizes right of use assets at the present value of the lease payments over the lease term at the commencement date. Right of use assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Right of use assets are amortized using the straight-line method over the term of the lease which is five years.

The District records long-term leases at the present value of the lease payments over the lease term at the commencement date. Lease payments may include fixed and variable payment amounts. The District determines the relevant lease term by evaluating whether renewal and termination options are reasonably certain to be exercised. If it is not explicitly stated in the agreement, the District uses a discount rate based on the value of the asset or their incremental borrowing rate to calculate the present value of the lease payments. Lease liabilities are recorded in the government-wide financial statements, but are not reported in the fund financial statements.

Payments on leases with a term of less than 12 months are recorded as expenditures at the time of payment.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District accounts for subscription-based information technology arrangements (SBITAs) under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This requires the establishment of a subscription asset and related subscription liability (where applicable) for all SBITAs with a term longer than 12 months. Payments on subscription arrangements with a term of less than 12 months are recorded as expenditures at the time of payment. The District evaluates each subscription arrangement at inception to determine if it qualifies as a SBITA. The District has determined that none of their subscription arrangements qualify as a SBITA as of June 30, 2024.

N. 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. Existing bonded debt is reported at the face value of remaining indebtedness. For any new indebtedness that may be issued, bond premiums and discounts will be deferred and amortized over the life of the bonds using the straight-line method. Bonds payable will be reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

O. DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

P. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the Statement of Net Position and the governmental funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Q. DEFINED BENEFIT PENSION PLANS

The District recognized total pension expense (revenue) of \$174,032 for the following statewide pension plans in which it participates.

Teachers Retirement Association

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

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

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. DEFINED BENEFIT PENSION PLANS (Cont'd)

Public Employees Retirement Association

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 additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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.

R. VACATION AND SICK PAY

Employees of the District earn sick leave at various rates for each month of full time service to a maximum accumulation of 150 days. Unused vacation pay does not accumulate. The expenditures for sick leave and vacation pay are recognized during the periods that payment is actually made and accumulated leaves are forfeited by the employee upon termination of employment.

S. MATCHING DEFERRED ANNUITY PROGRAM

District's Deferred Annuity Contribution

Beginning July 1, 2004 matching deferred compensation is available to all regularly contracted teachers who have reached the fourth year of service or have been granted tenure. A tenured teacher shall start at the fourth step and move one step for every year of service to the District. The District will match up to the monthly employee's contribution to an approved 403(b) annuity. Teachers whose basic contract is between 35% of full time and full time and are on step four or higher will have this benefit prorated on a monthly basis.

T. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and workers compensation. The District purchases commercial insurance coverage for such risks.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

U. FUND BALANCE

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources reported in governmental funds. These classifications are as follows:

Nonspendable – consists of amounts that cannot be spent because it is not in spendable form, such as prepaid and inventory items.

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 amounts that are constrained for specific purposes that are internally imposed by formal action (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 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 other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School Board itself or by an official to which the School Board delegates the authority. Pursuant to School Board resolution, the District Finance Director and Superintendent are authorized to establish assignments of fund balance.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. FUND BALANCE (Cont'd)

Unassigned – is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

If resources from more than one fund balance classification could be spent, the District will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned as determined by the School Board.

To ensure the financial strength and stability of the District, the School Board will maintain a minimum of 25% but will strive to maintain 30% or better of the District's General Fund operating budget, excluding those accounts associated within the restricted category, in the combined total of the General Fund committed, assigned and unassigned fund balances.

V. NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide financial statements. Net position invested in capital and right of use assets consists of capital and right of use assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of any long-term liabilities used to build, acquire, or finance the capital and right of use assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All other net position items that do not meet the definition of "net investment in capital and right of use assets" or "restricted" are reported as unrestricted.

W. USE OF ESTIMATES

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

X. RECLASSIFICATIONS

Certain amounts in the prior year data have been reclassified in order to be consistent with the current year's presentation. The total amount of the District's prior year fund balance did not change due to these reclassifications.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND BALANCE/NET POSITION

At June 30, 2024, the District had no funds with negative fund balances.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the School Board, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all District deposits be secured by a bank guaranty bond or 110 percent of collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk: For deposits, is the risk that, in the event of failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2024, the District's bank balance was not exposed to custodial credit risk because it was insured and properly collateralized with securities held by the pledging financial institution's trust department or agent and in the District's name.

B. INVESTMENTS

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investments were not exposed to interest rate risk at June 30, 2024.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investments were not exposed to credit risk at June 30, 2024.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District has no formal investment policy that places limits on the amount the District may invest in any one issuer. More than 5% of the District's investments are in Minnesota Trust.

Custodial Credit Risk: For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments were not exposed to custodial credit risk at June 30, 2024.

The following table presents the District's cash and investment balances at June 30, 2024:

<u>Cash/Investment Type</u>	<u>Credit Rating</u>	<u>Average Maturities</u>	<u>Percentage of Total</u>	
Pooled Cash and Investments:				
Certificates of Deposit	N/A	8.1 Months	43.6%	\$ 2,379,900
Money Market Accounts	N/A	N/A	38.7%	2,112,671
U.S. Treasury Notes	AAA to AA+	8.0 Months	10.6%	581,742
Checking Account	N/A	N/A	7.1%	388,990
Total Cash and Investments			100.0%	\$ <u>5,463,303</u>

Cash and Investments are presented in the June 30, 2024 basic financial statements as follows:

Statement of Net Position:

Current Assets:	
Cash and Investments	\$ 4,352,713
Noncurrent Assets:	
Investments	<u>1,110,590</u>
Total Cash and Investments	\$ <u>5,463,303</u>

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DEPOSITS AND INVESTMENTS (Cont'd)

C. FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The Governmental Accounting Standards Board (GASB) establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs used to measure fair value. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There are three levels of inputs that may be used to measure fair value:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The entity has the following recurring fair value measurements as of June 30, 2024:

- Fixed income securities - Fixed income securities are valued using market corroborated inputs.

There were no level 1 or 3 inputs as of June 30, 2024.

The following table sets forth by level, within the fair value hierarchy, the District's investments at fair value as of June 30, 2024.

	2024	
Fair Value	Significant Observable Inputs Level 2	
Investments by Fair Value Level		
Fixed Income Securities		
U.S. Treasury Notes	\$ 581,742	\$ 581,742
Total Fixed Income Securities	581,742	581,742
Total Investments by Fair Value Level	\$ 581,742	\$ 581,742

A summary of Cash and Investments as of June 30, 2024 is as follows:

Investments Disclosed by Fair Value Level	\$ 581,742
Accounts not Disclosed by Fair Value Level:	
Certificates of Deposit	2,379,900
Money Market Accounts	2,112,671
Checking Accounts	388,990
Total Cash and Investments	\$ 5,463,303

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

4. CAPITAL AND RIGHT OF USE ASSETS

Capital and right of use asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 65,665	\$ -	\$ -	\$ 65,665
Total Capital Assets, Not Being Depreciated	<u>65,665</u>	<u>-</u>	<u>-</u>	<u>65,665</u>
Capital Assets, Being Depreciated				
Land Improvements	687,332	-	-	687,332
Buildings and Improvements	20,170,995	-	-	20,170,995
Equipment and Transportation Vehicles	2,318,178	195,516	-	2,513,694
Total Capital Assets, Being Depreciated	<u>23,176,505</u>	<u>195,516</u>	<u>-</u>	<u>23,372,021</u>
Right of Use Assets, Being Amortized				
Leased Office Equipment	33,000	-	-	33,000
Total Right of Use Assets, Being Amortized	<u>33,000</u>	<u>-</u>	<u>-</u>	<u>33,000</u>
Accumulated Depreciation for:				
Land Improvements	438,423	28,472	-	466,895
Buildings and Improvements	7,815,444	692,950	-	8,508,394
Equipment and Transportation Vehicles	1,576,792	121,473	-	1,698,265
Accumulated Amortization for:				
Leased Office Equipment	13,200	6,600	-	19,800
Total Accumulated Depreciation and Amortization	<u>9,843,859</u>	<u>849,495</u>	<u>-</u>	<u>10,693,354</u>
Total Capital and Right of Use Assets, Being Depreciated and Amortized, Net	<u>13,365,646</u>	<u>(653,979)</u>	<u>-</u>	<u>12,711,667</u>
Governmental Activities Capital and Right of Use Assets, Net	<u>\$13,431,311</u>	<u>\$ (653,979)</u>	<u>\$ -</u>	<u>\$12,777,332</u>

Depreciation and amortization expense was charged to functions of the District as follows:

Governmental Activities	
District and School Administration	\$ 400
Regular Instruction	95,623
Exceptional Instruction	383
Community Education and Services	1,068
Pupil Support Services	15,653
Site, Buildings and Equipment	18,006
Unallocated	<u>718,362</u>
Total Depreciation and Amortization Expense, Governmental Activities	<u>\$ 849,495</u>

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

5. LONG-TERM LIABILITIES

A. DESCRIPTION OF LONG-TERM DEBT

Under the provisions of Minnesota Statute §475.53 subd. 4, the District’s net debt may not exceed 15% of the estimated market value of all taxable property within the District. The District is in compliance with this provision.

Long-term debt is comprised of the following as of June 30, 2024:

<u>Governmental Activities</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Debt Outstanding</u>
Alternative Facilities Bonds, Series 2016A	2.00-2.75%	\$ 2,400,000	02/01/2031	\$ 1,235,000
Capital Facilities Bonds, Series 2016A	2.00-2.75%	\$ 960,000	02/01/2031	540,000
Alternative Facilities Refunding Bonds, Series 2016B	2.00%	\$ 2,620,000	02/01/2028	1,745,000
General Obligation School Building Bonds, Series 2018A	3.00%	\$ 5,160,000	02/01/2038	3,950,000
General Obligation Facilities Maintenance Bonds, Series 2018B	3.00-4.00%	\$ 1,230,000	02/01/2034	895,000
General Obligation Bonds, Series 2023A	5.00%	\$ 690,000	02/01/2027	690,000
General Obligation Bonds, Series 2023B	6.00%	\$ 1,760,000	02/01/2032	1,760,000
Long-Term Lease Liabilities				
Right of Use Leases				
Print Management	0.00%	\$ 33,000	06/01/2027	13,200
Unamortized Premiums				286,402
Unamortized Discounts				(2,017)
Total Outstanding Long-Term Debt				<u>\$11,112,585</u>

General Obligation Bonds

On March 24, 2016, the District issued \$2,400,000 of General Obligation Alternative Facilities Bonds, Series 2016A. The proceeds of this bond issue are for ventilation system improvements, and sprinkling/fire alarm system replacements to the existing facilities. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2023-2024 was \$36,163.

On March 24, 2016, the District issued \$960,000 of General Obligation Capital Facilities Bonds, Series 2016A. The proceeds of this bond issue are for energy conservation and deferred maintenance projects in the existing facilities. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2023-2024 was \$15,800.

On August 18, 2016, the District issued \$2,620,000 of General Obligation Alternative Facilities Refunding Bonds, Series 2016B. The proceeds of the issue were used to finance a partial refunding of the 2023 through 2028 maturities of the District’s \$2,945,000 General Obligation Alternative Facilities Bonds, Series 2008B, dated June 12, 2008. The proceeds were placed in an escrow account which paid the interest on the advance refunding bonds until February 2018, at which time the 2008B series bonds were callable and the escrow was used to defease the refunded debt. This advance refunding was undertaken to reduce the District’s future debt service payments by \$288,552, resulting in a present value savings of \$260,337. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2023-2024 was \$43,100.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

5. LONG-TERM LIABILITIES (Cont'd)

A. DESCRIPTION OF LONG-TERM DEBT (Cont'd)

General Obligation Bonds (Cont'd)

On February 8, 2018, the District issued \$5,160,000 of General Obligation School Building Bonds, Series 2018A. The proceeds of this bond issue are for the acquisition and betterment of the school site and facility, including the renovation, repair, remodeling, upgrading, equipping and construction of improvements to the school district site and facility. This includes the renovation and construction of plumbing upgrades to the 1950 and 1961 elementary bathrooms and the 1957 varsity locker rooms; the expansion of classrooms for kindergarten and Family and Consumer Science; the construction of electrical upgrades to the K-12 building; the removal of asbestos from classrooms and hallway flooring; the acquisition, construction and installation of a new air handler in the elementary area, and the completion of various other health and safety improvements to the school district facility. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2023-2024 was \$124,650.

On December 13, 2018, the District issued \$1,230,000 of General Obligation Facilities Maintenance Bonds, Series 2018B. The proceeds of this bond issue are for various indoor air quality and health and safety projects in the existing facilities. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2023-2024 was \$32,087.

On August 22, 2023, the District issued \$690,000 of General Obligation Bonds, Series 2023A. The proceeds of this bond issue are for the acquisition and betterment of the school site and facility, including the acquisition, installation, replacement and maintenance of software, computers, mobile devices, improved technology and technology systems, networks, infrastructure, and office and instructional technology; and to pay costs associated with issuance of the bonds. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. There was no interest paid in 2023-2024.

On August 22, 2023, the District issued \$1,760,000 of General Obligation Bonds, Series 2023B. The proceeds of this bond issue are for the acquisition and betterment of the school site and facility, including the acquisition, installation, replacement and maintenance of software, computers, mobile devices, improved technology and technology systems, networks, infrastructure, and office and instructional technology; and to pay costs associated with issuance of the bonds. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. There was no interest paid in 2023-2024.

Long-Term Lease Liabilities (Right of Use Lease)

Print Management

The District entered into a five year lease agreement in July of 2021 with Bennett Office Technologies (now Coordinated Business Services, Ltd.) for the use of print management services. The lease agreement has required monthly principal and interest payments of \$550 throughout the term of the lease. The lease liability is measured at a discount rate of 0.00%, as estimated by the District based on the various terms in the lease agreement. Principal and interest payments on this lease are recorded in the in the General Fund. Interest paid in 2023-2024 was \$-0-.

These right of use assets serve as collateral for the related right of use lease liability and are being amortized using a straight-line method over the life of the right of use asset.

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MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

5. LONG-TERM LIABILITIES (Cont'd)

B. MINIMUM DEBT PAYMENTS

Minimum annual principal and interest payments on general obligation bonds payable and the right of use lease are as follows:

Year Ending June 30	General Obligation Bonds Payable		Right of Use Lease	
	Principal	Interest	Principal	Interest
2025	\$ 1,115,000	\$ 429,528	\$ 6,600	\$ -
2026	1,215,000	335,000	6,600	-
2027	1,260,000	300,300	-	-
2028	1,315,000	263,388	-	-
2029	930,000	220,325	-	-
2030-2034	3,625,000	550,258	-	-
2035-2038	1,355,000	103,200	-	-
	<u>\$10,815,000</u>	<u>\$2,201,999</u>	<u>\$ 13,200</u>	<u>\$ -</u>

C. CHANGES IN LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities					
Alternative Facilities Bonds, Series 2016A	\$ 1,395,000	\$ -	\$ 160,000	\$ 1,235,000	\$ 165,000
Capital Facilities Bonds, Series 2016A	610,000	-	70,000	540,000	70,000
Alternative Facilities Refunding, Bonds, Series 2016B	2,155,000	-	410,000	1,745,000	420,000
General Obligation School Building Bonds, Series 2018A	4,155,000	-	205,000	3,950,000	210,000
General Obligation Facilities Maintenance Bonds, Series 2018B	970,000	-	75,000	895,000	80,000
General Obligation Bonds, Series 2023A	-	690,000	-	690,000	170,000
General Obligation Bonds, Series 2023B	-	1,760,000	-	1,760,000	-
Long-Term Lease Liabilities					
Right of Use Lease					
Print Management	19,800	-	6,600	13,200	6,600
Unamortized Premiums	148,886	176,463	38,947	286,402	42,760
Unamortized Discounts	(2,228)	-	(211)	(2,017)	(211)
	<u>\$ 9,451,458</u>	<u>\$ 2,626,463</u>	<u>\$ 965,336</u>	<u>\$11,112,585</u>	<u>\$ 1,164,149</u>

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

6. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The District follows Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

A. GENERAL INFORMATION ABOUT THE OPEB PLAN

1. Plan Description

The District's defined benefit OPEB plan, Independent School District No. 414, Minneota, Minnesota's retirees' health insurance plan (the Plan), provides OPEB for certain retired employees of the District. The Plan is a single-employer defined benefit OPEB plan administered by the District. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period.

No assets are accumulated in a trust that meets the criteria in Paragraph four of GASB Statement No. 75. OPEB benefits have historically been funded on a pay-as-you-go basis. For fiscal year 2024, the District paid benefits of \$10,227 from the General Fund.

2. Benefits Provided

The District provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. Minnesota Statute 471.61 subd. 2b requires that government entities allow active employees who retire from the District when eligible to receive a retirement benefit from the Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA) and do not participate in any other health benefits program providing similar coverage, continued coverage with respect to both themselves and their eligible dependent(s) under the District's health benefits program. Retiree and District responsibility as to amount of premium covered are dependent upon employee classification at retirement. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy.

3. Employees Covered by Benefit Terms

At July 1, 2023, the following employees were covered by the benefit terms:

Spouses receiving benefits	1
Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	<u>79</u>
	<u><u>83</u></u>

B. TOTAL OPEB LIABILITY

The District's total OPEB liability of \$143,845 was measured as of July 1, 2023, and was determined by an actuarial valuation as July 1, 2023. The "entry age with level percentage of pay" actuarial cost method as prescribed by GASB Statement No. 75 was used to calculate the total OPEB liability.

1. Actuarial Assumptions and Other Inputs

The total OPEB liability measured on July 1, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Service graded table range from 2.85% to 10.25%
Discount rate	3.90%
Healthcare cost trend rate	6.50% as of July 1, 2023 grading to 5.00% over 6 years and then to 4.00% over the next 48 years

The discount rate was based on the estimated yield of 20-Year AA-rated municipal bonds.

Mortality rates were based on recent tables developed and recommended by the Society of Actuaries.

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6. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Cont'd)

B. TOTAL OPEB LIABILITY (Cont'd)

1. Actuarial Assumptions and Other Inputs (Cont'd)

The actuarial assumptions used in the July 1, 2023 valuation (July 1, 2023 measurement) were made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. Assumptions were based on various rationale that included a variety of published sources of historical and projected future financial data and various studies or experience studies. The retirement and withdrawal assumptions used were similar to those used to value pension liabilities for Minnesota School District employees. The rates are based on the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2014 through June 30, 2018. The full list of assumptions and rationale are included in the District's OPEB plan report, which may be obtained by writing or calling the District.

C. CHANGES IN THE TOTAL OPEB LIABILITY

	<u>Total OPEB Liability</u>
Balance at July 1, 2022 (reporting date June 30, 2023)	\$ <u>174,157</u>
Changes for the year:	
Service cost	11,335
Interest	6,600
Assumption Changes	2,117
Asset Gain/(Loss)	(26,520)
Benefit payments	<u>(23,844)</u>
Net changes	<u>(30,312)</u>
Balance at July 1, 2023 (reporting date June 30, 2024)	\$ <u>143,845</u>

Changes in the benefit terms since the prior measurement date:

- None.

Changes in actuarial assumptions since the prior measurement date:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirements Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The discount rate was changed from 3.80% to 3.90%.

1. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	Total OPEB Liability	
1 percent decrease	Current	1 percent increase
(2.90%)	(3.90%)	(4.90%)
\$152,269	\$143,845	\$135,642

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JUNE 30, 2024**

6. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Cont'd)

C. CHANGES IN THE TOTAL OPEB LIABILITY (Cont'd)

2. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	Total OPEB Liability	
1 percent decrease	Current	1 percent increase
(5.50%	(6.50%	(7.50%
decreasing	decreasing	decreasing
to 4.00%	to 5.00%	to 6.00%
over 6 years	over 6 years	over 6 years
then to 3.00%)	then to 4.00%)	then to 5.00%)
\$129,950	\$143,845	\$160,221

D. OPEB EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2024, the District recognized OPEB expense (revenue) of \$81. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 58,719
Changes of assumptions or other inputs	6,700	10,255
Benefits paid subsequent to the measurement date	<u>10,227</u>	<u>-</u>
Total	<u>\$ 16,927</u>	<u>\$ 68,974</u>

\$10,227 reported as deferred outflows of resources related to OPEB resulting from the District's benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	OPEB Expense Amount
2025	\$ (18,016)
2026	\$ (18,010)
2027	\$ (9,931)
2028	\$ (10,450)
2029	\$ (5,867)
Thereafter	\$ -

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7. FUND BALANCE CLASSIFICATION

At June 30, 2024, a summary of the governmental fund balance classifications is as follows:

	General Fund	Food Service Fund	Community Service Fund	Building Construction Fund	Debt Service Fund	Total
Nonspendable:						
Prepaid Expenditures	\$ 80,391	\$ 2,250	\$ -	\$ -	\$ -	\$ 82,641
Inventory	-	54,523	-	-	-	54,523
	<u>80,391</u>	<u>56,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,164</u>
Restricted for:						
Literacy Incentive Aid	25,304	-	-	-	-	25,304
Operating Capital	273,635	-	-	-	-	273,635
Capital Projects/Technology Levy	(713)	-	-	-	-	(713)
School Library Aid	1,605	-	-	-	-	1,605
Long-Term Facilities Maintenance	32,656	-	-	-	-	32,656
Student Support Personnel Aid	28,337	-	-	-	-	28,337
Student Activities	27,828	-	-	-	-	27,828
Food Service	-	127,478	-	-	-	127,478
Community Education	-	-	41,051	-	-	41,051
Community Service	-	-	10,341	-	-	10,341
Early Childhood Family Education	-	-	1,785	-	-	1,785
Technology and Technology Upgrades	-	-	-	2,642,317	-	2,642,317
Debt Service	-	-	-	-	288,214	288,214
	<u>388,652</u>	<u>127,478</u>	<u>53,177</u>	<u>2,642,317</u>	<u>288,214</u>	<u>3,499,838</u>
Assigned for:						
Projected Budget Deficit	122,847	-	-	-	-	122,847
Curriculum and Instructional Resources	150,000	-	-	-	-	150,000
Furniture, Fixtures, and Equipment	75,000	-	-	-	-	75,000
District Vehicles	150,000	-	-	-	-	150,000
	<u>497,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>497,847</u>
Unassigned:	<u>1,283,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,283,036</u>
Total Fund Balance:	<u>\$2,249,926</u>	<u>\$ 184,251</u>	<u>\$ 53,177</u>	<u>\$2,642,317</u>	<u>\$ 288,214</u>	<u>\$ 5,417,885</u>

The District is reporting a negative restricted fund balance in Capital Projects/Technology Levy at June 30, 2024. Minnesota Statutes require the District to report a deficit in the restricted fund balance, when applicable, in order to permit the statutory revenue formula calculations. This deficit will be partially offset with future operating tax levies.

8. PENSION PLANS

Substantially all employees of the District are required by State law to belong to pension plans administered by Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA), all of which are administered on a statewide basis. Disclosures relating to these plans follow:

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JUNE 30, 2024**

8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION

1. Plan Description

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. TRA is a separate statutory entity and is administered by a Board of Trustees. The Board 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 schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Defined Contribution Plan (DCR) administered by Minnesota State.

2. Benefits Provided

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

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

Tier I:	<u>Step Rate Formula</u>	<u>Percentage</u>
Basic	1 st ten years of service	2.20% per year
	All years after	2.70% per year
Coordinated	1 st ten years if service years are up to July 1, 2006	1.20% per year
	1 st ten years if service years are July 1, 2006 or after	1.40% per year
	All other years of service if service years are up to July 1, 2006	1.70% per year
	All other years of service if service years are July 1, 2006 or after	1.90% per year

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) 3.00% per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

or

Tier II: For years of service prior to July 1, 2006, a level formula of 1.70% per year for Coordinated members and 2.70% per year for Basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.90% per year for Coordinated members and 2.70% per year for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

2. Benefits Provided (Cont'd)

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 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.

3. Contribution Rate

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2022, June 30, 2023, and June 30, 2024 were:

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

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

Employer contributions reported in TRA's ACFR, Statement of Changes in Fiduciary Net Position	\$ 508,764,000
Employer contributions not related to future contribution efforts	(87,000)
TRA's contributions not included in allocation	<u>(643,000)</u>
Total employer contributions	508,034,000
Total non-employer contributions	<u>35,587,000</u>
Total contributions reported in Schedule of Employer and Non-Employer Allocations	<u>\$ 543,621,000</u>

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

The District's contributions to the TRA plan for the year ended June 30, 2024, were \$292,195. The District's contributions were equal to the required contributions as set by state statute.

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8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

4. Actuarial Assumptions

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

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information

Valuation Date	July 1, 2023
Measurement Date	June 30, 2023
Experience Study	June 28, 2019 (demographic and economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage Growth Rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected Salary Increase	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Cost of Living Adjustment	1.00% for January 2019 through January 2023, then increasing by 0.10% each year up to 1.50% annually

Mortality Assumptions

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 rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
Post-disability	RP-2014 disabled retiree mortality table, without adjustment.

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

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

4. Actuarial Assumptions (Cont'd)

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 (Geometric Mean)
Domestic Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Private Markets	25.00%	5.90%
Fixed Income	<u>25.00%</u>	0.75%
Total	<u>100.00%</u>	

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2023 is six years. The *Difference Between Expected and Actual Experience, Changes of Assumptions, and Changes in Proportion* use the amortization period of six years in the schedule presented. The amortization period for *Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments* is five years as required by GASB Statement No. 68.

The following changes in benefit and funding terms and actuarial assumptions occurred in 2023:

Changes in the benefit and funding terms since the prior measurement date:

- None

Changes in actuarial assumptions since the prior measurement date:

- The 2023 Tax Finance and Policy Bill, effective July 1, 2025:
 - The employer contribution rate will increase from 8.75% to 9.50% on July 1, 2025.
 - The employee contribution rate will increase from 7.75% to 8.00% on July 1, 2025.
 - The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.
- The 2024 Omnibus Pensions and Retirement Bill:
 - The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024.
 - The TRA's amortization date will remain the same at 2048.

5. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2023 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted, and as a result, the Municipal Bond Index Rate was not used in determination of the Single Equivalent Interest Rate (SEIR).

6. Net Pension Liability

On June 30, 2024, the District reported a liability of \$3,896,938 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

6. Net Pension Liability (Cont'd)

TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was 0.0472% at the end of the measurement period and 0.0462% for the beginning of the year.

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

District's proportionate share of net pension liability	\$ 3,896,938
State's proportionate share of the net pension liability associated with the District	<u>272,941</u>
Total	<u>\$ 4,169,879</u>

For the year ended June 30, 2024, the District recognized pension expense (revenue) of \$35,714. This amount is inclusive of \$38,432 which is recognized as pension expense (and grant revenue) for the support provided by direct aid.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 36,334	\$ 55,009
Changes in actuarial assumptions	414,550	-
Net difference between projected and actual investment earnings	40,718	-
Changes in proportion	157,171	38,977
Contributions paid to TRA subsequent to the measurement date	<u>292,195</u>	<u>-</u>
Total	<u>\$ 940,968</u>	<u>\$ 93,986</u>

The \$292,195 reported as deferred outflows of resources related to pensions resulting from the District's contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to TRA pensions will be recognized in pension expense as follows:

Year ended June 30	Pension Expense Amount
2025	\$ 77,493
2026	\$ 30,867
2027	\$ 452,060
2028	\$ (11,851)
2029	\$ 6,218
Thereafter	\$ -

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

7. Pension Liability Sensitivity

The following presents the net pension liability of TRA calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

Sensitivity of Net Pension Liability (NPL) to changes in the discount rate		
1 percent decrease	Current	1 percent increase
(6.00%)	(7.00%)	(8.00%)
\$6,215,329	\$3,896,938	\$1,999,052

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

8. Pension Plan Fiduciary Net Position

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

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

1. Plan Description

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

General Employees Retirement Plan

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

2. Benefits Provided

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

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.20% for each of the first 10 years of service and 1.70% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.70% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

2. Benefits Provided (Cont'd)

General Employees Plan Benefits (Cont'd)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50.00% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.00% and a maximum of 1.50%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

In 2023, the legislature allocated funding for a one-time lump-sum payment to General Employee Plan benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

3. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2024, were \$81,438. The District's contributions were equal to the required contributions as set by state statute.

4. Pension Costs

General Employees Fund Pension Costs

At June 30, 2024, the District reported a liability of \$749,313 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$20,702.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0134% at the end of the measurement period and 0.0131% for the beginning of the period.

District's proportionate share of net pension liability	\$	749,313
State's proportionate share of the net pension liability associated with the District		<u>20,702</u>
Total		<u>\$ 770,015</u>

For the year ended June 30, 2024, the District recognized pension expense (revenue) of \$138,318 for its proportionate share of the General Employees Plan's pension expense. This amount is inclusive of \$93, which is recognized as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's pension expense for the annual \$16 million contribution.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

4. Pension Costs (Cont'd)

General Employees Fund Pension Costs (Cont'd)

At June 30, 2024, the District reported its proportionate share of the General Employees Plan'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	\$ 24,475	\$ 4,970
Changes in actuarial assumptions	116,849	205,380
Net difference between projected and actual investment earnings	-	26,264
Changes in proportion	34,080	-
Contributions paid to PERA subsequent to the measurement date	81,438	-
Total	<u>\$ 256,842</u>	<u>\$ 236,614</u>

The \$81,438 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	Pension Expense Amount
2025	\$ 35,216
2026	\$ (101,456)
2027	\$ 21,286
2028	\$ (16,256)
2029	\$ -
Thereafter	\$ -

5. Long-term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Markets	25.00%	5.90%
Total	<u>100.00%</u>	

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

6. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.00%. 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 investment return rates deemed to be reasonable by the actuary. An investment return of 7.00% was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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

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

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

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

7. Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2023 was 7.00%. 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 General Employees Fund 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.

8. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for the General Employees Fund, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

8. Pension Liability Sensitivity (Cont'd)

Sensitivity of Net Pension Liability (NPL) to changes in the discount rate		
1 percent decrease	Current	1 percent increase
(6.00%)	(7.00%)	(8.00%)
\$1,325,595	\$749,313	\$275,299

9. Pension Plan Fiduciary Net Position

Detailed information about the pension 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.

C. CHANGES IN THE NET PENSION LIABILITY

Changes in the net pension liability related to pension plans for the fiscal year ended June 30, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Teachers Retirement Association	\$ 3,699,452	\$ 713,672	\$ 516,186	\$ 3,896,938
Public Employees Retirement Association	<u>1,037,524</u>	<u>147,083</u>	<u>435,294</u>	<u>749,313</u>
Total Net Pension Liability	<u>\$ 4,736,976</u>	<u>\$ 860,755</u>	<u>\$ 951,480</u>	<u>\$ 4,646,251</u>

D. FINANCIAL STATEMENT PRESENTATION

Deferred Inflows/Outflows of Resources related to pension plans are presented in the June 30, 2024 basic financial statements as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
TRA	\$ 940,968	\$ 93,986
PERA	<u>256,842</u>	<u>236,614</u>
Total Governmental Activities	<u>\$ 1,197,810</u>	<u>\$ 330,600</u>

9. OPERATING TRANSFER

During 2024, the following authorized transfer was made:

<u>From</u>	<u>To</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Community Service Fund	To cover deficit spending in School Readiness and E.C.F.E.	<u>\$ 67,553</u>

10. GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 101, *Compensated Absences* was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The Statement will result in a liability for compensated absences that more appropriately reflects when the District incurs an obligation. Statement No. 101 is effective for implementation for the year ended June 30, 2025.

11. SUBSEQUENT EVENT

On October 1, 2024, the School Board approved pursuing two questions for the February 11, 2025 building bond referendum. Question #1 will be for infrastructure for \$11,724,100. Question #2 will be for programming options for \$13,089,000.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2024

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS)**)

Measurement Date	7/1/2023	7/1/2022	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017
Total OPEB Liability							
Service Cost	\$ 11,335	8,885	\$ 11,250	\$ 14,453	\$ 10,976	\$ 12,833	\$ 12,459
Interest	6,600	4,055	5,870	6,084	8,816	9,367	9,989
Assumption Changes	2,117	(12,629)	5,958	3,582	(4,331)	-	-
Plan Changes	-	-	-	62,678	-	-	-
Differences between expected and actual experience	-	-	(37,950)	-	(52,272)	-	-
Asset Gain/(Loss)	(26,520)	-	-	-	-	-	-
Benefit Payments	(23,844)	(20,644)	(47,679)	(22,954)	(36,326)	(36,766)	(45,399)
Net change in total OPEB liability	(30,312)	(20,333)	(62,551)	63,843	(73,137)	(14,566)	(22,951)
Total OPEB Liability - Beginning	174,157	194,490	257,041	193,198	266,335	280,901	303,852
Total OPEB Liability - Ending (a)	\$ 143,845	\$ 174,157	\$ 194,490	\$ 257,041	\$ 193,198	\$ 266,335	\$ 280,901
Covered Payroll	\$ 3,838,967	3,164,870	\$ 3,072,689	\$ 2,992,761	\$ 2,905,593	\$ 2,969,907	\$ 2,833,405
Total OPEB liability as a percentage of covered payroll	3.75%	5.50%	6.33%	8.59%	6.65%	8.97%	9.91%

**Note: The District implemented the provisions of GASB Statement No. 75 for the year ended June 30, 2018. The Schedules within the Required Supplementary Information section require a ten-year presentation, but do not require retroactive reporting. Information prior to 2018 is not available. Additional years will be reported as they become available.

Note: This schedule is presented using the optional format of combining the required schedules in paragraphs 170(a) and 170(b) of GASB Statement No. 75.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY AND DISTRICT'S
CONTRIBUTIONS FOR DEFINED BENEFIT PENSION PLANS
JUNE 30, 2024**

TEACHERS RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS)**

Measurement Date	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	District's Proportionate Share of the Net Pension Liability with the District	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/23	0.0472%	\$ 3,896,938	\$ 272,941	\$4,169,879	\$3,000,741	139.0%	76.42%
6/30/22	0.0462	3,699,452	274,203	3,973,655	2,858,632	139.0	76.17
6/30/21	0.0431	1,886,185	158,959	2,045,144	2,605,316	78.5	86.63
6/30/20	0.0437	3,228,615	270,783	3,499,398	2,525,827	138.5	75.48
6/30/19	0.0439	2,798,195	247,709	3,045,904	2,503,129	121.7	78.21
6/30/18	0.0451	2,834,587	266,479	3,101,066	2,507,126	123.7	78.07
6/30/17	0.0437	8,723,313	842,826	9,566,139	2,354,446	406.3	51.57
6/30/16	0.0459	10,948,245	1,098,762	12,047,007	2,433,727	495.0	44.88
6/30/15	0.0485	3,000,205	367,673	3,367,878	2,477,655	135.9	76.80
6/30/14	0.0512	2,359,259	165,965	2,525,224	2,334,359	108.2	81.50

TEACHERS RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS)**

Fiscal Year Ending	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/24	\$ 292,195	\$ 292,195	\$ -	\$ 3,324,226	8.79%
6/30/23	256,988	256,988	-	3,000,741	8.56
6/30/22	239,805	239,805	-	2,858,632	8.39
6/30/21	212,153	212,153	-	2,605,316	8.14
6/30/20	200,524	200,524	-	2,525,827	7.94
6/30/19	193,861	193,861	-	2,503,129	7.74
6/30/18	188,886	188,886	-	2,507,126	7.50
6/30/17	176,583	176,583	-	2,354,446	7.50
6/30/16	179,016	179,016	-	2,433,727	7.40
6/30/15	185,810	185,810	-	2,477,655	7.50

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY AND DISTRICT'S
CONTRIBUTIONS FOR DEFINED BENEFIT PENSION PLANS
(CONTINUED)
JUNE 30, 2024**

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (*)
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS)**

Measurement Date	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the District	District's Proportionate Share of the Net Pension Liability with the District	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		(a)	(b)	(a+b)	(c)	(a+b/c)	
6/30/23	0.0134%	\$ 749,313	\$ 20,702	\$ 770,015	\$1,071,222	71.9%	83.1%
6/30/22	0.0131	1,037,524	30,453	1,067,977	990,734	107.8	76.7
6/30/21	0.0129	550,888	16,831	567,719	949,747	59.8	87.0
6/30/20	0.0121	725,450	22,239	747,689	881,867	84.8	79.1
6/30/19	0.0114	630,280	19,499	649,779	830,871	78.2	80.2
6/30/18	0.0118	654,616	21,495	676,111	793,160	85.2	79.5
6/30/17	0.0115	734,152	9,192	743,344	739,689	100.5	75.9
6/30/16	0.0111	901,265	11,724	912,989	688,850	132.5	68.9
6/30/15	0.0105	544,164	-	544,164	621,818	87.5	78.2
6/30/14	0.0113	530,817	-	530,817	599,431	88.6	78.7

* This schedule is for employers in the General Employees Plan to present their proportionate share of the State of Minnesota's contributions to the General Employees Fund on their behalf.

PUBLIC EMPLOYEES GENERAL RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS)**

Fiscal Year Ending	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	(a)	(b)	(a-b)	(d)	(b/d)
6/30/24	\$ 81,438	\$ 81,438	\$ -	\$ 1,085,844	7.5%
6/30/23	80,177	80,177	-	1,071,222	7.5
6/30/22	73,408	73,408	-	990,734	7.4
6/30/21	70,330	70,330	-	949,747	7.4
6/30/20	64,509	64,509	-	881,867	7.3
6/30/19	61,129	61,129	-	830,871	7.4
6/30/18	58,602	58,602	-	793,160	7.4
6/30/17	55,426	55,426	-	739,689	7.5
6/30/16	51,614	51,614	-	688,850	7.5
6/30/15	45,817	45,817	-	621,818	7.4

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024 Actual	Variance	2023 Actual
	Original	Final			
REVENUES					
Local Property Tax Levies:					
Maintenance Levy	\$ 1,173,103	\$ 1,147,506	\$ 1,120,346	\$ (27,160)	\$ 1,028,652
	<u>1,173,103</u>	<u>1,147,506</u>	<u>1,120,346</u>	<u>(27,160)</u>	<u>1,028,652</u>
Other Local and County Revenues:					
County Apportionment	13,766	13,766	14,891	1,125	20,294
Other School Districts-Tuition/Reimbursements	352,149	407,856	403,456	(4,400)	320,963
Admissions	117,550	114,060	140,094	26,034	87,308
Student Fees	36,000	41,000	46,423	5,423	25,338
Earnings From Investments	51,000	42,000	75,806	33,806	59,317
Rent For School Facilities	9,600	9,600	9,600	-	9,600
Miscellaneous Revenues and Reimbursements	24,000	18,400	26,951	8,551	25,135
	<u>604,065</u>	<u>646,682</u>	<u>717,221</u>	<u>70,539</u>	<u>547,955</u>
Revenue From State Sources:					
Endowment Fund Apportionment	21,836	22,000	28,843	6,843	22,978
General Education Aid	4,518,004	4,696,924	4,782,261	85,337	4,346,766
Shared Time	9,621	9,621	13,848	4,227	8,236
Disparity Aid	-	1,284	1,284	-	1,296
Homestead/Agricultural Levy Credits	2,000	15,343	15,343	-	16,887
Other State Credits	1,518	42,988	5,382	(37,606)	4,409
Special Education	679,183	622,738	904,146	281,408	597,157
Non-Public Pupil Transportation	8,506	10,902	8,442	(2,460)	8,242
Integration Aid	22,442	23,091	23,110	19	22,442
Alt Teacher Compensation	87,880	87,542	87,557	15	87,870
Literacy Incentive Aid	34,056	34,056	25,304	(8,752)	34,056
School Unemployment Aid	147,148	147,148	60,579	(86,569)	-
Student Support Aid	-	13,012	40,000	26,988	-
Library Aid	-	36,000	40,000	4,000	-
Medical Assistance	12,000	16,000	10,721	(5,279)	14,039
	<u>5,544,194</u>	<u>5,778,649</u>	<u>6,046,820</u>	<u>268,171</u>	<u>5,164,378</u>
Revenue From Federal Sources:					
Title I	51,833	51,833	52,446	613	51,579
Title II	19,791	9,791	9,790	(1)	10,014
Title IV	-	10,000	10,000	-	10,000
Elementary and Secondary School Emergency Relief (ESSER) Fund	-	60,000	6,654	(53,346)	-
Rural Education Achievement Program	38,646	38,646	50,993	12,347	48,909
Federal Special Education	22,000	16,895	34,809	17,914	36,856
Other Federal Programs	-	-	-	-	14,532
	<u>132,270</u>	<u>187,165</u>	<u>164,692</u>	<u>(22,473)</u>	<u>171,890</u>
Sales and Other Conversion of Assets:					
Resale Materials	-	-	10,338	10,338	4,673
	<u>-</u>	<u>-</u>	<u>10,338</u>	<u>10,338</u>	<u>4,673</u>
TOTAL REVENUES	<u>7,453,632</u>	<u>7,760,002</u>	<u>8,059,417</u>	<u>299,415</u>	<u>6,917,548</u>
EXPENDITURES					
Current:					
District and School Administration:					
Salaries and Wages	432,666	443,761	451,078	(7,317)	445,496
Employee Benefits	122,077	124,329	122,452	1,877	117,860
Purchased Services	12,000	20,500	17,095	3,405	19,119
Supplies and Materials	2,500	2,500	4,440	(1,940)	2,068
Other Expenditures	10,500	9,450	3,572	5,878	8,884
	<u>579,743</u>	<u>600,540</u>	<u>598,637</u>	<u>1,903</u>	<u>593,427</u>
District Support Services:					
Salaries and Wages	75,353	75,353	107,415	(32,062)	98,985
Employee Benefits	147,394	11,415	15,775	(4,360)	14,448
Purchased Services	68,500	66,000	100,039	(34,039)	103,204
Supplies and Materials	16,000	15,000	145,974	(130,974)	131,654
Other Expenditures	20,000	15,100	17,088	(1,988)	12,258
	<u>327,247</u>	<u>182,868</u>	<u>386,291</u>	<u>(203,423)</u>	<u>360,549</u>

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

EXPENDITURES (Cont'd)	2024 Budgeted Amounts		2024	Variance	2023
	Original	Final	Actual		Actual
Current: (Cont'd)					
Regular Instruction:					
Salaries and Wages	\$ 2,536,038	\$ 2,496,446	\$ 2,411,385	\$ 85,061	\$ 2,195,733
Employee Benefits	532,630	703,950	604,351	99,599	529,746
Purchased Services	288,989	287,351	402,708	(115,357)	232,178
Supplies and Materials	431,250	458,190	242,524	215,666	177,523
	<u>3,788,907</u>	<u>3,945,937</u>	<u>3,660,968</u>	<u>284,969</u>	<u>3,135,180</u>
Vocational Instruction:					
Salaries and Wages	108,887	104,732	130,468	(25,736)	116,980
Employee Benefits	26,938	25,764	32,071	(6,307)	36,435
Supplies and Materials	39,200	29,300	18,052	11,248	83,733
	<u>175,025</u>	<u>159,796</u>	<u>180,591</u>	<u>(20,795)</u>	<u>237,148</u>
Exceptional Instruction:					
Salaries and Wages	731,086	759,943	762,890	(2,947)	740,922
Employee Benefits	140,421	147,724	149,120	(1,396)	147,592
Purchased Services	160,558	196,089	210,690	(14,601)	143,934
Supplies and Materials	6,350	7,960	8,438	(478)	5,211
	<u>1,038,415</u>	<u>1,111,716</u>	<u>1,131,138</u>	<u>(19,422)</u>	<u>1,037,659</u>
Instructional Support Services:					
Salaries and Wages	27,904	30,904	72,058	(41,154)	144,970
Employee Benefits	4,552	4,552	11,419	(6,867)	23,021
Purchased Services	93,600	76,600	81,581	(4,981)	154,385
Supplies and Materials	9,000	13,650	10,631	3,019	7,704
	<u>135,056</u>	<u>125,706</u>	<u>175,689</u>	<u>(49,983)</u>	<u>330,080</u>
Pupil Support Services:					
Salaries and Wages	130,481	165,531	143,230	22,301	107,948
Employee Benefits	37,130	55,121	35,508	19,613	22,894
Purchased Services	418,562	432,250	280,659	151,591	309,114
Supplies and Materials	123,650	108,795	79,100	29,695	101,688
	<u>709,823</u>	<u>761,697</u>	<u>538,497</u>	<u>223,200</u>	<u>541,644</u>
Site, Buildings and Equipment:					
Salaries and Wages	206,428	219,265	218,170	1,095	199,347
Employee Benefits	44,077	47,080	42,411	4,669	39,869
Purchased Services	281,798	311,600	331,298	(19,698)	494,877
Supplies and Materials	181,000	152,000	151,767	233	177,835
Other Expenditures	70	70	30	40	100
	<u>713,373</u>	<u>730,015</u>	<u>743,676</u>	<u>(13,661)</u>	<u>912,028</u>
Fiscal And Other Fixed Cost Programs:					
District Insurance	52,000	52,635	40,372	12,263	38,949
	<u>52,000</u>	<u>52,635</u>	<u>40,372</u>	<u>12,263</u>	<u>38,949</u>
Capital Outlay:					
District Support Services	-	-	2,149	(2,149)	14,617
Regular Instruction	191,900	189,300	189,007	293	164,846
Site, Buildings and Equipment	17,000	8,100	8,324	(224)	5,039
	<u>208,900</u>	<u>197,400</u>	<u>199,480</u>	<u>(2,080)</u>	<u>184,502</u>
Debt Service:					
Principal	25,000	35,300	17,143	18,157	63,844
Interest	-	1,300	1,306	(6)	1,936
	<u>25,000</u>	<u>36,600</u>	<u>18,449</u>	<u>18,151</u>	<u>65,780</u>
TOTAL EXPENDITURES	<u>7,753,489</u>	<u>7,904,910</u>	<u>7,673,788</u>	<u>231,122</u>	<u>7,436,946</u>

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024 Actual	Variance	2023 Actual
	Original	Final			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (299,857)	\$ (144,908)	\$ 385,629	\$ 530,537	\$ (519,398)
OTHER FINANCING SOURCES (USES)					
Insurance Recovery	-	-	-	-	165,394
Operating Transfers In (Out)	-	-	(67,553)	(67,553)	-
	-	-	(67,553)	(67,553)	165,394
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(299,857)	(144,908)	318,076	462,984	(354,004)
FUND BALANCE BEGINNING OF YEAR	1,931,850	1,931,850	1,931,850	-	2,285,854
FUND BALANCE END OF YEAR	\$ 1,631,993	\$ 1,786,942	\$ 2,249,926	\$ 462,984	\$ 1,931,850
FUND BALANCE ANALYSIS					
NONSPENDABLE FUND BALANCE					
Prepaid Expenditures			\$ 80,391		\$ 46,428
RESTRICTED FUND BALANCE					
Gifted and Talented			-		6,877
Safe Schools - Crime Levy			-		18,353
Learning and Development			-		101,120
Basic Skills			-		6,611
Operating Capital			273,635		150,574
School Library Aid			1,605		-
Literacy Incentive Aid			25,304		-
Student Support Personnel Aid			28,337		-
Capital Projects/Technology Levy			(713) **		(51) **
Long-Term Facilities Maintenance			32,656		(3,751) **
Student Activities			27,828		20,838
TOTAL RESTRICTED FUND BALANCE			388,652		300,571
ASSIGNED FUND BALANCE					
Projected Budget Deficit			122,847		299,857
Curriculum and Instructional Resources			150,000		-
Furniture, Fixtures, and Equipment			75,000		-
District Vehicles			150,000		-
TOTAL ASSIGNED FUND BALANCE			497,847		299,857
UNASSIGNED FUND BALANCE			1,283,036		1,284,994
TOTAL FUND BALANCE			\$ 2,249,926		\$ 1,931,850

** Required by MN Statutes to record a deficit, when applicable, in order to permit statutory revenue formula calculations.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024 Actual	Variance	2023 Actual
	Original	Final			
REVENUES					
Other Local and County Revenues:					
Earnings From Investments	\$ 2,500	\$ 4,000	\$ 4,148	\$ 148	\$ 7,315
Revenue From State Sources:					
School Lunch Aid	10,000	10,000	205,811	195,811	10,635
School Milk Program	400	400	430	30	286
School Breakfast Program	-	1,000	43,475	42,475	6,251
	<u>10,400</u>	<u>11,400</u>	<u>249,716</u>	<u>238,316</u>	<u>17,172</u>
Revenue From Federal Sources:					
School Lunch Aid	-	-	36,058	36,058	55,794
Special Assistance	350,000	350,000	92,791	(257,209)	74,907
School Breakfast Program	60,000	75,000	35,151	(39,849)	21,685
Other Federal Programs	5,600	1,300	-	(1,300)	13,977
USDA Commodities	20,000	29,300	41,960	12,660	37,923
	<u>435,600</u>	<u>455,600</u>	<u>205,960</u>	<u>(249,640)</u>	<u>204,286</u>
Sales And Other Conversion Of Assets:					
Sale of Lunches and Breakfasts	41,144	26,500	33,121	6,621	183,927
	<u>41,144</u>	<u>26,500</u>	<u>33,121</u>	<u>6,621</u>	<u>183,927</u>
TOTAL REVENUES	<u>489,644</u>	<u>497,500</u>	<u>492,945</u>	<u>(4,555)</u>	<u>412,700</u>
EXPENDITURES					
Current:					
Pupil Support Services:					
Salaries and Wages	137,526	156,071	153,320	2,751	144,898
Employee Benefits	20,836	25,201	24,161	1,040	21,914
Purchased Services	9,500	26,000	21,540	4,460	17,696
Supplies and Materials	17,000	18,000	13,507	4,493	12,094
Food Purchases	195,000	204,500	193,908	10,592	153,610
USDA Commodities	15,000	15,000	41,960	(26,960)	37,923
Milk Purchases	31,200	31,200	28,317	2,883	20,458
	<u>426,062</u>	<u>475,972</u>	<u>476,713</u>	<u>(741)</u>	<u>408,593</u>
Capital Outlay:					
Pupil Support Services	-	-	-	-	35,638
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,638</u>
TOTAL EXPENDITURES	<u>426,062</u>	<u>475,972</u>	<u>476,713</u>	<u>(741)</u>	<u>444,231</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	63,582	21,528	16,232	(5,296)	(31,531)
FUND BALANCE BEGINNING OF YEAR	<u>168,019</u>	<u>168,019</u>	<u>168,019</u>	<u>-</u>	<u>199,550</u>
FUND BALANCE END OF YEAR	<u>\$ 231,601</u>	<u>\$ 189,547</u>	<u>\$ 184,251</u>	<u>\$ (5,296)</u>	<u>\$ 168,019</u>
FUND BALANCE ANALYSIS					
NONSPENDABLE FUND BALANCE					
Prepaid Expenditures			\$ 2,250		\$ -
Inventory			54,523		36,686
TOTAL NONSPENDABLE FUND BALANCE			<u>56,773</u>		<u>36,686</u>
RESTRICTED FUND BALANCE					
Food Service			127,478		131,333
TOTAL FUND BALANCE			<u>\$ 184,251</u>		<u>\$ 168,019</u>

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - COMMUNITY SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024	Variance	2023
	Original	Final	Actual		Actual
REVENUES					
Local Property Tax Levies:					
Community Service Levy	\$ 37,378	\$ 38,499	\$ 36,288	\$ (2,211)	\$ 34,987
Other Local And County Revenues:					
Earnings From Investments	2,000	500	984	484	700
Fees From Patrons	87,000	101,474	104,694	3,220	107,133
	<u>89,000</u>	<u>101,974</u>	<u>105,678</u>	<u>3,704</u>	<u>107,833</u>
Revenue From State Sources:					
Disparity and Abatement Aid	53	58	58	-	59
Homestead Market Value	350	693	699	6	735
Preschool Screening	1,620	1,338	4,114	2,776	3,195
Non Public School Programs	7,394	8,055	12,703	4,648	7,593
Early Childhood and Family Education	9,131	9,063	9,063	-	9,136
School Readiness	11,873	14,361	14,361	-	11,865
	<u>30,421</u>	<u>33,568</u>	<u>40,998</u>	<u>7,430</u>	<u>32,583</u>
TOTAL REVENUES	<u>156,799</u>	<u>174,041</u>	<u>182,964</u>	<u>8,923</u>	<u>175,403</u>
EXPENDITURES					
Current:					
Community Education And Services:					
Salaries and Wages	114,973	170,775	160,051	10,724	118,004
Employee Benefits	18,476	28,639	26,493	2,146	19,351
Purchased Services	11,403	20,571	15,807	4,764	15,031
Supplies and Materials	17,191	19,982	26,654	(6,672)	20,634
Other Expenditures	-	-	605	(605)	362
	<u>162,043</u>	<u>239,967</u>	<u>229,610</u>	<u>10,357</u>	<u>173,382</u>
Capital Outlay:					
Community Education And Services	5,000	1,000	-	1,000	15,122
TOTAL EXPENDITURES	<u>167,043</u>	<u>240,967</u>	<u>229,610</u>	<u>11,357</u>	<u>188,504</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,244)</u>	<u>(66,926)</u>	<u>(46,646)</u>	<u>20,280</u>	<u>(13,101)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In (Out)	-	-	67,553	67,553	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(10,244)</u>	<u>(66,926)</u>	<u>20,907</u>	<u>87,833</u>	<u>(13,101)</u>
FUND BALANCE BEGINNING OF YEAR	<u>32,270</u>	<u>32,270</u>	<u>32,270</u>	<u>-</u>	<u>45,371</u>
FUND BALANCE END OF YEAR	<u>\$ 22,026</u>	<u>\$ (34,656)</u>	<u>\$ 53,177</u>	<u>\$ 87,833</u>	<u>\$ 32,270</u>
FUND BALANCE ANALYSIS					
RESTRICTED FUND BALANCE					
Community Education			\$ 41,051	\$	27,932
Community Service			10,341		7,460
Early Childhood Family Education			1,785		(12,000) **
School Readiness			-		8,878
TOTAL RESTRICTED FUND BALANCE			<u>\$ 53,177</u>		<u>\$ 32,270</u>

** Required by MN Statutes to record a deficit, when applicable, in order to permit statutory revenue formula calculations.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

1. OTHER POST EMPLOYMENT BENEFITS

No assets are accumulated in a trust that meets the criteria in Paragraph four of GASB Statement No. 75.

2024 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount- Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The discount rate was changed from 3.80% to 3.90%.

2023 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.10% to 3.80%.

2022 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The health care trend rates, mortality tables, non-teacher salary increase rates, and withdrawal rates were updated.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.40% to 2.10%.

2021 Changes

Changes in Benefit Terms:

- Two teachers retired with Early Retirement Incentive benefits of \$602 per month of District paid medical contributions, payable until Medicare eligibility or June 30, 2021. The increase in liability also reflects a corresponding increase in the implicit rate medical subsidy.

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.10% to 2.40%.

2020 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The healthcare trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.40% to 3.10%.

2019 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- None

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

1. OTHER POST EMPLOYMENT BENEFITS (Cont'd)

2018 Changes

Changes in the Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality table was updated from the RP-2014 White Collar Mortality Tables with MP-2014 Generational Improvement Scale to the RP-2014 adjusted to 2006 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.
- The discount rate was changed from 4.00% to 3.40%.
- The withdrawal table for all employees and retirement table for only employees eligible to retire with Rule 90 also were updated.

2. DEFINED BENEFIT PENSION PLANS

The following changes were reflected in the valuations performed on behalf of the following defined benefit pension plans for the fiscal years (measurement date) ending June 30:

Teachers Retirement Association

2023 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

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

- The employer contribution rate will increase from 8.75% to 9.50% on July 1, 2025.
- The employee contribution rate will increase from 7.75% to 8.00% on July 1, 2025.
- The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.

The 2024 Omnibus Pensions and Retirement Bill:

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

2022 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- None

2021 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

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

2020 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

2. DEFINED BENEFIT PENSION PLANS (Cont'd)

Teachers Retirement Association (Cont'd)

2019 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- None

2018 Changes

Changes in Benefit and Funding Terms:

The 2018 Omnibus Pension Bill contained a number of changes.

- The COLA was reduced from 2.00% each January 1 to 1.00%, effective January 1, 2019. Beginning January 1, 2024, the COLA (Cost of Living Adjustment) will increase 0.10% each year until reaching the ultimate rate of 1.50% in 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% if the funded ratio was at least 90.00% 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 0.00% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.00% to 3.00%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.50% to 7.50%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 8.50% to 7.50%.
- The price inflation assumption was lowered from 3.00% to 2.50%.
- The payroll growth assumption was lowered from 3.50% to 3.00%.
- The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the unfunded actuarial accrued liability (UAAL) was reset to June 30, 2048 (30 years).
- A mechanism in the law that provided the TRA Board with some authority to set contribution rates was eliminated.

2017 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- The COLA was assumed to increase from 2.00% annually to 2.50% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50%, but remain at 2.00% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.40% to 0.00%, the vested inactive load increased from 4.00% to 7.00% and the non-vested inactive load increased from 4.00% to 9.00%.
- The investment return assumption was changed from 8.00% to 7.50%.
- The price inflation assumption was lowered from 2.75% to 2.50%.
- The payroll growth assumption was lowered from 3.50% to 3.00%.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

2. DEFINED BENEFIT PENSION PLANS (Cont'd)

Teachers Retirement Association (Cont'd)

2017 Changes (Cont'd)

Changes in Actuarial Assumptions (Cont'd):

- The general wage growth assumption was lowered from 3.50% to 2.85% for ten years followed by 3.25%, thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

2016 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- The COLA was not assumed to increase (it remained at 2.00% for all future years).
- The price inflation assumption was lowered from 3.00% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.50%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale.
- The post-retirement mortality assumption was changed to the RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

2015 Changes

Changes in Benefit and Funding Terms:

- The Duluth Teachers Retirement Fund Association was merged into TRA on June 30, 2015. This also resulted in a state-provided contribution stream of \$14.377 million until the system becomes fully funded.

Changes in Actuarial Assumptions:

- The cost of living adjustment was assumed to increase from 2.00% annually to 2.50% annually on July 1, 2037.

Public Employees Retirement Association

General Employees Fund

2023 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

2. DEFINED BENEFIT PENSION PLANS (Cont'd)

Public Employees Retirement Association (Cont'd)

General Employees Fund (Cont'd)

2022 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- None

2021 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- None

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 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 Scale MP-2018 to Scale 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% Joint & Survivor option changed from 35.00% to 45.00%. The assumed number of married female new retirees electing 100.00% Joint & Survivor option changed from 15.00% to 30.00%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.00% for the period July 1, 2020 through December 31, 2023 and 0.00% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

**2. DEFINED BENEFIT PENSION PLANS (Cont'd)
Public Employees Retirement Association (Cont'd)
General Employees Fund (Cont'd)**

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases change from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, 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.

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and non-vested deferred members. The revised CSA loads are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

Change in Plan Provisions:

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

2016 Changes

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- 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% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions:

- None

2015 Changes

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

**2. DEFINED BENEFIT PENSION PLANS (Cont'd)
Public Employees Retirement Association (Cont'd)
General Employees Fund (Cont'd)**

2015 Changes (Cont'd)

Changes in Plan Provisions:

- On January 1, 2015 the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, was due September 2015.

3. BUDGETS, STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets presented for comparison to actual amounts are presented in accordance with U.S. generally accepted accounting principles. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

A. DEFICIT SPENDING

For the year ended June 30, 2024, the District projected deficit spending in the following funds:

General Fund	\$ 144,908
Community Service Fund	\$ 66,926

B. EXPENDITURES EXCEEDING APPROPRIATIONS

For the year ended June 30, 2024, the District had the following fund with expenditures exceeding the latest amended budget:

Fund	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Food Service Fund	\$ 475,972	\$ 476,713	\$ 741

Budget revisions were last approved in February of 2024. These excesses were realized since that time and are approved by the School Board upon acceptance of this report.

OTHER SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUILDING CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024 Actual	Variance	2023 Actual
	Original	Final			
REVENUES					
Other Local And County Revenues:					
Earnings From Investments	\$ -	\$ 71,016	\$ 113,179	\$ 42,163	\$ -
EXPENDITURES					
Current:					
Site, Buildings and Equipment:					
Purchased Services	-	-	61,946	(61,946)	-
Supplies and Materials	-	36,000	35,379	621	-
	-	<u>36,000</u>	<u>97,325</u>	<u>(61,325)</u>	-
TOTAL EXPENDITURES	-	<u>36,000</u>	<u>97,325</u>	<u>(61,325)</u>	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	<u>35,016</u>	<u>15,854</u>	<u>(19,162)</u>	-
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	2,450,000	2,450,000	-	-
Bond Issuance Premium	-	185,533	176,463	(9,070)	-
	-	<u>2,635,533</u>	<u>2,626,463</u>	<u>(9,070)</u>	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	<u>2,670,549</u>	<u>2,642,317</u>	<u>(28,232)</u>	-
FUND BALANCE BEGINNING OF YEAR	-	-	-	-	-
FUND BALANCE END OF YEAR	<u>\$ -</u>	<u>\$ 2,670,549</u>	<u>\$ 2,642,317</u>	<u>\$ (28,232)</u>	<u>\$ -</u>
FUND BALANCE ANALYSIS					
RESTRICTED FUND BALANCE					
Technology and Technology Upgrades			<u>\$ 2,642,317</u>		<u>\$ -</u>

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024	Variance	2023
	Original	Final	Actual		Actual
REVENUES					
Local Property Tax Levy:					
Debt Service Levy	\$ 1,100,531	\$ 506,190	\$ 507,745	\$ 1,555	\$ 575,547
Other Local And County Revenues:					
Earnings From Investments	5,000	5,500	34,106	28,606	20,317
Revenue From State Sources:					
Homestead Market Value	19,000	20,380	20,380	-	22,096
Disparity Aid	2,934	1,705	1,705	-	1,695
School Bond Agriculture Credit	-	572,257	572,257	-	477,905
Long-Term Facilities Maintenance Aid	82,833	72,265	80,751	8,486	85,803
	<u>104,767</u>	<u>666,607</u>	<u>675,093</u>	<u>8,486</u>	<u>587,499</u>
TOTAL REVENUES	<u>1,210,298</u>	<u>1,178,297</u>	<u>1,216,944</u>	<u>38,647</u>	<u>1,183,363</u>
EXPENDITURES					
Debt Service:					
Principal	920,000	920,000	920,000	-	895,000
Interest	251,800	251,800	251,800	-	276,205
Other Debt Service Expenditures	6,000	6,000	2,100	3,900	5,850
TOTAL EXPENDITURES	<u>1,177,800</u>	<u>1,177,800</u>	<u>1,173,900</u>	<u>3,900</u>	<u>1,177,055</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	32,498	497	43,044	42,547	6,308
FUND BALANCE BEGINNING OF YEAR	<u>245,170</u>	<u>245,170</u>	<u>245,170</u>	-	<u>238,862</u>
FUND BALANCE END OF YEAR	<u>\$ 277,668</u>	<u>\$ 245,667</u>	<u>\$ 288,214</u>	<u>\$ 42,547</u>	<u>\$ 245,170</u>
FUND BALANCE ANALYSIS					
RESTRICTED FUND BALANCE					
Debt Service			<u>\$ 288,214</u>		<u>\$ 245,170</u>

INDEPENDENT SCHOOL DISTRICT NO. 414
 MINNESOTA, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GENERAL FUND - HISTORICAL ANALYSIS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES										
Local Property Tax Levies	\$ 512,567	\$ 449,861	\$ 474,877	\$ 609,409	\$ 536,521	\$ 548,657	\$ 551,710	\$ 522,039	\$ 1,028,652	\$ 1,120,346
Other Local and County Revenues	447,966	425,428	560,948	574,078	598,005	557,594	543,069	478,726	547,955	717,221
Revenue From State Sources	4,683,889	4,548,527	4,461,197	4,640,616	4,789,453	4,923,865	4,840,255	5,046,750	5,164,378	6,046,820
Revenue From Federal Sources	173,046	176,818	167,778	141,777	129,541	144,497	335,836	657,834	171,890	164,692
Sales and Other Conversion of Assets	-	-	9,355	39,259	7,662	2,023	2,723	1,651	4,673	10,338
Transfers In/Prior Period Restatement	-	-	-	-	-	9,684	-	-	-	-
TOTAL REVENUES	5,817,468	5,600,634	5,674,155	6,005,139	6,061,182	6,186,320	6,273,593	6,707,000	6,917,548	8,059,417
EXPENDITURES - PROGRAMS										
District and School Administration	415,665	406,649	445,662	477,496	496,350	499,718	539,979	661,027	593,427	598,637
District Support Services	117,327	124,683	134,562	144,087	141,818	131,664	137,449	151,834	375,166	400,289
Regular Instruction	3,057,550	3,100,251	2,987,575	3,179,996	3,203,806	3,198,550	3,313,956	3,545,367	3,300,026	3,856,575
Vocational Instruction	105,495	114,174	121,504	136,268	132,112	134,557	140,583	170,702	237,148	180,591
Exceptional Instruction	733,301	587,603	587,780	617,754	654,083	727,201	749,688	899,154	1,037,659	1,131,138
Instructional Support Services	74,849	110,378	104,357	108,374	122,202	108,200	139,640	116,128	330,080	175,689
Pupil Support Services	428,164	528,473	582,019	489,277	541,797	412,600	331,157	487,164	541,644	538,497
Site, Buildings, and Equipment	822,687	799,733	636,376	568,946	605,228	604,739	622,475	842,855	982,847	752,000
Fiscal and Other Fixed Cost Programs	20,631	22,546	24,224	24,536	24,968	27,652	30,999	33,668	38,949	40,372
TOTAL EXPENDITURES	5,775,669	5,794,490	5,624,059	5,746,734	5,922,364	5,844,881	6,005,926	6,907,899	7,436,946	7,673,788
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	41,799	(193,856)	50,096	258,405	138,818	341,439	267,667	(200,899)	(519,398)	385,629
FUND BALANCE BEGINNING OF YEAR	1,342,631	1,385,930	1,192,074	1,244,410	1,502,815	1,729,989	2,071,428	2,339,095	2,285,854	1,931,850
OTHER FINANCING SOURCES (USES)	1,500	-	2,240	-	88,356	-	-	147,658	165,394	(67,553)
FUND BALANCE END OF YEAR	1,385,930	1,192,074	1,244,410	1,502,815	1,729,989	2,071,428	2,339,095	2,285,854	1,931,850	2,249,926
ADJUSTED CASH BALANCES	1,408,267	1,151,422	1,361,418	1,543,949	1,544,916	1,924,736	2,301,606	2,061,915	2,188,039	2,130,464
EXPENDITURES - OBJECT										
Salaries and Wages	\$ 3,090,548	\$ 3,099,677	\$ 3,159,923	\$ 3,309,421	\$ 3,352,056	\$ 3,456,884	\$ 3,591,600	\$ 3,922,664	\$ 4,050,381	\$ 4,296,694
Employee Benefits	743,820	745,891	737,374	760,687	741,713	773,424	855,712	899,184	931,865	1,013,107
Purchased Services	968,119	967,956	1,058,874	994,795	1,053,008	1,035,191	953,435	1,409,917	1,495,760	1,464,442
Supplies and Materials	412,419	316,725	291,329	336,478	440,990	395,389	521,471	522,059	687,416	660,926
Other Expenditures	16,304	17,878	20,136	19,329	19,637	23,792	18,076	22,285	21,242	20,690
Capital Expenditures	544,459	646,363	356,423	326,024	314,960	160,201	65,632	131,790	250,282	217,929
TOTAL EXPENDITURES	5,775,669	5,794,490	5,624,059	5,746,734	5,922,364	5,844,881	6,005,926	6,907,899	7,436,946	7,673,788

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMMUNITY SERVICE FUND-DETAIL ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

	Community Education				Community Services			ECFE	
	General Community Education	Fitness Center	After School Enrichment	Drivers Training	Non Public Aid	Pre School Screening	School Readiness	ECFE	Home- Visiting
REVENUES									
County Levy	\$ 36,288	\$ -	\$ 4,625	-	\$ 12,703	\$ 4,114	\$ 14,361	\$ 16,435	\$ 271
Interest	984	-	-	-	-	-	69,691	-	-
State Aid	40,998	-	-	-	-	-	8,990	8,990	73
Fees and Charges	104,694	-	-	-	-	-	-	-	-
TOTAL REVENUES	182,964	51,701	4,625	-\$	12,703	4,114	84,052	25,425	344
EXPENDITURES									
Salaries	160,051	4,186	-	-	2,380	1,037	122,399	21,491	-
Benefits	26,493	622	-	-	465	167	20,508	3,571	-
Purchased Services	15,807	1,804	-	-	3,831	-	131	-	-
Materials and Supplies	26,654	330	-	-	5,422	29	3,782	585	-
Admin. Costs to Fund 01	605	-	-	-	605	-	-	-	-
TOTAL EXPENDITURES	229,610	36,265	6,942	-\$	12,703	1,233	146,820	25,647	-
EXCESS (DEFICIT)	(46,646)	15,436	(6,942)	-\$	-\$	2,881	(62,768)	(222)	344
OPERATING TRANSFERS IN	67,553	-	-	-	-	-	53,890	13,663	-
FUND BALANCE, BEGINNING	32,270	42,032	(29,423)	1,101	(12)	7,472	8,878	(13,441)	1,441
FUND BALANCE, ENDING	\$ 53,177	\$ 57,468	\$ (36,365)	\$ 1,101	(12)	\$ 10,353	-\$	-\$	\$ 1,785

OTHER REQUIRED REPORTS

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA
MINNEOTA, MINNESOTA
SCHEDULE OF FINDINGS ON INTERNAL CONTROL STRUCTURE AND COMPLIANCE
JUNE 30, 2024**

**INTERNAL CONTROL OVER FINANCIAL REPORTING
PREVIOUSLY REPORTED ITEM NOT RESOLVED**

2024-001 Audit Adjustments

Condition: During our audit, we proposed audit adjustments that resulted in significant changes to the District's financial statements. This finding was reported in the prior year audit as finding number 2023-001. The District's corrective action plan for the prior year audit filed with the Minnesota Department of Education stated that the District would strive to ensure that journal entries are entered and reviewed properly. We noted an attempt by District personnel to correct this deficiency during the current year; however, adjustments were still required.

Effect: A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect misstatements of the financial statements on a timely basis. One control deficiency that typically is considered significant is identification by the auditor of a misstatement in the financial statement not initially identified by the entity's internal controls. This could affect the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Cause: This condition was caused by an oversight in coding entries and in reviewing year end account balances.

Criteria: The District's accounting staff should review journal entries throughout the year and activity subsequent to year end to ensure that correct accounts are affected.

Recommendation: We recommend that the District's accounting staff continue the process of reviewing journal entries posted to the general ledger.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and the auditor's recommendations will be adopted.

PREVIOUSLY REPORTED ITEMS RESOLVED

Finding 2023-002: Coding of Disbursements

During our audit, we noted that the District did not follow the policies and procedures that were approved by the School Board as they relate to proper coding of disbursements according to the UFARS Manual.

Resolution

This finding is resolved. The District was noted as following the policies and procedures that were approved by the School Board as they relate to proper coding of disbursements according to the UFARS Manual.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA
MINNEOTA, MINNESOTA
SCHEDULE OF FINDINGS ON INTERNAL CONTROL STRUCTURE AND COMPLIANCE
CORRECTIVE ACTION PLAN
JUNE 30, 2024

2024-001 Audit Adjustments

Auditor Recommendation

We recommend that the District's accounting staff continue the process of reviewing journal entries posted to the general ledger.

Corrective Action Plan (CAP)

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Action Planned in Response to Finding
Tara Skorczewski (Business Manager) will spend additional time when coding entries to ensure their accuracy and will review balances and closing accounts more closely throughout the year to ensure end of year balances are accurate.
3. Official Responsible for Insuring CAP
Scott Monson (Superintendent) is the official responsible for insuring corrective action for the deficiency.
4. Planned Completion Date for CAP
This plan will be implemented for the 2024-2025 fiscal year.
5. Plan to Monitor Completion of CAP
Scott Monson (Superintendent) and the School Board will be monitoring the corrective action plan.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Members of the School Board
Independent School District No. 414
Minneota, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities and each major fund of Independent School District No. 414, Minneota, Minnesota, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise Independent School District No. 414, Minneota, Minnesota's basic financial statements, and have issued our report thereon dated November 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered Independent School District No. 414, Minneota, Minnesota's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Independent School District No. 414, Minneota, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of Independent School District No. 414, Minneota, Minnesota's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings on internal control structure and compliance as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Independent School District No. 414, Minneota, Minnesota's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Minnesota Legal Compliance

In connection with our audit, nothing came to our attention that caused us to believe that Independent School District No. 414, Minneota, Minnesota failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for Minnesota school districts (UFARS) sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

Independent School District No. 414, Minneota, Minnesota's Response to Finding

Government Auditing Standards require the auditor to perform limited procedures on Independent School District No. 414, Minneota, Minnesota's response to the finding identified in our audit and described in the accompanying schedule of findings on internal control structure and compliance corrective action plan. Independent School District No. 414, Minneota, Minnesota's response was not subjected to the other auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

November 18, 2024

MANAGEMENT LETTER

Members of the School Board
Independent School District No. 414
Minneota, Minnesota

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Independent School District No. 414, Minneota, Minnesota, for the year ended June 30, 2024, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on internal control.

However, during our audit we became aware of the following opportunity for strengthening internal controls and operating efficiency. We previously reported on the District's internal control and any related significant deficiencies and material weaknesses in our report dated November 18, 2024. This letter does not affect our report dated November 18, 2024, on the basic financial statements of the Independent School District No. 414, Minneota, Minnesota.

COMMENT AND SUGGESTION

- Due to the limited number of office personnel within Independent School District No. 414, Minneota, Minnesota, segregation of accounting functions necessary to ensure adequate internal accounting control is not always possible. The District has responded to this deficiency by implementing various oversight controls by the School Board and Management. These oversight controls help to mitigate the risk to the organization created by the lack of segregation of duties within the accounting function. However, the risks that are created by the lack of segregation of duties can never be completely eliminated. The School Board and Management should continue to be diligent in their review of financial transactions, and document these procedures by initialing invoices, and approving expenditure reports.

If you have any questions regarding this item, please contact us.

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

November 18, 2024

Fiscal Compliance Report - 6/30/2024

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District: MINNEOTA (414-1) [Back](#) [Print](#)

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$8,059,417	\$8,059,418	(\$1)	Total Revenue	\$113,179	\$113,178	\$1
Total Expenditures	\$7,673,788	\$7,673,789	(\$1)	Total Expenditures	\$97,325	\$97,325	\$0
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$80,391	\$80,391	\$0	4.60 Non Spendable Fund Balance	\$0	\$0	\$0
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$27,828	\$27,828	\$0	4.07 Capital Projects Levy	\$0	\$0	\$0
4.02 Scholarships	\$0	\$0	\$0	4.13 Funded by COP/FP	\$0	\$0	\$0
4.03 Staff Development	\$0	\$0	\$0	4.67 LTFM	\$0	\$0	\$0
4.07 Capital Projects Levy	(\$713)	(\$713)	\$0	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$2,642,317	\$2,642,317	\$0
4.12 Literacy Incentive Aid	\$25,304	\$25,304	\$0	<i>Unassigned:</i>			
4.14 Operating Debt	\$0	\$0	\$0	4.63 Unassigned Fund Balance	\$0	\$0	\$0
4.16 Levy Reduction	\$0	\$0	\$0				
4.17 Taconite Building Maint	\$0	\$0	\$0	07 DEBT SERVICE			
4.20 American Indian Education Aid	\$0	\$0	\$0	Total Revenue	\$1,216,944	\$1,216,944	\$0
4.24 Operating Capital	\$273,635	\$273,635	\$0	Total Expenditures	\$1,173,900	\$1,173,900	\$0
4.26 \$25 Taconite	\$0	\$0	\$0	<i>Non Spendable:</i>			
4.27 Disabled Accessibility	\$0	\$0	\$0	4.60 Non Spendable Fund Balance	\$0	\$0	\$0
4.28 Learning & Development	\$0	\$0	\$0	<i>Restricted / Reserved:</i>			
4.34 Area Learning Center	\$0	\$0	\$0	4.25 Bond Refundings	\$0	\$0	\$0
4.35 Contracted Alt. Programs	\$0	\$0	\$0	4.33 Maximum Effort Loan Aid	\$0	\$0	\$0
4.36 State Approved Alt. Program	\$0	\$0	\$0	4.51 QZAB Payments	\$0	\$0	\$0
4.38 Gifted & Talented	\$0	\$0	\$0	4.67 LTFM	\$0	\$0	\$0
4.39 English Learner	\$0	\$0	\$0	<i>Restricted:</i>			
4.40 Teacher Development and Evaluation	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$288,214	\$288,214	\$0
4.41 Basic Skills Programs	\$0	\$0	\$0	<i>Unassigned:</i>			
4.43 School Library Aid	\$1,605	\$1,605	\$0	4.63 Unassigned Fund Balance	\$0	\$0	\$0
4.48 Achievement and Integration	\$0	\$0	\$0				
4.49 Safe Schools Levy	\$0	\$0	\$0	08 TRUST			
4.51 QZAB Payments	\$0	\$0	\$0	Total Revenue	\$0	\$0	\$0
4.52 OPEB Liab Not In Trust	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
4.53 Unfunded Sev & Retirement Levy	\$0	\$0	\$0	<i>Restricted / Reserved:</i>			
4.59 Basic Skills Extended Time	\$0	\$0	\$0	4.01 Student Activities	\$0	\$0	\$0
4.67 LTFM	\$32,656	\$32,656	\$0	4.02 Scholarships	\$0	\$0	\$0
4.71 Student Support Personnel Aid	\$28,337	\$28,337	\$0	4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
4.72 Medical Assistance	\$0	\$0	\$0				
<i>Restricted:</i>				18 CUSTODIAL			
4.64 Restricted Fund Balance	\$0	\$0	\$0	Total Revenue	\$0	\$0	\$0
4.75 Title VII Impact Aid	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
4.76 Payments in Lieu of Taxes	\$0	\$0	\$0	<i>Restricted / Reserved:</i>			
<i>Committed:</i>				4.01 Student Activities	\$0	\$0	\$0
4.18 Committed for Separation	\$0	\$0	\$0	4.02 Scholarships	\$0	\$0	\$0
4.61 Committed Fund Balance	\$0	\$0	\$0	4.48 Achievement and Integration	\$0	\$0	\$0
<i>Assigned:</i>				4.64 Restricted Fund Balance	\$0	\$0	\$0
4.62 Assigned Fund Balance	\$497,847	\$497,847	\$0				
<i>Unassigned:</i>				20 INTERNAL SERVICE			
4.22 Unassigned Fund Balance	\$1,283,036	\$1,283,036	\$0	Total Revenue	\$0	\$0	\$0
				Total Expenditures	\$0	\$0	\$0
02 FOOD SERVICES				4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
Total Revenue	\$492,945	\$492,943	\$2				
Total Expenditures	\$476,713	\$476,712	\$1	25 OPEB REVOCABLE TRUST			
<i>Non Spendable:</i>				Total Revenue	\$0	\$0	\$0
				Total Expenditures	\$0	\$0	\$0

4.60 Non Spendable Fund Balance <i>Restricted / Reserved:</i>	\$56,773	<u>\$56,773</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$127,478	<u>\$127,478</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

04 COMMUNITY SERVICE

Total Revenue	\$182,964	<u>\$182,964</u>	<u>\$0</u>
Total Expenditures	\$229,610	<u>\$229,610</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance <i>Restricted / Reserved:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>
4.31 Community Education	\$41,051	<u>\$41,051</u>	<u>\$0</u>
4.32 E.C.F.E	\$1,785	<u>\$1,785</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>
4.44 School Readiness	\$0	<u>\$0</u>	<u>\$0</u>
4.47 Adult Basic Education	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$10,341	<u>\$10,341</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
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45 OPEB IRREVOCABLE TRUST

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>

47 OPEB DEBT SERVICE

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>



MRVED Common Professional Development Proposal

MRVED Schools

Flexible Learning Year Application: 2025-2028



Vision

Improve student achievement by increasing educator effectiveness.



Purpose

1. Improve student learning
2. Enhance instructional quality.
3. Maintain cost effective strategies for professional and program development.



Flexible Learning Year History

Previous 9 Years in FLY have allowed district to create a school calendar that best meets the needs of our students.

Members of the Minnesota River Valley Education District (MRVED) have benefited from collaborative professional development experiences for 9 years.

Continuing Flexible Learning Year participation helps continue experiences that benefit our staff and students.



Flexible Learning Year GOALS

In each of the next
three years, we will:



Goal 1

create a school calendar that provides a schedule for learning that supports our students and their learning needs.



Goal 2

collaboratively work with MRVED member schools to provide meaningful high quality professional development opportunities for all MRVED educators.



Supt Identified Goals Principal and TAC coord./collab.

- Maintain a consistent initiative/focus for the MRVED schools - Presently MTSS
- Ensure there are opportunities for collaboration of member schools and their employees utilizing the common days.
- Focus on the components of implementation and sustainment in MRVED program initiatives.



Goal 3

increase student proficiency
across the curriculum in the
areas of reading and
mathematics.



Goal 4

utilize school improvement frameworks to for program review with a focus on celebrating excellence and purposeful and intentional organizational improvement.



Impact of the FLY Program

- 32 administrators
- 557 teachers
- 269 paraprofessionals
- 6575 students

Nine MRVED member districts:

Benson, Dawson-Boyd, Lac qui Parle Valley, Lakeview, Minneota, Montevideo, Ortonville, Renville County West, and Yellow Medicine East.

Ivanhoe, paired with Minneota, is also a part of the proposal.



Commitments

Commitment to quality
student learning

through

Commitments to improved
program and teacher
practice.



Teacher Effectiveness

Dr. Bill Sanders and colleagues reported the following:

“... the results of this study well document that the most important factor affecting student learning is the teacher...The immediate and clear implication of this finding is that seemingly more can be done to improve education by improving the effectiveness of teachers than by any other single factor.”



Common Professional Development Experiences

- ❖ **Three common days** during each school year that focus on research-based, high impact instructional experiences, understandings and strategies.
- ❖ **One flexible day** during districts' workshop days.
- ❖ **One Paraprofessional Workshop** each fall focused on improved knowledge and practice.
- ❖ **Professional Meetings** for programmatic support and improvement.
 - a. six principal meetings
 - b. eleven superintendent meetings
 - c. four teacher advisory committee meetings
- ❖ **Facilitate curriculum review** and development opportunities for all districts.



Tentative Professional Learning Common Dates

2025 - 2026 School Year

- Paraprofessional Conference: August 13, 2025
- Fall PD Day - October 15, 2025
- MELT Conference: January 19, 2026
- Spring PD Day - Thursday, April 2 in 2026

2026-27 School Year


- Paraprofessional Conference: August 19, 2026
- Fall PD Day - October 21, 2026
- MELT Conference: January 18, 2027
- Spring PD Day -Thursday, March 25 in 2027

2027-28 School Year

- Paraprofessional Conference: August 18, 2027
- Fall PD Day - October 20, 2027
- MELT Conference: January 17, 2028
- Spring PD Day - Thursday, April 13 in 2028



Focus Areas for Professional Development



Social Emotional Learning (SEL)

Social and emotional learning (SEL) is an integral part of education and human development.

SEL is the process through which all young people and adults acquire and apply the knowledge, skills and attitudes to develop:

- ? healthy identities,*
- ? manage emotions and achieve personal and collective goals,*
- ? feel and show empathy for others,*
- ? establish and maintain supportive relationships, and*
- ? make responsible and caring decisions.*



Equity and Inclusivity

- ? Value student culture and identity.
- ? Assure that all students receive a high-quality education that prepares them for success; regardless of ability, gender, race, socioeconomic status, first language, or other form of diversity.
- ? These priorities align with “Due North, Minnesota’s Education Plan”.



Curriculum Review and Instruction

Provide districts with training and support for:

- Alignment of curriculum to state academic standards.
 - New Standards for Math, Literacy and Science (2024-2028)
- Pacing of curriculum.
- Curriculum review and selection.
- Examining data to guide instructional practices.
- Best practices based on research-based, high impact instructional strategies.



Literacy Development

- Minnesota READ Act
 - Program Requirements
- Curriculum Review and Implementation



Evaluation

The following indicators will be used to evaluate the effectiveness of our program:

- Reduction in the size of the academic achievement gap.
- Increased reading proficiency
- Student performance on the Minnesota Comprehensive Assessments.
- High school graduation rates.
- Career and college readiness using the measures determined by the MDE.
- These indicators align with the World's Best Workforce Goals and Integration and Achievement Goals.



Staggered Start Dates

- Maximizes district schedule based on student needs.
- Allows more districts to access the MRVED staff for professional development and technical assistance:
 - At the beginning of the year.
 - At quarter and semester breaks.
- This is a more efficient and effective way of meeting district needs during times when there is a higher demand for MRVED professional staff services.



Funding

1. All districts will commit additional funding to allow for shared high-quality presenters.
2. \$5/student will generate \$33,320.
(Note: Ivanhoe pays \$10/student)
3. This equates to a minimal financial impact or change for our district.



Start Dates Meet Local District Needs

Year 1 – 2025-2026

- Regular Start: September 2, 2025
(Ortonville and Yellow Medicine East)
- One Week Early Start: August 25, 2025
(Benson, Dawson-Boyd, Lac qui Parle Valley, and Montevideo, **?MINNEOTA?**)
- Two Week Early Start: August 18, 2025
(Ivanhoe, Lakeview (24), **?MINNEOTA?**, and Renville County West)



Start Dates Meet Local District Needs

Year 2 – 2026-2027

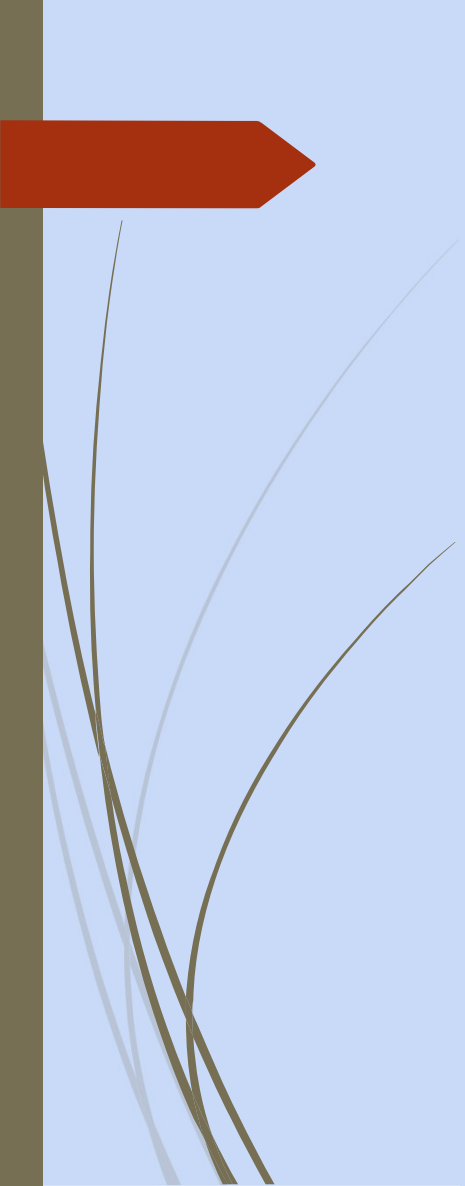
- Regular Start: September 8, 2026
(Ortonville and Yellow Medicine East)
- One Week Early Start: August 31, 2026
(Benson, Dawson-Boyd, Lac qui Parle Valley, and Montevideo, **?MINNEOTA?**)
- Two Week Early Start: August 24, 2026
 - (Ivanhoe, Lakeview (23), **?MINNEOTA?**, and Renville County West)



Start Dates Meet Local District Needs

Year 3 – 2027-2028

- Regular Start: September 7, 2027
(Ortonville and Yellow Medicine East)
- One Week Early Start: August 30, 2027
(Benson, Dawson-Boyd, Lac qui Parle Valley, and
Montevideo, **?MINNEOTA?**)
- Two Week Early Start: August 23, 2027
(Ivanhoe, Lakeview (21), **?MINNEOTA?**, and Renville
County West)



What are we agreeing to do?

- Adopt the common calendar days for professional development as outlined in this presentation.
- Participate in the professional development opportunities outlined in this presentation.
- If starting early, hold three public meetings as required by law.
- Pay \$5/student for additional professional development opportunities.



Timeline

- October - December 2024: Public meetings held (if your district is proposing an early start).
- December 2024: Final board Approval of FLY proposal
- December 2024: Send to MDE for Approval
- February 2025: Expected response due from MDE



Closing Points and Perspectives

We look to maintain our Flexing Learning Year status in order improve student achievement by:

- increasing teacher effectiveness
- creating a meaningful school calendar

BUSINESS

AGENDA

Minneota Public Schools – ISD #414

October 21, 2024 School Board Meeting Minutes

A Regular Meeting of the Board of Education of ISD #414, Minneota Public Schools, was called to order by Chair Abby Thostenson on Monday, October 21, 2024, at 5:30 pm in the Conference Room.

Roll call was taken. Members present included Carmen Panka, Jon Buysse, Martin Hennen, Abby Thostenson, Tom Skorczewski, Ryan Runia, and Terri Myhre. Also attending were Scott Monson, Nicolle Johnston, Heather Anderson, Kim Gades, Robert Vidoloff, Karen Dalager, and Brandon Castor.

Motion by Buysse, second by Hennen, to approve the agenda as amended. Motion passed unanimously.

Numerous positive comments were shared by School Board Members and administration.

Motion by Myhre, second by Runia, to approve the minutes from the September 24, 2024 meeting. Motion passed unanimously.

Motion by Runia, second by Panka, to approve the minutes from the October 1, 2024 meeting. Motion passed unanimously.

Motion by Myhre, second by Buysse, to approve the bills/check register as presented. Motion passed unanimously.

Leadership reports were shared by the School Board and administration.

Motion by Panka, second by Myhre, to approve the Consent Agenda as presented. Motion passed unanimously.

Motion by Runia, second by Myhre, to approve a Resolution relating to the issuance of general obligation school building bonds and calling a special election. Motion passed 6-1 by roll call vote with Buysse voting no.

Motion by Buysse, second by Hennen, to accept a quote from Tolk Graveling, Inc. for snow removal for the 2024-2025 winter. Motion passed unanimously.

Motion by Panka, second by Buysse, to approve the 2nd reading of policies #208, #209, #210, #415, #534, and District Procedures: Movies and Films, District Procedures: Prom, District Procedures: Security Awareness and Training Procedures, and District Procedures: Technology Backup and Retention. Motion passed unanimously.

Motion by Skorczewski, second by Runia, to approve the 2024-2026 AFSCME Contract. Motion passed unanimously.

Motion by Myhre, second by Skorczewski, to approve a Memorandum of Understanding for the READ Act with MEMO. Motion passed unanimously.

Motion by Buysse, second by Hennen, to approve a Resolution of Governing Board supporting Form A application to the MSHSL Foundation. Motion passed unanimously by roll call vote with all members voting yes.

Motion by Skorczewski, second by Runia, to approve a Resolution of Governing Board supporting Form B application to the MSHSL Foundation. Motion passed unanimously by roll call vote with all members voting yes.

Policy #713, #721, #901, #902, #904, #905, and District Procedures: Technology Offboarding were all reviewed/read for the 1st time. No formal action was taken.

Motion by Skorczewski, second by Myhre, to approve a Resolution for acceptance of gifts, donations, and grants. Motion passed unanimously by roll call vote with all members voting yes.

Motion by Panka, second by Hennen, to adjourn the meeting. Motion passed unanimously.

The meeting was adjourned at 6:21 pm.

Ryan Runia, Clerk

Minneota Public School
Detail Payment Register By Check
Fund Summary

Fund	Description	Total
01	General Fund	\$525,801.69
02	Food Service Fund	\$34,117.87
04	Community Service	\$65.78
Report Total		\$559,985.34

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0414	SBT	00127			COMMISSIONER OF REVENUE		Wire		
				B 01	215 013	ST TAX		\$6,527.80	
PO#:	Voucher #:	49174	Invoice	Invoice No:	S2025080	10/24/2024	Paid Amt:	\$6,527.80	
							Check Amount:	\$6,527.80	
0414	SBT	00594			PUBLIC EMPLOYEES RETIREMENT		Wire		
				B 01	215 017	PERA		\$8,263.46	
PO#:	Voucher #:	49175	Invoice	Invoice No:	S2025080	10/24/2024	Paid Amt:	\$8,263.46	
							Check Amount:	\$8,263.46	
0414	SBT	00710			TEACHERS RETIREMENT		Wire		
				B 01	215 018	TRA		\$22,946.16	
PO#:	Voucher #:	49177	Invoice	Invoice No:	S2025080	10/24/2024	Paid Amt:	\$22,946.16	
							Check Amount:	\$22,946.16	
0414	SBT	2313			Educators Benefit Consultants		Wire		
				B 01	215 000	PAYROLL DEDUCTIONS		\$2,202.36	
				B 01	215 085	MED FSA		\$612.49	
				B 01	215 086	PAYROLL DEDUCTIONS		\$561.66	
PO#:	Voucher #:	49170	Invoice	Invoice No:	S2025080	10/24/2024	Paid Amt:	\$3,376.51	
							Check Amount:	\$3,376.51	
0414	SBT	3017			EFTPS		Wire		
				B 01	215 010	FICA/MD		\$29,343.96	
				B 01	215 011	FED TAX		\$12,194.65	
PO#:	Voucher #:	49172	Invoice	Invoice No:	S2025080	10/24/2024	Paid Amt:	\$41,538.61	
							Check Amount:	\$41,538.61	
0414	SBT	3022			Common Remitter		Wire		
				B 01	215 005	PAYANNU		\$4,876.94	
PO#:	Voucher #:	49178	Invoice	Invoice No:	S2025080	10/24/2024	Paid Amt:	\$4,876.94	
				B 01	215 005	PAYANNU		\$120.84	
PO#:	Voucher #:	49176	Invoice	Invoice No:	S2025080	10/24/2024	Paid Amt:	\$120.84	
				B 01	215 005	PAYANNU		\$983.47	
PO#:	Voucher #:	49171	Invoice	Invoice No:	S2025080	10/24/2024	Paid Amt:	\$983.47	
							Check Amount:	\$5,981.25	
0414	SBT	00211			SW/WC SERVICE COOPERATIVES		Wire		
				B 01	215 027	Group Health Insurance		\$24,880.96	
PO#:	Voucher #:	49186	Invoice	Invoice No:	October Health Ins.	10/31/2024	Paid Amt:	\$24,880.96	
							Check Amount:	\$24,880.96	
0414	SBT	4275			Northeast Service Coop		Wire		
				B 01	215 032	Group Dental - Single		\$690.00	

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0414	SBT	4275			Northeast Service Coop		Wire		
				B 01	215 032	Group Dental - Family		\$1,265.00	
PO#:	Voucher #:	49187	Invoice	Invoice No:	1970	10/31/2024	Paid Amt:	\$1,955.00	
							Check Amount:	\$1,955.00	
0414	SBT	00127			COMMISSIONER OF REVENUE		Wire		
				B 01	215 013	ST TAX		\$6,376.85	
PO#:	Voucher #:	49202	Invoice	Invoice No:	S2025090	11/12/2024	Paid Amt:	\$6,376.85	
							Check Amount:	\$6,376.85	
0414	SBT	00594			PUBLIC EMPLOYEES RETIREMENT		Wire		
				B 01	215 017	PERA		\$7,942.38	
PO#:	Voucher #:	49203	Invoice	Invoice No:	S2025090	11/12/2024	Paid Amt:	\$7,942.38	
							Check Amount:	\$7,942.38	
0414	SBT	00710			TEACHERS RETIREMENT		Wire		
				B 01	215 018	TRA		\$23,246.01	
PO#:	Voucher #:	49205	Invoice	Invoice No:	S2025090	11/12/2024	Paid Amt:	\$23,246.01	
							Check Amount:	\$23,246.01	
0414	SBT	2313			Educators Benefit Consultants		Wire		
				B 01	215 000	PAYROLL DEDUCTIONS		\$2,202.36	
				B 01	215 085	MED FSA		\$612.49	
				B 01	215 086	PAYROLL DEDUCTIONS		\$561.66	
PO#:	Voucher #:	49198	Invoice	Invoice No:	S2025090	11/12/2024	Paid Amt:	\$3,376.51	
							Check Amount:	\$3,376.51	
0414	SBT	3017			EFTPS		Wire		
				B 01	215 010	FICA/MD		\$30,297.18	
				B 01	215 011	FED TAX		\$12,008.67	
PO#:	Voucher #:	49200	Invoice	Invoice No:	S2025090	11/12/2024	Paid Amt:	\$42,305.85	
							Check Amount:	\$42,305.85	
0414	SBT	3022			Common Remitter		Wire		
				B 01	215 005	PAYANNU		\$5,032.31	
PO#:	Voucher #:	49206	Invoice	Invoice No:	S2025090	11/12/2024	Paid Amt:	\$5,032.31	
				B 01	215 005	PAYANNU		\$120.84	
PO#:	Voucher #:	49204	Invoice	Invoice No:	S2025090	11/12/2024	Paid Amt:	\$120.84	
				B 01	215 005	PAYANNU		\$983.47	
PO#:	Voucher #:	49199	Invoice	Invoice No:	S2025090	11/12/2024	Paid Amt:	\$983.47	
							Check Amount:	\$6,136.62	
0414	SBT	2819			EMC Insurance Companies		Wire		
				E 01	005 760 000 720 340	Auto		\$372.22	

Minneota Public School

Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
0414	SBT	2819			EMC Insurance Companies		Wire
			E 01	005 940 000 000 340	Property, Liability	\$4,372.91	
PO#:	Voucher #:	49266	Invoice	Invoice No:	7001653355	11/13/2024	Paid Amt: \$4,745.13
							Check Amount: \$4,745.13
0414	SBT	3034			elan Corporate		Wire
			E 01	100 420 000 740 433	Special Education Supplies	\$387.55	
			E 01	005 810 000 000 401	J Bradley Classroom Table	\$379.59	
			E 01	300 298 000 000 401	Football Boosters Ice Machine	\$1,499.99	
			E 01	100 420 000 740 433	Special Education Supplies	\$236.60	
			E 01	100 790 000 000 369	Spelling Bee Registration	\$185.00	
			E 01	005 640 000 316 366	Staff Development - All Levels	\$257.37	
			E 01	300 296 213 000 366	GBB Coaches Dues	\$69.75	
			E 01	300 294 215 000 366	Baseball Coaches Dues	\$74.75	
			E 01	005 110 000 000 329	Postage	\$24.75	
			E 01	300 296 227 000 366	VB Coaches Meal	\$81.19	
			E 01	300 294 221 000 366	Wrestling Subscription	\$99.99	
			E 01	300 292 236 035 366	Speech Conference Trip	\$408.69	
			E 01	100 203 000 000 405	S'More Subscription	\$179.00	
			E 02	005 770 000 701 401	Food Service Supplies	\$250.47	
			E 01	300 298 000 000 401	Apple Subscription	\$12.74	
			E 01	300 292 237 000 401	Musical Light - 4Wall	\$590.00	
			E 01	100 790 000 000 369	Young Writers Conference	\$160.00	
			E 01	300 211 000 000 405	Subscriptions - High School	\$224.99	
			E 01	300 211 000 000 401	High School Supplies	\$168.82	
			E 01	100 203 034 000 430	Elementary Supplies - K Buysse	\$12.50	
			E 01	300 211 000 000 401	Student Council Supplies	\$564.97	
			E 01	300 211 000 000 401	Junior Class Supplies	\$187.31	
PO#:	Voucher #:	49286	Invoice	Invoice No:	Sep/Oct 24 Stmt	11/13/2024	Paid Amt: \$6,056.02
							Check Amount: \$6,056.02
0414	SBT	00127			COMMISSIONER OF REVENUE		Wire
			B 01	215 013	ST TAX	\$27.08	
PO#:	Voucher #:	49290	Invoice	Invoice No:	S202509S0	11/13/2024	Paid Amt: \$27.08
							Check Amount: \$27.08
0414	SBT	00594			PUBLIC EMPLOYEES RETIREMENT		Wire
			B 01	215 017	PERA	\$845.57	
PO#:	Voucher #:	49291	Invoice	Invoice No:	S202509S0	11/13/2024	Paid Amt: \$845.57
							Check Amount: \$845.57

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0414	SBT	00710			TEACHERS RETIREMENT		Wire		
				B 01	215 018	TRA		\$30.93	
	PO#:	Voucher #:	49292	Invoice	Invoice No: S202509S0	11/13/2024	Paid Amt:	\$30.93	
							Check Amount:	\$30.93	
0414	SBT	3017			EFTPS		Wire		
				B 01	215 010	FICA/MD		\$952.82	
				B 01	215 011	FED TAX		\$84.75	
	PO#:	Voucher #:	49289	Invoice	Invoice No: S202509S0	11/13/2024	Paid Amt:	\$1,037.57	
							Check Amount:	\$1,037.57	
0414	SBT	4513			All Energy Solar		Wire		
				E 01	005 810 000 000 530	47.56 Jinko 580 SOC Bifacial EAGLE 72 G6B -		\$48,400.00	
	PO#:	Voucher #:	49293	Invoice	Invoice No: INV-00019496	11/13/2024	Paid Amt:	\$48,400.00	
							Check Amount:	\$48,400.00	
0414	SBT	51016 3391			CINDY VERSCHAETSE		Check		
				E 01	300 296 227 000 305	10/15 V Volleyball Official		\$140.00	
	PO#:	Voucher #:	49162	Invoice	Invoice No: 10/15 Volleyball	10/15/2024	Paid Amt:	\$140.00	
							Check Amount:	\$140.00	
0414	SBT	51017 2276			DREW BOUWMAN		Check		
				E 01	300 298 000 000 185	9/17 Football Worker		\$40.00	
	PO#:	Voucher #:	49163	Invoice	Invoice No: Sept Games	10/15/2024	Paid Amt:	\$40.00	
							Check Amount:	\$40.00	
0414	SBT	51018 4525			Emily Rybinski		Check		
				E 01	300 298 000 000 185	9/17 Volleyball Worker		\$40.00	
				E 01	300 298 000 000 185	9/24 Volleyball Worker		\$40.00	
	PO#:	Voucher #:	49164	Invoice	Invoice No: Sept Games	10/15/2024	Paid Amt:	\$80.00	
							Check Amount:	\$80.00	
0414	SBT	51019 4531			Niara Gorecki		Check		
				E 01	300 298 000 000 185	9/24 Volleyball Scoreboard		\$40.00	
	PO#:	Voucher #:	49165	Invoice	Invoice No: Sept Scoreboard	10/15/2024	Paid Amt:	\$40.00	
							Check Amount:	\$40.00	
0414	SBT	51020 2362			Minneota Volleyball Boosters		Check		
				R 01	005 000 000 000 099	Maccray Public Schools		\$100.00	
				R 01	005 000 000 000 099	Canby Public Schools		\$100.00	
				R 01	005 000 000 000 099	JCC Public Schools		\$100.00	
				R 01	005 000 000 000 099	RTR Public Schools		\$100.00	
	PO#:	Voucher #:	49166	Invoice	Invoice No: FY25 C Squad Tourn.	10/17/2024	Paid Amt:	\$400.00	
							Check Amount:	\$400.00	

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
0414	SBT	51021	2315		Plunkett's Pest Control		Check
				E 01	005 810 191 000 350 Mole Trapping		\$480.00
	PO#:	Voucher #:	49167	Invoice	Invoice No: Mole Trapping	10/17/2024	Paid Amt: \$480.00
							Check Amount: \$480.00
0414	SBT	51022	4532		Adrianna DeBoer		Check
				E 01	300 296 227 000 305 10/25 Volleyball Official		\$110.46
	PO#:	Voucher #:	49169	Invoice	Invoice No: 10/25 Volleyball	10/24/2024	Paid Amt: \$110.46
							Check Amount: \$110.46
0414	SBT	51023	4534		Blair Folkens		Check
				E 01	300 294 211 000 305 10/26 Football Official		\$140.17
	PO#:	Voucher #:	49181	Invoice	Invoice No: 10/26 Football	10/24/2024	Paid Amt: \$140.17
							Check Amount: \$140.17
0414	SBT	51024	4533		David Madson		Check
				E 01	300 294 211 000 305 10/26 Football Official		\$133.36
	PO#:	Voucher #:	49180	Invoice	Invoice No: 10/26 Football	10/24/2024	Paid Amt: \$133.36
							Check Amount: \$133.36
0414	SBT	51025	4170		JEFF NELSON		Check
				E 01	300 296 227 000 305 10/25 Volleyball Official		\$110.46
	PO#:	Voucher #:	49168	Invoice	Invoice No: 10/25 Volleyball	10/24/2024	Paid Amt: \$110.46
							Check Amount: \$110.46
0414	SBT	51026	4535		Jeffrey Manthei		Check
				E 01	300 294 211 000 305 10/26 Football Official		\$128.65
	PO#:	Voucher #:	49182	Invoice	Invoice No: 10/26 Football	10/24/2024	Paid Amt: \$128.65
							Check Amount: \$128.65
0414	SBT	51027	4536		Matthew Shoemate		Check
				E 01	300 294 211 000 305 10/26 Football Official		\$145.94
	PO#:	Voucher #:	49183	Invoice	Invoice No: 10/26 Football	10/24/2024	Paid Amt: \$145.94
							Check Amount: \$145.94
0414	SBT	51028	3758		TIMOTHY PRAHL		Check
				E 01	300 294 211 000 305 10/26 Football Official		\$134.67
	PO#:	Voucher #:	49179	Invoice	Invoice No: 10/26 Football	10/24/2024	Paid Amt: \$134.67
							Check Amount: \$134.67
0414	SBT	51029	01568		Minneota Education Minnesota Organization		Check
				B 01	215 028 DUES		\$1,266.70
	PO#:	Voucher #:	49173	Invoice	Invoice No: S2025080	10/24/2024	Paid Amt: \$1,266.70
							Check Amount: \$1,266.70

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
0414	SBT	51031	01701		REGION IIIA		Check
				R 01	300 294 211 000 060	10/26 Football Gate	\$2,730.00
PO#:	Voucher #:	49184	Invoice	Invoice No:	10/26 FB Gate	10/29/2024	Paid Amt: \$2,730.00
							Check Amount: \$2,730.00
0414	SBT	51032	01701		REGION IIIA		Check
				R 01	300 296 227 000 060	10/25 Volleyball Gate	\$1,820.00
PO#:	Voucher #:	49185	Invoice	Invoice No:	10/25 VB Section	10/29/2024	Paid Amt: \$1,820.00
							Check Amount: \$1,820.00
0414	SBT	51033	4322		AFSCME		Check
				B 01	215 079	10/10/24 Dues Deduction	\$349.66
				B 01	215 079	10/25/24 Dues Deduction	\$349.66
PO#:	Voucher #:	49193	Invoice	Invoice No:	October Dues	10/31/2024	Paid Amt: \$699.32
							Check Amount: \$699.32
0414	SBT	51034	00017		AMERICAN FAMILY ASSURANCE		Check
				B 01	215 026	Group Insurance - Payroll Deduction	\$837.50
PO#:	Voucher #:	49192	Invoice	Invoice No:	724744	10/31/2024	Paid Amt: \$837.50
							Check Amount: \$837.50
0414	SBT	51035	01418		HORACE MANN		Check
				B 01	215 051	J Voit Auto Insurance - Payroll Deduction	\$45.12
				B 01	215 051	K Larson Auto Insurance	\$516.82
PO#:	Voucher #:	49191	Invoice	Invoice No:	220034A	10/31/2024	Paid Amt: \$561.94
							Check Amount: \$561.94
0414	SBT	51036	3303		Legal Shield		Check
				B 01	215 033	Group Legal - Payroll Deduction	\$181.40
PO#:	Voucher #:	49189	Invoice	Invoice No:	10/15/2024	10/31/2024	Paid Amt: \$181.40
							Check Amount: \$181.40
0414	SBT	51037	1080		MN NCPERS Life Insurance		Check
				B 01	215 025	SB Life - Payroll Deduction	\$16.00
PO#:	Voucher #:	49194	Invoice	Invoice No:	185001112024	10/31/2024	Paid Amt: \$16.00
							Check Amount: \$16.00
0414	SBT	51038	2490		USAbLe Life		Check
				B 01	215 027	Group Life - Payroll Deduction	\$114.80
PO#:	Voucher #:	49190	Invoice	Invoice No:	01 Nov 2024	10/31/2024	Paid Amt: \$114.80
							Check Amount: \$114.80
0414	SBT	51039	4518		VSP Insurance Co (CT)		Check
				B 01	215 034	Group Vision Insurance	\$188.82
PO#:	Voucher #:	49188	Invoice	Invoice No:	821428231	10/31/2024	Paid Amt: \$188.82
							Check Amount: \$188.82

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
0414	SBT	51040	3861		CASH		Check
				E 01	300 296 227 000 366	Coaches Meal Money	\$420.00
				E 01	300 296 227 000 366	AD Meal Money	\$85.00
				E 01	300 296 227 000 369	Player Meal Money	\$1,080.00
PO#:	Voucher #:	49195	Invoice	Invoice No:	VB 2024 State Meals	11/4/2024	Paid Amt: \$1,585.00
							Check Amount: \$1,585.00
0414	SBT	51041	2362		Minneota Volleyball Boosters		Check
				R 01	005 000 000 000 099	Lac Qui Parle	\$100.00
PO#:	Voucher #:	49196	Invoice	Invoice No:	C Squad Tournament	11/4/2024	Paid Amt: \$100.00
							Check Amount: \$100.00
0414	SBT	51042	4189		MNVBCA		Check
				E 01	300 296 227 000 369	Rolbiecki Tickets	\$60.00
				E 01	300 296 227 000 369	Faris Tickets	\$120.00
				E 01	300 296 227 000 369	VB Team Tickets	\$540.00
				E 01	300 296 227 000 366	VB Coaches Tickets	\$90.00
PO#:	Voucher #:	49197	Invoice	Invoice No:	VB Banquet	11/5/2024	Paid Amt: \$810.00
							Check Amount: \$810.00
0414	SBT	51043	4522		Bekkam Gillund		Check
				E 01	300 298 000 000 185	10/1 Volleyball	\$40.00
				E 01	300 298 000 000 185	10/15 Football	\$40.00
				E 01	300 298 000 000 185	10/21 Volleyball	\$40.00
				E 01	300 298 000 000 185	10/25 Volleyball	\$40.00
PO#:	Voucher #:	49233	Invoice	Invoice No:	October 24 Pmts	11/12/2024	Paid Amt: \$160.00
							Check Amount: \$160.00
0414	SBT	51044	4537		Bradyn Hopper		Check
				E 01	300 298 000 000 185	10/1 Volleyball	\$40.00
				E 01	300 298 000 000 185	10/3 Football	\$40.00
				E 01	300 298 000 000 185	10/15 Football	\$40.00
				E 01	300 298 000 000 185	10/21 Volleyball	\$40.00
				E 01	300 298 000 000 185	10/25 Volleyball	\$40.00
PO#:	Voucher #:	49235	Invoice	Invoice No:	October 24 Pmts	11/12/2024	Paid Amt: \$200.00
							Check Amount: \$200.00
0414	SBT	51045	01943		CHAD REISS		Check
				E 01	300 298 000 000 185	10/7 Volleyball	\$40.00
PO#:	Voucher #:	49237	Invoice	Invoice No:	October 24 Pmts	11/12/2024	Paid Amt: \$40.00
							Check Amount: \$40.00
0414	SBT	51046	2276		DREW BOUWMAN		Check
				E 01	300 298 000 000 185	10/16 Football	\$40.00

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0414	SBT	51046	2276		DREW BOUWMAN		Check		
				E 01	300 298 000 000 185	10/26 Football		\$40.00	
		PO#:	Voucher #:	49230	Invoice	Invoice No: October 24 Pmts	11/12/2024	Paid Amt:	\$80.00
								Check Amount:	\$80.00
0414	SBT	51047	4525		Emily Rybinski		Check		
				E 01	300 298 000 000 185	10/25 Volleyball		\$40.00	
				E 01	300 298 000 000 185	10/3 Football		\$40.00	
				E 01	300 298 000 000 185	10/15 Football		\$40.00	
		PO#:	Voucher #:	49236	Invoice	Invoice No: October 24 Pmts	11/12/2024	Paid Amt:	\$120.00
								Check Amount:	\$120.00
0414	SBT	51048	4231		JASMINE DESMET		Check		
				E 01	300 298 000 000 185	10/3 Football		\$40.00	
				E 01	300 298 000 000 185	10/15 Football		\$40.00	
		PO#:	Voucher #:	49231	Invoice	Invoice No: October 24 Pmts	11/12/2024	Paid Amt:	\$80.00
								Check Amount:	\$80.00
0414	SBT	51049	4342		Kris and Stacy Fier		Check		
				E 01	300 298 000 000 185	10/7 Volleyball		\$40.00	
		PO#:	Voucher #:	49232	Invoice	Invoice No: October 24 Pmts	11/12/2024	Paid Amt:	\$40.00
								Check Amount:	\$40.00
0414	SBT	51050	4531		Niara Gorecki		Check		
				E 01	300 298 000 000 185	10/3 Football		\$40.00	
		PO#:	Voucher #:	49234	Invoice	Invoice No: October 24 Pmts	11/12/2024	Paid Amt:	\$40.00
								Check Amount:	\$40.00
0414	SBT	51051	01568		Minneota Education Minnesota Organization		Check		
				B 01	215 028	DUES		\$1,266.70	
		PO#:	Voucher #:	49201	Invoice	Invoice No: S2025090	11/12/2024	Paid Amt:	\$1,266.70
								Check Amount:	\$1,266.70
0414	SBT	51052	4156		AED SUPERSTORE		Check		
				E 01	005 720 000 000 401	Physio-Control Infant/Child Electrode Pads		\$156.00	
				E 01	005 720 000 000 401	Freight		\$23.59	
		PO#: 10863	Voucher #:	48632	Invoice	Invoice No: INV3432396	11/13/2024	Paid Amt:	\$179.59
								Check Amount:	\$179.59
0414	SBT	51053	4009		AG PLUS COOPERATIVE		Check		
				E 01	005 760 000 720 440	Bus Fuel		\$7,065.24	
				E 01	005 760 000 720 440	Van Fuel		\$466.49	
		PO#:	Voucher #:	49252	Invoice	Invoice No: 10/31/24 Stmt	11/13/2024	Paid Amt:	\$7,531.73
								Check Amount:	\$7,531.73

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0414	SBT	51054	4421		Alexandria Technical & Community College		Check		
				E 01	300 211 000 000 390	Fall PSEO Classes		\$13,727.22	
	PO#:	Voucher #:	49276	Invoice	Invoice No: 11/5/24				Paid Amt: \$13,727.22
									Check Amount: \$13,727.22
0414	SBT	51055	4250		American Welding & Gas, Inc		Check		
				E 01	300 301 000 830 433	Cord Set - 250V		\$120.00	
	PO#:	Voucher #:	49217	Invoice	Invoice No: 0010439468				Paid Amt: \$120.00
				E 01	300 301 000 830 433	Welding Gas & Supplies		\$62.72	
	PO#:	Voucher #:	49265	Invoice	Invoice No: 0010401458				Paid Amt: \$62.72
									Check Amount: \$182.72
0414	SBT	51056	1689		Bend Rite Fabrication, Inc.		Check		
				E 01	300 301 000 830 433	Steel Plate for Shop		\$110.03	
	PO#:	Voucher #:	49256	Invoice	Invoice No: 62929				Paid Amt: \$110.03
									Check Amount: \$110.03
0414	SBT	51057	2927		Big Stone Therapies, Inc.		Check		
				E 01	005 404 000 740 394	PT Mileage		\$4.69	
				E 01	005 404 000 740 394	PT		\$1,320.56	
				E 01	005 404 000 740 394	PT Drive Time		\$80.92	
	PO#:	Voucher #:	49219	Invoice	Invoice No: 27618				Paid Amt: \$1,406.17
									Check Amount: \$1,406.17
0414	SBT	51058	4114		BK'S PLUMBING LLC		Check		
				E 01	005 865 000 381 350	Bathroom Sink - Upstairs		\$151.02	
	PO#:	Voucher #:	49260	Invoice	Invoice No: 3802				Paid Amt: \$151.02
									Check Amount: \$151.02
0414	SBT	51059	00240		Brad's Market		Check		
				E 01	300 331 000 830 433	FACS Class Supplies		\$431.86	
				E 01	300 250 000 000 430	FACS Class - JH		\$232.66	
				E 02	005 770 000 701 490	Food Service - Bread		\$962.56	
				E 02	005 770 000 701 490	Food Service		\$895.87	
				E 01	300 298 239 000 401	Concessions		\$330.12	
	PO#:	Voucher #:	49277	Invoice	Invoice No: 10/31/24 Stmt				Paid Amt: \$2,853.07
									Check Amount: \$2,853.07
0414	SBT	51060	4539		Branching Minds LLC		Check		
				E 01	005 640 000 316 366	Summit Main Event		\$140.00	
	PO#:	Voucher #:	49262	Invoice	Invoice No: 11420				Paid Amt: \$140.00
									Check Amount: \$140.00
0414	SBT	51061	00085		BUYASSE ROOFING		Check		
				E 01	005 865 000 383 350	Materials to Repair Leaks on Roof		\$280.00	

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0414	SBT	51061	00085		BUYSE ROOFING		Check		
				E 01	005 865 000 383 350	Labor to Repair Leaks on Roof		\$2,220.00	
				E 01	005 865 000 383 350	Trips		\$200.00	
	PO#:	Voucher #:	49238	Invoice	Invoice No: 24-030				
						11/13/2024	Paid Amt:	\$2,700.00	
							Check Amount:	\$2,700.00	
0414	SBT	51062	00092		CARLSON & STEWART REFRIG		Check		
				E 02	005 770 000 701 350	Walk In Freezer - Fan Out		\$184.05	
	PO#:	Voucher #:	49216	Invoice	Invoice No: 63491				
				E 02	005 770 000 701 350	Serving Line Compressor		\$1,072.65	
	PO#:	Voucher #:	49257	Invoice	Invoice No: 63289				
						11/13/2024	Paid Amt:	\$1,072.65	
							Check Amount:	\$1,256.70	
0414	SBT	51063	4099		Cole Papers Inc		Check		
				E 01	005 810 000 000 401	1784700 Betco FastDraw Floor Cleaner		\$1,174.20	
				E 01	005 810 000 000 401	VPF236 Clear Powder Large Gloves		\$35.44	
				E 01	005 810 000 000 401	0751200 Toilet Bowl Cleaner		\$61.64	
				E 01	005 810 000 000 401	PF238 Clear Powder Glove Medium		\$35.44	
				E 01	005 810 000 000 401	D012-2500 Brush Roll Assembly		\$236.55	
				E 01	005 810 000 000 401	7502900 Pink Foaming Hand Soap		\$324.15	
				E 01	005 810 000 000 401	5715-06 Green Cert Foam Hand Soap		\$29.38	
				E 01	005 810 000 000 401	B06950412 Floor Cleaner Concentrate		\$157.28	
	PO#: 11007	Voucher #:	49207	Invoice	Invoice No: 10507244				
						11/13/2024	Paid Amt:	\$2,054.08	
							Check Amount:	\$2,054.08	
0414	SBT	51064	4208		COORDINATED BUSINESS SYSTEMS		Check		
				E 01	005 257 000 302 560	Monthly Usage Statement		\$3,925.92	
	PO#:	Voucher #:	49255	Invoice	Invoice No: INV420133				
						11/13/2024	Paid Amt:	\$3,925.92	
							Check Amount:	\$3,925.92	
0414	SBT	51065	00160		DAKTRONICS INC		Check		
				E 01	300 298 000 000 530	Daktronics Scoreboard Repair		\$945.00	
	PO#: 11010	Voucher #:	49258	Invoice	Invoice No: 7115574				
						11/13/2024	Paid Amt:	\$945.00	
							Check Amount:	\$945.00	
0414	SBT	51066	4381		Data Processing Design Inc.		Check		
				E 01	005 810 000 000 320	Monthly Fax Service		\$41.19	
	PO#:	Voucher #:	49241	Invoice	Invoice No: EGOLD-12086646				
						11/13/2024	Paid Amt:	\$41.19	
							Check Amount:	\$41.19	
0414	SBT	51067	2716		Dawson-Boyd Arts Association		Check		
				E 01	100 790 000 000 369	Elementary Field Trip		\$840.00	
	PO#:	Voucher #:	49239	Invoice	Invoice No: 11/21 Dot Dot Dot				
						11/13/2024	Paid Amt:	\$840.00	
							Check Amount:	\$840.00	

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0414	SBT	51068	2313		Educators Benefit Consultants		Check		
				E 01	005 110 000 000 305	4th Quarter - October, November, December		\$125.00	
				E 01	005 110 000 000 305	Flex Participant System		\$30.00	
	PO#:	Voucher #:	49240	Invoice	Invoice No: 34649	11/13/2024	Paid Amt:	\$155.00	
							Check Amount:	\$155.00	
0414	SBT	51069	4094		ESJD - SIOUX FALLS		Check		
				E 02	005 770 000 701 495	Milk		\$3,042.43	
				E 02	005 770 000 701 490	Food		\$18.19	
	PO#:	Voucher #:	49208	Invoice	Invoice No: 10/31/24 Stmt	11/13/2024	Paid Amt:	\$3,060.62	
							Check Amount:	\$3,060.62	
0414	SBT	51070	01527		FRANKS ELECTRIC & PLUMBING INC		Check		
				E 01	005 865 000 381 350	Faucet Repair		\$60.00	
				E 01	300 298 000 000 530	Daktronics Football Scoreboard		\$150.00	
	PO#:	Voucher #:	49218	Invoice	Invoice No: 26425-C	11/13/2024	Paid Amt:	\$210.00	
							Check Amount:	\$210.00	
0414	SBT	51071	4161		GimKit, Inc		Check		
				E 01	100 203 000 000 406	GimKit Department Licenses		\$650.00	
	PO#: 10914	Voucher #:	49267	Invoice	Invoice No: E9B4F119-0001	11/13/2024	Paid Amt:	\$650.00	
							Check Amount:	\$650.00	
0414	SBT	51072	00275		GISLASON'S HARDWARE		Check		
				E 01	005 810 191 000 401	Grounds Supplies		\$105.91	
				E 01	005 810 000 000 401	Custodial Supplies		\$168.08	
				E 01	300 301 000 830 433	Ag Supplies		\$99.24	
	PO#:	Voucher #:	49223	Invoice	Invoice No: 10/31/24 Stmt	11/13/2024	Paid Amt:	\$373.23	
							Check Amount:	\$373.23	
0414	SBT	51073	4374		Granite Telecommunications		Check		
				E 01	005 810 000 000 320	Monthly Statement		\$157.98	
	PO#:	Voucher #:	49251	Invoice	Invoice No: 666480389	11/13/2024	Paid Amt:	\$157.98	
				E 01	005 810 000 000 320	Monthly Services		\$180.70	
	PO#:	Voucher #:	49242	Invoice	Invoice No: 663504727	11/13/2024	Paid Amt:	\$180.70	
							Check Amount:	\$338.68	
0414	SBT	51074	4511		Hasty Awards		Check		
				E 01	100 203 035 000 401	M-8601UC Black Nickel Phoenix Custom Blue li		\$249.00	
				E 01	100 203 035 000 401	shipping		\$16.00	
	PO#: 10965	Voucher #:	49243	Invoice	Invoice No: Viking Tickets	11/13/2024	Paid Amt:	\$265.00	
							Check Amount:	\$265.00	

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
0414	SBT	51075	00317		HOFFMAN & BROBST		Check
				E 01	005 110 000 000 305	Interim billing for 2024 Audit Services	\$10,000.00
	PO#:	Voucher #:	49244	Invoice	Invoice No: 47461	11/13/2024	Paid Amt: \$10,000.00
							Check Amount: \$10,000.00
0414	SBT	51076	4487		IT Outlet		Check
				E 01	005 257 000 000 466	108693 NutKase Rugged Case for IPad	\$3,080.00
				E 01	005 257 000 000 466	108693 NutKase Rugged Case for IPad	\$280.00
	PO#:	Voucher #:	49281	Invoice	Invoice No: 10000647	11/13/2024	Paid Amt: \$3,360.00
				E 01	005 257 000 302 466	108695 75" Q Pro Series Interactive Panel	\$53,750.00
	PO#:	Voucher #:	49284	Invoice	Invoice No: 10000396	11/13/2024	Paid Amt: \$53,750.00
							Check Amount: \$57,110.00
0414	SBT	51077	4538		Iverson Tree Farm		Check
				E 01	100 790 000 000 369	Admission - Field Trip	\$510.00
	PO#:	Voucher #:	49245	Invoice	Invoice No: 6161J	11/13/2024	Paid Amt: \$510.00
							Check Amount: \$510.00
0414	SBT	51078	00352		J W PEPPER OF MINNEAPOLIS		Check
				E 01	300 258 233 000 430	2424521 Thanksgiving Hymn by Fred J. Allen	\$55.00
				E 01	300 258 233 000 430	Freight	\$12.99
	PO#: 10996	Voucher #:	49269	Invoice	Invoice No: 366873146	11/13/2024	Paid Amt: \$67.99
							Check Amount: \$67.99
0414	SBT	51079	4336		Jessica Verly		Check
				E 01	005 760 000 723 360	Transportation Agreement 10/14 - 10/24	\$658.80
	PO#:	Voucher #:	49268	Invoice	Invoice No: 10/14 - 10/24	11/13/2024	Paid Amt: \$658.80
							Check Amount: \$658.80
0414	SBT	51080	4273		LEGO Education		Check
				E 01	300 341 000 830 430	LEGO® Technic™ Color Sensor	\$34.95
				E 01	300 341 000 830 430	LEGO® Education SPIKE™ Prime Set	\$399.95
				E 01	300 341 000 830 433	LEGO® Education SPIKE™ Prime Replacemen	\$11.90
	PO#: 10995	Voucher #:	49246	Invoice	Invoice No: 1190637646	11/13/2024	Paid Amt: \$446.80
							Check Amount: \$446.80
0414	SBT	51081	00454		MARSHALL PUBLIC SCHOOLS		Check
				E 01	005 110 000 000 305	JC File Folder 1003839	\$267.49
				E 01	005 110 000 000 305	RB File Folder 509353	\$88.57
				E 01	005 110 000 000 305	Benefits	\$59.15
	PO#:	Voucher #:	49278	Invoice	Invoice No: 12336	11/13/2024	Paid Amt: \$415.21
							Check Amount: \$415.21
0414	SBT	51082	00465		MCGRAW-HILL SCHOOL EDUCATION HOLDINGS, LLC		Check
				E 01	100 203 000 000 406	MN Inspire Science 2020	\$738.33

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0414	SBT	51082	00465		MCGRAW-HILL SCHOOL EDUCATION HOLDINGS, LLC		Check		
				E 01	100 203 000 000 406 Shipping			\$59.07	
PO#:	10994	Voucher #:	49270	Invoice	Invoice No: 134752288001	11/13/2024	Paid Amt:	\$797.40	
				E 01	100 203 000 000 406 McGraw Hill - Inspire Science			\$786.21	
PO#:		Voucher #:	49271	Invoice	Invoice No: 134804414001	11/13/2024	Paid Amt:	\$786.21	
							Check Amount:	\$1,583.61	
0414	SBT	51083	01175		MINN. ELEVATOR SERVICE, INC.		Check		
				E 01	005 865 000 347 305 November Monthly Service			\$207.01	
PO#:		Voucher #:	49222	Invoice	Invoice No: 1099341	11/13/2024	Paid Amt:	\$207.01	
							Check Amount:	\$207.01	
0414	SBT	51084	1828		Minneota Building Materials		Check		
				E 01	300 301 000 830 433 Shop Supplies - HS			\$711.15	
				E 01	300 255 000 000 430 Shop Supplies - JH			\$308.18	
				E 01	300 301 000 830 433 Building Trades			\$43.93	
PO#:		Voucher #:	49283	Invoice	Invoice No: 10/31/24 Stmt	11/13/2024	Paid Amt:	\$1,063.26	
							Check Amount:	\$1,063.26	
0414	SBT	51085	2505		Minneota Bus Service		Check		
				E 01	005 760 000 720 305 Tuition Routes			\$3,736.37	
				E 01	005 760 000 720 305 Regular Routes			\$33,482.82	
PO#:		Voucher #:	49263	Invoice	Invoice No: October 2024 Routes	11/13/2024	Paid Amt:	\$37,219.19	
							Check Amount:	\$37,219.19	
0414	SBT	51086	2168		MINNESOTA WEST COLLEGE		Check		
				E 01	300 211 000 000 390 Fall PSEO Classes			\$6,523.50	
PO#:		Voucher #:	49272	Invoice	Invoice No: 00275823	11/13/2024	Paid Amt:	\$6,523.50	
				E 01	300 211 000 000 390 Fall PSEO Classes			\$173.50	
PO#:		Voucher #:	49273	Invoice	Invoice No: 00275911	11/13/2024	Paid Amt:	\$173.50	
							Check Amount:	\$6,697.00	
0414	SBT	51087	01867		MN DEPT OF PUBLIC SAFETY		Check		
				E 01	005 865 000 363 305 Fire Inspection			\$1,819.20	
PO#:		Voucher #:	49274	Invoice	Invoice No: FM00004979	11/13/2024	Paid Amt:	\$1,819.20	
							Check Amount:	\$1,819.20	
0414	SBT	51088	00528		MUSIC STREET		Check		
				E 01	300 258 233 000 350 Thumb Rest Screw			\$2.00	
PO#:		Voucher #:	49224	Invoice	Invoice No: 18640478	11/13/2024	Paid Amt:	\$2.00	
				E 01	300 258 233 000 430 Trombone & Drums Book			\$15.45	
PO#:		Voucher #:	49226	Invoice	Invoice No: 185546268	11/13/2024	Paid Amt:	\$15.45	

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0414	SBT	51088	00528		MUSIC STREET		Check		
				E 01	300 258 233 000 350	Trombone - Work Order		\$22.00	
PO#:	Voucher #:	49225	Invoice	Invoice No:	185596421	11/13/2024	Paid Amt:	\$22.00	
							Check Amount:	\$39.45	
0414	SBT	51089	4420		Northland Comm & Tech College		Check		
				E 01	300 211 000 000 390	Fall PSEO Classes		\$806.00	
PO#:	Voucher #:	49275	Invoice	Invoice No:	CI0000003033	11/13/2024	Paid Amt:	\$806.00	
							Check Amount:	\$806.00	
0414	SBT	51090	00560		OTTERTAIL POWER CO		Check		
				E 01	005 810 184 000 330	School Building Electricity		\$6,346.30	
				E 01	005 810 184 000 330	Ballfield Electricity		\$400.17	
				E 01	005 810 184 000 330	Lift pump Electricity		\$32.52	
				E 01	005 810 184 000 330	Garage Electricity		\$26.18	
PO#:	Voucher #:	49282	Invoice	Invoice No:	10/31/24 Stmt	11/13/2024	Paid Amt:	\$6,805.17	
							Check Amount:	\$6,805.17	
0414	SBT	51091	01254		PATZER'S HARDWARE		Check		
				E 01	005 810 191 000 350	Grass Seed- TC Landscapper		\$359.98	
				E 01	005 810 191 000 350	Overseed Rental		\$70.00	
PO#:	Voucher #:	49227	Invoice	Invoice No:	94315	11/13/2024	Paid Amt:	\$429.98	
							Check Amount:	\$429.98	
0414	SBT	51092	4018		PEMBERTON LAW, P.L.L.P		Check		
				E 01	005 010 000 000 305	Professional Services		\$297.50	
PO#:	Voucher #:	49247	Invoice	Invoice No:	20206311.000	11/13/2024	Paid Amt:	\$297.50	
				E 01	005 010 000 000 305	Professional Services		\$50.00	
PO#:	Voucher #:	49259	Invoice	Invoice No:	20206311.000	11/13/2024	Paid Amt:	\$50.00	
							Check Amount:	\$347.50	
0414	SBT	51093	00602		Performance Foodservice - Marshall		Check		
				E 02	005 770 000 701 490	Food Service		\$22,786.50	
				E 02	005 770 000 707 490	Ala Carte		\$1,881.01	
				E 02	005 770 000 701 401	Supplies		\$2,125.19	
PO#:	Voucher #:	49253	Invoice	Invoice No:	10/31/24 Stmt	11/13/2024	Paid Amt:	\$26,792.70	
				E 02	005 770 000 701 490	Commodity Shipping		\$130.91	
PO#:	Voucher #:	49220	Invoice	Invoice No:	10/31/24 Stmt	11/13/2024	Paid Amt:	\$130.91	
							Check Amount:	\$26,923.61	
0414	SBT	51094	3212		Riddell		Check		
				E 01	300 294 211 000 401	FB Helmet - Speed Flex		\$420.00	

Minneota Public School

Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0414	SBT	51094	3212		Riddell		Check		
				E 01	300 294 211 000 401	Shipping		\$22.45	
PO#:		Voucher #:	49261	Invoice	Invoice No: 952194763	11/13/2024	Paid Amt:	\$442.45	
							Check Amount:	\$442.45	
0414	SBT	51095	2008		Scholastic Book Fairs Inc.		Check		
				E 01	100 203 000 000 430	Elementary Magazine Subscriptions		\$1,671.31	
PO#:		Voucher #:	49248	Invoice	Invoice No: M74866287	11/13/2024	Paid Amt:	\$1,671.31	
							Check Amount:	\$1,671.31	
0414	SBT	51096	2474		School Nurse Supply, Inc.		Check		
				E 01	005 720 000 000 401	ColdStar Insulated Reusable Gel Pack - 6" x 9"		\$2.29	
				E 01	005 720 000 000 401	ColdStar Insulated Reusable Gel Pack - 4 1/2" x		\$3.30	
				E 01	005 720 000 000 401	Economy Instant Cold Pack - 5" x 9" Large (24-c		\$321.00	
				E 01	005 720 000 000 401	Non-Woven Disposable Covers - 6" x 10" (100-c		\$114.00	
				E 01	005 720 000 000 401	Skintegrity Wound Cleaner (16 oz)		\$14.95	
				E 01	005 720 000 000 401	Triple Antibiotic Ointment (1 oz)		\$8.58	
				E 01	005 720 000 000 401	Infectious Waste Collectors - 1 Quart		\$3.15	
PO#: 11002		Voucher #:	49228	Invoice	Invoice No: 1028118-IN	11/13/2024	Paid Amt:	\$467.27	
							Check Amount:	\$467.27	
0414	SBT	51097	00892		SCHOOL SPECIALTY, INC		Check		
				E 01	100 203 000 000 401	Elementary Workroom Supplies		\$1,241.13	
PO#:		Voucher #:	49285	Invoice	Invoice No: 308104646531	11/13/2024	Paid Amt:	\$1,241.13	
				E 04	005 582 000 344 401	Wiggle Eyes		\$30.80	
PO#:		Voucher #:	49280	Invoice	Invoice No: 208135070629	11/13/2024	Paid Amt:	\$30.80	
							Check Amount:	\$1,271.93	
0414	SBT	51098	00255		SOUTHWEST GLASS CENTER		Check		
				E 01	005 810 191 000 401	Replacement Glass - Playground Door		\$615.30	
PO#:		Voucher #:	49212	Invoice	Invoice No: 111964	11/13/2024	Paid Amt:	\$615.30	
				E 01	005 810 191 000 350	Installation of Replacement Glass		\$460.10	
				E 01	005 810 191 000 350	On Site Labor		\$170.00	
PO#:		Voucher #:	49213	Invoice	Invoice No: 111963	11/13/2024	Paid Amt:	\$630.10	
							Check Amount:	\$1,245.40	
0414	SBT	51099	00667		SOUTHWEST MN STATE UNIVERSITY		Check		
				E 01	300 211 000 000 390	Fall PSEO Tuition		\$8,478.32	
PO#:		Voucher #:	49249	Invoice	Invoice No: 00270904	11/13/2024	Paid Amt:	\$8,478.32	
							Check Amount:	\$8,478.32	
0414	SBT	51100	00211		SW/WC SERVICE COOPERATIVES		Check		
				E 01	005 401 000 740 396	Speech Summer Billing - Salary		\$1,350.03	
				E 01	005 401 000 740 397	Speech Summer Billing - Benefits		\$459.01	

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type
0414	SBT	51100	00211		SW/WC SERVICE COOPERATIVES		Check
				E 01	005 401 000 740 366	Speech Summer Billing - Travel	\$157.42
				E 01	005 404 000 740 396	OT Summer Billing - Salary	\$741.77
				E 01	005 404 000 740 397	OT Summer Billing - Benefits	\$252.20
				E 01	005 404 000 740 366	OT Summer Billing - Travel	\$159.43
				E 01	005 405 000 740 396	HOH Summer Billing - Salary	\$942.70
				E 01	005 405 000 740 397	HOH Summer Billing - Benefits	\$320.52
				E 01	005 405 000 740 366	HOH Summer Billing - Travel	\$84.12
				E 01	005 401 000 740 396	Speech 1/4 Billing - Salary	\$8,338.75
				E 01	005 401 000 740 396	Speech 1/4 Billing - Salary	\$17,694.50
				E 01	005 401 000 740 397	Speech 1/4 Billing - Benefits	\$2,835.17
				E 01	005 401 000 740 397	Speech 1/4 Billing - Benefits	\$6,016.13
				E 01	005 401 000 740 366	Speech 1/4 Billing - Travel	\$972.32
				E 01	005 401 000 740 366	Speech 1/4 Billing - Travel	\$2,063.12
				E 01	005 404 000 740 396	OT 1/4 Billing - Salary	\$8,576.75
				E 01	005 420 000 740 396	Psychologist 1/4 Billing - Salary	\$2,046.75
				E 01	005 405 000 740 396	HOH 1/4 Billing - Salary	\$4,656.25
PO#:	Voucher #:	49211	Invoice	Invoice No:	10/31/24 Stmt	11/13/2024	Paid Amt: \$57,666.94
			E 01	005 110 000 000 820	1/3 RMIC Business/SMART Contract	\$3,718.53	
			E 01	005 110 000 000 820	1/3 RMIC MARSS Contract	\$638.13	
			E 01	005 110 000 000 820	1/3 EOHSM Contract	\$1,827.00	
			E 01	005 257 000 000 305	Cyber Security	\$392.16	
			E 01	005 257 000 000 305	Tech Support	\$1,772.50	
PO#:	Voucher #:	49210	Invoice	Invoice No:	10/31/24 Stmt	11/13/2024	Paid Amt: \$8,348.32
							Check Amount: \$66,015.26
0414	SBT	51101	3307		SWMBDA Treasurer		Check
				E 01	300 790 000 000 369	Honor Band Participants	\$165.00
PO#:	Voucher #:	49254	Invoice	Invoice No:	Honor Bond	11/13/2024	Paid Amt: \$165.00
							Check Amount: \$165.00
0414	SBT	51102	4403		Sysco Western Minnesota, Inc.		Check
				E 02	005 770 000 701 490	Food	\$768.04
PO#:	Voucher #:	49209	Invoice	Invoice No:	10/31/24 Stmt	11/13/2024	Paid Amt: \$768.04
							Check Amount: \$768.04
0414	SBT	51103	4359		Tech Check		Check
				E 01	005 257 000 000 401	ACC-WIFI-MICRO-USB - Micro-USB to USB C	\$35.00
				E 01	005 257 000 000 401	Freight	\$10.00
PO#: 10999	Voucher #:	49264	Invoice	Invoice No:	61512	11/13/2024	Paid Amt: \$45.00
							Check Amount: \$45.00

Minneota Public School Detail Payment Register By Check

Co	Bank	Check No	Code	Rcd	Vendor	Pmt/Void Date	Pmt Type		
0414	SBT	51104	1856		THE BIKE SHOP		Check		
				E 04	005 505 270 321 350	Treadmill belt silicone maintenance kit		\$34.98	
		PO#: 11006	Voucher #: 49279	Invoice	Invoice No: 115949	11/13/2024	Paid Amt:	\$34.98	
								Check Amount:	\$34.98
0414	SBT	51105	00505		THE MINNEOTA MASCOT		Check		
				E 01	005 010 000 000 305	Resolution Relating to General Election		\$334.80	
		PO#:	Voucher #: 49229	Invoice	Invoice No: 88566	11/13/2024	Paid Amt:	\$334.80	
				E 01	005 010 000 000 305	School Board Minutes		\$167.40	
		PO#:	Voucher #: 49214	Invoice	Invoice No: 88595	11/13/2024	Paid Amt:	\$167.40	
								Check Amount:	\$502.20
0414	SBT	51106	2634		Toledo Physical Education		Check		
				E 01	300 240 000 000 430	G725 Yellow 7" Ultra Skin Balls		\$117.00	
				E 01	300 240 000 000 430	G825B Blue 8 1/2 inch Ultra Skin Ball		\$99.00	
				E 01	300 240 000 000 430	HDBBB Blue Heavy Duty Mesh Ball Bag		\$38.97	
				E 01	300 240 000 000 430	103 Diller Paddle		\$83.94	
				E 01	300 240 000 000 430	CIP6 Indoor Green Champion Pickleballs set c		\$8.50	
				E 01	300 240 000 000 430	GY151W 1" x 60 yd White Gym Floor Tape		\$27.50	
				E 01	300 240 000 000 430	Freight		\$23.16	
		PO#: 10986	Voucher #: 49250	Invoice	Invoice No: 340846-00	11/13/2024	Paid Amt:	\$398.07	
				E 01	300 240 000 000 430	OS-E4816V0 4 x 8 Blue and Gold 1.5" Folding I		\$314.75	
		PO#: 10986	Voucher #: 49221	Invoice	Invoice No: 340846-01	11/13/2024	Paid Amt:	\$314.75	
								Check Amount:	\$712.82
0414	SBT	51107	3861		CASH		Check		
				E 01	300 294 211 000 369	State Band Money		\$135.00	
		PO#:	Voucher #: 49288	Invoice	Invoice No: State Band Money	11/13/2024	Paid Amt:	\$135.00	
								Check Amount:	\$135.00
0414	SBT	51108	4336		Jessica Verly		Check		
				E 01	005 760 000 723 360	Transportation Agreement - 10/25 - 11/5		\$765.45	
		PO#:	Voucher #: 49287	Invoice	Invoice No: 10/25 - 11/5	11/13/2024	Paid Amt:	\$765.45	
								Check Amount:	\$765.45
								Report Total:	\$559,985.34

LEADERSHIP

REPORTS

MHS Activities and CE Report

November 2024

CURRENT

FFA Placed 1st in Farm Business Mgt at the Region V Competition

Cross Country Girls placed 14th at the State Meet

Volleyball State Runner Up

Football In State Semis v Parkers Prairie Nov 16.

Girls Basketball started Nov 11-Good numbers. Are dealing with some injuries that will impact JV/V at start of season. Hoping to get them back for second half (Jan).

CURRENT

Boys Basketball starts Nov 18 strong numbers registered

Wrestling starts Nov 18 Strong participation numbers

Musical: Fantastic performances by our students. Our directors did an amazing job.

Dance started Oct 21 5 students participating.

CE Basketball started practices Nov 11, League starts Dec 7

Upcoming

CE Baking Class coming up Dec 5. 2 spots left.

Elementary Concert Dec 2

High School Concert Dec 16

Help Wanted: Lower Level Basketball Officials (JH & C Squad)
If you know of anyone that would be interested, please have them reach out.

MSHSL T.E.A.M.

Nov 12 we sent 8 students to Willmar for the MSHSL TEAM Regional Meetings

At these meetings students have the opportunity to develop leadership skills, & collaborate with their peers to help create future policies and initiatives for the MSHSL.

Attending this year: Ryan Meagher, Kiersyn Hulzebos, Kellen Bradley, Madison Hennen, Tristen Sussner, Gretta Buysse, Owen Myrvik & Eden Meagher



- ❑ Enrollment as of 11/11/24 is **305**
 - ❑ PreK: 57
 - ❑ K: 30
 - ❑ 1: 41
 - ❑ 2: 33 (up 1 since 10/17)
 - ❑ 3: 42
 - ❑ 4: 31
 - ❑ 5: 33
 - ❑ 6: 38

Conference Attendance by Grade

Grade	Rate	%
Kindergarten	27/30	90
1st	38/41	93
2nd	31/33	94
3rd	35/42	83
4th	28/31	90
5th	24/33	73
6th	27/38	71



Elementary Updates

School Board Report

Nicolle Johnston

❑ Curriculum Update

- ❑ PLCs continue to work on curriculum alignment to ensure growth toward grade level benchmarks is happening for all students.
 - ❑ Math Teams
 - ❑ PreK-1
 - ❑ 2-6
 - ❑ Science met in grades 2-6
 - ❑ Social met in grades 2-6

❑ Staff Updates

- ❑ **Paraprofessional Opening Not Needed**

❑ Preparing for Important Upcoming Dates

- ❑ **12/2 Elementary Concert**
- ❑ **Universal Screening week of 12/9/24**

High School

November 2024-Board Report

Current Updates

- 89% are passing in ALL of their classes.
 - ◆ 89% 7th & 8th Grade
 - ◆ 90% 9th - 12th Grade
- 96.7% Average Attendance
- Fall Conference Attendance: 30%
 - ◆ 11% of our students' parents emailed
- After-School Program
 - ◆ Kendra Jerzak
 - ◆ Jessica Rosa
 - ◆ Kent Williams
 - ◆ Bree Marlyn
- Veterans Day Program
- WWII: Voices of Service (moving history)
- PLC's: Reading Strategies
- Connection Survey

Upcoming Events

- 9th Grade Respect Retreat
- Weekly Home Teams
- PBIS training

SUPERINTENDENT'S REPORT

GENERAL INFORMATION

 Viking Volleyball

 Viking Football

** Friday, November 22 w/could be a no-school day*

 Budgeting Process

 Long-Term Facilities Maintenance [LTFM]

 February 11, 2024 Building Bond Referendum



SUPERINTENDENT'S REPORT

FOOD SERVICE - OCTOBER

2024-2025 Monthly BREAKFAST Information and Breakdown

Month	Days	Students	Eligible Students Eating Breakfast	Potential Student Breakfasts to Serve	Average Monthly Attendance	Possible Breakfasts with Attendance	ELEMENTARY		HIGH SCHOOL		DISTRICT WIDE	
							PreK-6 ADA%	PreK-6 Breakfasts Served	7-12 ADA%	7-12 Breakfasts Served	PreK-12 Breakfasts Served	Average Breakfasts Served/Day
August	10	596	29.4%	5,960	97.8%	5,828	98.4%	906	97.2%	807	1,713	171.3
September	20	599	35.3%	11,980	97.8%	11,712	98.2%	2,391	97.5%	1,743	4,134	206.7
October	20	601	35.3%	12,020	96.5%	11,602	97.3%	2,407	95.7%	1,687	4,094	204.7
Average	17	599	34.1%	9,978	97.3%	9,703	98.2%	1,901	97.3%	1,412	3,314	198.8
Total	50			29,960		29,141		5,704		4,237	9,941	

2024-2025 Monthly LUNCH Information and Breakdown




Month	Days	Students	Eligible Students Eating Lunch	Potential Student Lunches to Serve	Average Monthly Attendance	Possible Lunches with Attendance	ELEMENTARY		HIGH SCHOOL		DISTRICT WIDE			
							PreK-6 ADA%	PreK-6 Lunches Served	7-12 ADA%	7-12 Lunches Served	PreK-12 Lunches Served	Average Lunches Served/Day	A la Carte Sales	Sales Per Day
August	10	596	75.4%	5,960	97.8%	5,828	98.4%	2,302	97.2%	2,094	4,396	439.6	\$ 980	\$ 97.99
September	20	599	75.9%	11,980	97.8%	11,712	98.2%	4,862	97.5%	4,032	8,894	444.7	\$ 2,694	\$ 134.72
October	20	601	77.6%	12,020	96.5%	11,602	97.3%	4,895	95.7%	4,111	9,006	450.3	\$ 3,203	\$ 160.16
Average	17	599	76.5%	10,177	97.3%	9,897	97.9%	4,020	96.7%	3,412	7,432	445.9	\$ 2,292	\$ 137.55
Total	50			29,960		29,141		12,059		10,237	22,296	445.9	\$ 6,877	\$ 137.55







SUPERINTENDENT'S REPORT

FOOD SERVICE - OCTOBER

OCTOBER 2024 BREAKFAST SUMMARY

-  **35.3%** of students chose to eat school breakfast; same as last year.
-  Food Service staff served an average of **205** student breakfasts each day; **+1.0%** from last year.
-  Food Service staff served **4,094** student breakfasts; **+6.3%** from last year.


OCTOBER 2024 LUNCH SUMMARY

-  **77.6%** of students chose to eat school lunch; **-0.3%** from last year.
-  Food Service staff served an average of **450** student lunches each day; **+0.2%** from last year.
-  Food Service staff prepared and served **9,006** student lunches; **+5.4%** from last year.
-  A la carte averaged **\$160.16 per day** in sales; **+11.2%** from last year.




SUPERINTENDENT'S REPORT MSBA CONFERENCE

 MN School Boards
Association Winter
Leadership
Conference: **January
16-17, 2025**



INSPIRE & CONNECT
Leading with Purpose



Annual Leadership Conference
January 16-17, 2025
Minneapolis Convention Center

Student Enrollment Overview | 11/12/2024

Grade	1999-2000 Funded	2003-2004 Funded	2007-2008 Funded	2011-2012 Funded	2015-2016 Funded	2019-2020 Funded	2020-2021 Funded	2021-2022 Funded	2022-2023 Funded	2023-2024 Funded	11/12/2024	2025-2026 Preliminary Projections	2026-2027 Preliminary Projections	2027-2028 Preliminary Projections
PreK	0.8	4.0	5.0	9.5	3.7	9.1	6.8	6.1	5.3	7.6	57	49	49	50
HK/K	42.5	36.7	45.6	26.6	32.0	34.0	22.6	39.3	31.8	42.1	30	34	27	14
1st Grade	33.2	35.1	32.1	22.0	35.6	32.2	31.1	23.8	39.1	33.0	41	30	34	27
2nd Grade	29.4	14.6	32.0	33.5	30.7	44.5	30.1	31.4	25.5	41.8	33	42	30	34
3rd Grade	36.3	32.3	21.7	29.2	33.6	26.5	42.3	33.9	32.6	29.0	42	34	42	30
4th Grade	31.7	27.3	26.8	30.1	31.6	35.1	28.0	42.9	36.3	31.5	31	43	35	43
5th Grade	40.2	34.2	46.1	31.3	26.2	37.1	37.0	24.9	46.6	37.5	33	31	43	35
6th Grade	37.5	27.2	18.2	36.4	37.4	36.5	36.2	37.5	23.5	46.2	38	33	31	43
7th Grade	34.5	33.0	26.4	27.2	43.8	45.9	46.8	47.6	53.3	42.6	54	48	42	36
8th Grade	38.5	31.4	33.1	31.4	44.3	40.0	46.4	46.3	48.1	54.3	46	54	48	42
9th Grade	47.1	52.6	50.6	59.2	49.0	44.1	45.0	50.1	44.9	49.3	55	50	57	55
10th Grade	57.7	43.7	46.0	26.0	55.4	52.9	45.6	43.7	49.0	45.1	51	54	49	57
11th Grade	54.7	47.6	37.3	35.8	48.9	53.4	48.3	45.0	42.7	46.2	46	50	53	48
12th Grade	59.7	50.6	46.1	37.7	39.0	44.4	49.2	45.7	42.6	42.7	43	43	46	50
Total (K-12)	543	466	462	426	507	527	509	512	516	541	543	547	539	516
Total (PreK-12)	544	470	467	436	511	536	516	518	521	548.7	600	596	588	566
K-12 Change from Previous Year											2	4	-8	-22

Student Activity Account – October 2024

Fund #	Description	Receipt	Expense
4	Student Council - Brad's Market		\$ 123.32
4	Student Council - Viking Coke		\$ 541.50
4	Student Council - Brad's Market		\$ 44.82
4	Student Council - Bree Marlyn		\$ 87.47
4	Student Council - Viking Coke		\$ 426.75
14	FFA - Minnesota FFA		\$ 660.00
4	Student Council - Lobby Pop	\$ 700.00	
4	Student Council - Lobby Pop	\$ 420.00	
4	Student Council - Button Sales	\$ 172.75	
8	Juniors - Hot Cocoa	\$ 730.00	
October 2024 Totals		\$ 2,022.75	\$ 1,883.86

Fund Name	FY25 Beginning	October 2024		Year-To-Date			Ending Balance	Change
		Receipts	Expenses	Receipts	Expenses	Transfers		
Student Council	\$ 5,808.46	\$ 1,292.75	\$ 1,223.86	\$ 3,298.68	\$ 2,853.24	\$ 923.94	\$ 7,177.84	23.6%
Grade 11	\$ 3,453.06	\$ 730.00	\$ -	\$ 730.00	\$ -	\$(3,453.06)	\$ 730.00	-78.9%
Grade 12	\$ 923.94	\$ -	\$ -	\$ -	\$ -	\$ 2,529.12	\$ 3,453.06	273.7%
FFA	\$ 4,379.98	\$ -	\$ 660.00	\$ -	\$ 1,215.00	\$ -	\$ 3,164.98	-27.7%
FCCLA	\$ 12,783.51	\$ -	\$ -	\$ 1,639.00	\$ 13,056.12	\$ -	\$ 1,366.39	-89.3%
National Honor Society	\$ 737.48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 737.48	0.0%
October 2024 Totals	\$ 28,086.43	\$ 2,022.75	\$ 1,883.86	\$ 5,667.68	\$ 17,124.36	\$ -	\$ 16,629.75	-40.8%

End of October 2024 Monthly Cash Flow and Account Balances

Account	Description - Use	Beginning Balance	Dividends - Interest	Credits - Revenue	Debits - Expenditures	Ending Balance	Change from Previous Month
State Bank of Taunton [0200]	General	\$ 263,315.10		\$ 700,865.52	\$ 765,310.74	\$ 198,869.88	\$ (64,445.22)
State Bank of Taunton [0218]	Student Activities	\$ 16,490.86		\$ 2,022.75	\$ 1,883.86	\$ 16,629.75	\$ 138.89
State Bank of Taunton [0226]	Petty Cash	\$ 1,500.00		\$ 1,000.00	\$ 1,050.00	\$ 1,450.00	\$ (50.00)
State Bank of Taunton [0234]	Payroll	\$ -		\$ 275,261.70	\$ 274,707.60	\$ 554.10	\$ 554.10
PMA-MN Trust [2023A]	2023A	\$ 691,754.34	\$ 1,522.76	\$ -		\$ 693,277.10	\$ 1,522.76
PMA-MN Trust [2023B]	2023B	\$ 1,915,438.18	\$ 3,673.59	\$ -		\$ 1,919,111.77	\$ 3,673.59
PMA-MN Trust	Investments	\$ 3,274,270.13	\$ 10,786.31	\$ 599,730.72	\$ 350,000.00	\$ 3,534,787.16	\$ 260,517.03
End of October 2024 Statement Totals: All Depositories		\$ 6,162,768.61	\$ 15,982.66	\$ 1,578,880.69	\$ 1,392,952.20	\$ 6,364,679.76	\$ 201,911.15
September 2024 Statement Totals: All Depositories		\$ 5,786,446.72	\$ 21,746.85	\$ 1,869,818.61	\$ 1,515,243.57	\$ 6,162,768.61	
Net Changes From October 1 through October 31		\$ 376,321.89	\$ (5,764.19)	\$ (290,937.92)	\$ (122,291.37)	\$ 201,911.15	
Net Increase in Balance/Cash Flow From October 1, 2024 to October 31, 2024						\$ 201,911.15	

Minneota Public School Summary-Fund Thru October 31

Sequence: L, Fd

Description	202304			202404			202504		
	Budget BUD23	Year to Date	%	Budget BUD24	Year to Date	%	Budget ADP25	Year to Date	%
E Expenditure									
01 General Fund	7,503,210.00	1,936,987.62	26%	7,904,910.00	2,035,900.03	26%	7,715,916.00	2,106,649.17	27%
02 Food Service Fund	383,205.00	65,918.04	17%	475,972.00	113,479.04	24%	511,272.00	121,528.92	24%
04 Community Service	173,307.00	60,393.85	35%	240,967.00	45,586.94	19%	252,685.00	58,813.56	23%
06 Building Construction Fund	0.00	0.00	0%	36,000.00	35,378.78	98%	264,358.00	0.00	0%
07 Debt Service Fund	1,175,505.00	140,440.00	12%	1,177,800.00	126,400.00	11%	1,548,528.00	246,202.50	16%
E Expenditure	9,235,227.00	2,203,739.51	24%	9,835,649.00	2,356,744.79	24%	10,292,759.00	2,533,194.15	25%
R Revenue									
01 General Fund	(7,124,167.00)	(1,530,769.68)	21%	(7,760,002.00)	(1,658,288.70)	21%	(7,593,069.00)	(1,866,619.48)	25%
02 Food Service Fund	(401,540.00)	(87,007.30)	22%	(497,500.00)	(73,493.32)	15%	(481,070.00)	(80,483.41)	17%
04 Community Service	(158,930.00)	(31,390.27)	20%	(174,041.00)	(44,687.48)	26%	(188,505.00)	(50,978.80)	27%
06 Building Construction Fund	0.00	0.00	0%	(2,635,533.00)	(2,573,986.31)	98%	(45,000.00)	(9,929.88)	22%
07 Debt Service Fund	(1,162,368.00)	(348,734.83)	30%	(1,178,297.00)	(475,466.23)	40%	(1,603,388.00)	(691,990.89)	43%
21 Student Activity Account	0.00	(287.27)	0%	0.00	621.90	0%	0.00	11,595.57	0%
R Revenue	(8,847,005.00)	(1,998,189.35)	23%	(12,245,373.00)	(4,825,300.14)	39%	(9,911,032.00)	(2,688,406.89)	27%

Minneota Public School Multi Year Series-Source

Sequence: Fd, O/S

Description	202304			202404			202504		
	Budget	Year to Date	%	Budget	Year to Date	%	Budget	Year to Date	%
	BUD23			BUD24			ADP25		
01 General Fund									
000 Local Revenues	(1,682,121.00)	(129,633.95)	8%	(1,818,631.00)	(427,147.60)	23%	(1,643,859.00)	(359,285.54)	22%
200 State Revenues	(4,275,406.00)	(1,020,639.49)	24%	(4,710,481.00)	(1,063,531.31)	23%	(4,742,903.00)	(1,226,434.20)	26%
	(34,056.00)	0.00	0%	0.00	0.00	0%	0.00	0.00	0%
200 State Revenues	(27,825.00)	(9,621.04)	35%	(26,248.00)	(8,235.60)	31%	(23,579.00)	(13,847.72)	59%
300 State Revenues	(672,569.00)	(109,261.67)	16%	(1,017,477.00)	(119,548.70)	12%	(1,039,965.00)	(151,987.01)	15%
400 Federal Revenues from State	(231,344.00)	0.00	0%	(148,519.00)	(37,997.99)	26%	(102,777.00)	(114,113.01)	111%
500 Federal Revenues from Fed Sou	(48,909.00)	0.00	0%	(38,646.00)	0.00	0%	(39,986.00)	0.00	0%
600 Loc Sales, Ins Recov & Jdgmnt	(151,937.00)	(261,613.53)	172%	0.00	(1,827.50)	0%	0.00	(952.00)	0%
01 General Fund	(7,124,167.00)	(1,530,769.68)	21%	(7,760,002.00)	(1,658,288.70)	21%	(7,593,069.00)	(1,866,619.48)	25%

Minneota Public School Multi Year Series-Source

Sequence: Fd, O/S

Description	202304			202404			202504		
	Budget	Year to Date	%	Budget	Year to Date	%	Budget	Year to Date	%
	BUD23			BUD24			ADP25		
01 General Fund									
100 Salaries & Wages	3,939,478.00	895,367.65	23%	4,295,935.00	914,803.52	21%	4,288,023.00	1,013,705.33	24%
200 Employee Benefits	932,965.00	187,558.97	20%	1,119,935.00	240,440.17	21%	1,258,147.00	250,012.95	20%
300 Purchased Services	1,487,992.00	395,213.29	27%	1,443,025.00	384,956.65	27%	1,471,119.00	322,796.05	22%
400 Supplies & Materials	890,330.00	336,770.06	38%	787,395.00	301,703.54	38%	560,427.00	412,002.07	74%
500 Capital Expenditures	223,137.00	106,145.75	48%	234,000.00	184,802.48	79%	108,500.00	97,354.11	90%
800 Other Expenditures	29,308.00	15,931.90	54%	24,620.00	9,193.67	37%	29,700.00	10,778.66	36%
01 General Fund	7,503,210.00	1,936,987.62	26%	7,904,910.00	2,035,900.03	26%	7,715,916.00	2,106,649.17	27%

CONSENT

AGENDA

Consent Agenda Personnel Items - November 2024

Resignation or Termination			
Name	Position	Effective Date	Details
Angela Bot	Food Service Worker	Immediately	Personal Reasons
New Contract or New Hire			
Name	Position	Salary-Wages	Effective Date
Amie Ascheman	4th Grade Girls Community Education Basketball Coach	\$167	2024-25 Season
Brandon Paluch	6th Grade Boys Community Education Basketball Coach	\$500	2024-25 Season
Bridget Claeys	4th Grade Girls Community Education Basketball Coach	\$167	2024-25 Season
Brock Citterman	5th Grade Boys Community Education Basketball Coach	\$500	2024-25 Season
Emily Citterman	4th Grade Boys Community Education Basketball Coach	\$250	2024-25 Season
Mandi Norby	6th Grade Girls Community Education Basketball Coach	\$500	2024-25 Season
McKenna Yost	5th Grade Girls Community Education Basketball Coach	\$500	2024-25 Season
Rachel Nuese	4th Grade Girls Community Education Basketball Coach	\$167	2024-25 Season
Brandon Caster	Junior High/Assistant Speech Coach	\$2,704	2024-25 Season

PREVIOUS

BUSINESS



Minneota Public School District Policy 713

Adopted: February 2004

Revised: September-November
2024

713 STUDENT ACTIVITY ACCOUNTING

I. PURPOSE

The school board recognizes the need to provide alternative paths to learning, skill development for its students, and activities for student enjoyment. It also understands its commitment to and obligation for assuring maximum accountability for public funds and student activity funds. For these reasons, the school board will assume control over and/or oversee funds for student activities as set forth in this policy.

II. GENERAL STATEMENT OF POLICY

A. Curricular and Cocurricular Activities

The school board shall take charge of, control over, and account for all student activity funds that relate to curricular and cocurricular activities.

B. Extracurricular Activities

The school board shall review and account for all student activity accounting that relates to extracurricular activities.

C. Non-Student Activities

In overseeing student activity accounts under this policy, the school board shall not maintain or account for funds generated by non-students including, but not limited to, convenience funds of staff members, booster club funds, parent-teacher organization or association funds, or funds donated to the school district for specified purposes other than student activities.

III. DEFINITIONS

A. Cocurricular Activity

A “cocurricular activity” means those portions of the school-sponsored and directed activities designed to provide opportunities for students to participate in such

experiences on an individual basis or in groups, at school and at public events, for improvement of skills (i.e., interscholastic sports, band, etc.). Cocurricular activities are not offered for school credit, cannot be counted toward graduation, and have *one or more* of the following characteristics:

1. They are conducted at regular and uniform times during school hours, or at times established by school authorities;
2. They are directed or supervised by instructional staff in a learning environment similar to that found in courses offered for credit; and
3. They are partially, primarily, or totally funded by public moneys for general instructional purposes under direction and control of the school board.

B. Curricular Activity

A “curricular activity” means those portions of the school program for which credit is granted, whether the activity is part of a required or elective program.

C. Extracurricular (Noncurricular/Supplementary) Activity

An “extracurricular (noncurricular/supplementary) activity” means all direct and personal services for students for their enjoyment that are managed and operated under the guidance of an adult or staff member. Extracurricular activities have *all* of the following characteristics:

1. They are not offered for school credit nor required for graduation;
2. They generally are conducted outside school hours or, if partly during school hours, at times agreed by the participants and approved by school authorities;
3. The content of the activities is determined primarily by the student participants under the guidance of a staff member or other adult.

D. Public Purpose Expenditure

A “public purpose expenditure” is one which benefits the community as a whole, is directly related to the functions of the school district, and does not have as its primary objective the benefit of private interest.

IV. MANAGEMENT AND CONTROL OF ACTIVITY FUNDS

A. Curricular and Cocurricular Activities

1. All money received on account of cocurricular activities shall be turned over to the treasurer, who shall deposit such funds in the general fund, to be disbursed for expenses and salaries connected with the activities, or otherwise, by the

school board upon properly allowed itemized claims.

2. The treasurer shall account for all revenues and expenditures related to curricular and cocurricular activities in accordance with the Uniform Financial Accounting and Reporting Standards (UFARS) and school district policies and procedures.

B. Extracurricular Activities

1. Any and all costs of extracurricular activities may be provided from school revenues.
2. All money received or expended for extracurricular activities shall be recorded in the same manner as other revenues and expenditures of the school district and shall be turned over to the treasurer, who shall deposit such funds in the general fund, to be disbursed for expenses and salaries connected with the activities, or otherwise, by the school board upon properly allowed itemized claims.
3. The treasurer shall account for all revenues and expenditures related to extracurricular activities under board control in accordance with UFARS and MAFA and school district policies and procedures.
4. All student activity funds will be collected and expended:
 - a. in compliance with school district policies and procedures;
 - b. under the general direction of the principal and with the participation of students and faculty members who are responsible for generating the revenue;
 - c. in a manner which does not produce a deficit or an unreasonably large accumulation of money to a particular student activity fund;
 - d. for activities which directly benefit the majority of those students making the contributions in the year the contributions were made whenever possible; and
 - e. in a manner which meets a public purpose.
5. Activity accounts of a graduated class will be terminated prior to the start of the school year following graduation. Any residual money from a graduating class activity fund will remain in the general fund and may be used for any school district purpose. Prior to depositing such accounts, all donations or gifts accepted for the specific purpose of the student activity account shall be administered in accordance with the terms of the gift or donation and school district policy.

V. DEMONSTRATION OF ACCOUNTABILITY

A. Annual External Audit

The school board shall direct its independent certified public accountants to audit, examine, and report upon student activity accounts as part of its annual school district audit in accordance with state law.

B. Fundraiser Report

The administration will prepare a fundraising report semi-annually which will be reviewed by the school board in May and November. The report will list the activity, type of fundraisers, timing, purpose, and results.

Legal References: Minn. Stat. § 123B.02, Subd. 6 (General Powers of Independent School Districts)
Minn. Stat. § 123B.09 (Boards of Independent School Districts)
Minn. Stat. § 123B.145, Subd. 7 (Officers of Independent School Districts)
Minn. Stat. § 123B.35 (General Policy)
Minn. Stat. § 123B.36 (Authorized Fees)
Minn. Stat. § 123B.37 (Prohibited Fees)
Minn. Stat. § 123B.38 (Hearing)
Minn. Stat. § 123B.49 (Extracurricular Activities; Insurance)
Minn. Stat. § 123B.52 (Contracts)
Minn. Stat. § 123B.76 (Expenditures; Reporting)
Minn. Stat. § 123B.77 (Accounting, Budgeting, and Reporting Requirement)
Minn. Rules Part 3500.1050 (Definitions for Pupil Fees)
Visina v. Freeman, 252 Minn. 177, 89 N.W.2d 635 (1958)
Minn. Op. Atty. Gen. 159a-16 (May 10, 1966)

Cross References: Uniform Financial Accounting and Reporting Standards (AUFARS)
MSBA/MASA Model Policy 510 (School Activities)
MSBA/MASA Model Policy 511 (Student Fundraising)
MSBA/MASA Model Policy 701 (Establishment and Adoption of School District Budget)
MSBA/MASA Model Policy 701.1 (Modification of School District Budget)
MSBA/MASA Model Policy 702 (Accounting)
MSBA/MASA Model Policy 703 (Annual Audit)
MSBA/MASA Model Policy 704 (Development and Maintenance of an Inventory of Fixed Assets and a Fixed Asset Accounting System)
MSBA/MASA Model Policy 706 (Acceptance of Gifts)



Minneota Public School District Policy 721

Adopted: August 2017

Revised: ~~September-November~~
2024

721 UNIFORM GRANT GUIDANCE POLICY REGARDING FEDERAL REVENUE SOURCES

I. PURPOSE

The purpose of this policy is to ensure compliance with the requirements of the federal Uniform Grant Guidance regulations by establishing uniform administrative requirements, cost principles, and audit requirements for federal grant awards received by the school district.

II. DEFINITIONS

A. Grants

1. “State-administered grants” are those grants that pass through a state agency such as the Minnesota Department of Education (MDE).
2. “Direct grants” are those grants that do not pass through another agency such as MDE and are awarded directly by the federal awarding agency to the grantee organization. These grants are usually discretionary grants that are awarded by the U.S. Department of Education (DOE) or by another federal awarding agency.

B. “Non-federal entity” means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a federal award as a recipient or subrecipient.

C. “Federal award” has the meaning, depending on the context, in either paragraph 1, ~~2,~~ or 3-
~~or 2.~~ of this definition:

1. The federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 Code of Federal Regulations section 200.101 (Applicability); or
2. The cost-reimbursement contract under the federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 Code of Federal Regulations 200.101 (Applicability).
3. The instrument setting forth the terms and conditions. The instrument is the grant

agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of 2 Code of Federal Regulations 200.40 (Federal Financial Assistance), or the cost-reimbursement contract awarded under the federal Acquisition Regulations.

4. “Federal award” does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal-government-owned, contractor-operated facilities.

D. “Contract” means a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. The term, as used in 2 Code of Federal Regulations Part 200, does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of a federal award or subaward.

E. Procurement Methods

1. “Procurement by micro-purchase” is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (generally \$3,000, except as otherwise discussed in 48 Code of Federal Regulations Subpart 2.1 or as periodically adjusted for inflation).
2. “Procurement by small purchase procedures” are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$150,000 (periodically adjusted for inflation).
3. “Procurement by sealed bids (formal advertising)” is a publicly solicited and a firm, fixed-price contract (lump sum or unit price) awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
4. “Procurement by competitive proposals” is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. Competitive proposals are generally used when conditions are not appropriate for the use of sealed bids.
5. “Procurement by noncompetitive proposals” is procurement through solicitation of a proposal from only one source.

F. “Equipment” means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.

G. “Compensation for personal services” includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the

federal award, including, but not necessarily limited to, wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in 2 Code of Federal Regulations § 200.431 (Compensation - Fringe Benefits).

- H. “Post-retirement health plans” refer to costs of health insurance or health services not included in a pension plan covered by 2 Code of Federal Regulations 200.431(g) for retirees and their spouses, dependents, and survivors.
- I. “Severance pay” is a payment in addition to regular salaries and wages by the non-federal entities to workers whose employment is being terminated.
- J. “Direct costs” are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
- K. “Relocation costs” are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period not less than 12 months) of an existing employee or upon recruitment of a new employee.
- L. “Travel costs” are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the school district.

III. CONFLICT OF INTEREST

- A. Employee Conflict of Interest. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The employees, officers, and agents of the school district may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the school district may set standards for situations in which the financial interest is not ~~substantial~~substantial, or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officers, or agents of the school district.
- B. Organizational Conflicts of Interest. The school district is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization because of relationships with a parent company, affiliate, or subsidiary organization.
- C. Disclosing Conflicts of Interest. The school district must disclose in writing any potential conflict of interest to MDE in accordance with applicable federal awarding agency policy.

IV. ACCEPTABLE METHODS OF PROCUREMENT

- A. General Procurement Standards. The school district must use its own documented procurement procedures which reflect applicable state laws, provided that the procurements conform to the applicable federal law and the standards identified in the Uniform Grant Guidance.
- B. The school district must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- C. The school district's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
- D. The school district must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- E. The school district must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement; selection of the contract type; contractor selection or rejection; and the basis for the contract price.
- F. The school district alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the school district of any contractual responsibilities under its contracts.
- G. The school district must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- H. Methods of Procurement. The school district must use one of the following methods of procurement:
 - 1. Procurement by micro-purchases. To the extent practicable, the school district must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the school district considers the price to be reasonable.

2. Procurement by small purchase procedures. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
3. Procurement by sealed bids (formal advertising).
4. Procurement by competitive proposals. If this method is used, the following requirements apply:
 - a. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - b. Proposals must be solicited from an adequate number of qualified sources;
 - c. The school district must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - d. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - e. The school district may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated~~evaluated~~, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method where price is not used as a selection factor can only be used in procurement of A/E professional services; it cannot be used to purchase other types of services, though A/E firms are a potential source to perform the proposed effort.
5. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals may be used only when one or more of the following circumstances apply:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The DOE or MDE expressly authorizes noncompetitive proposals in response to a written request from the school district; or
 - d. After solicitation of a number of sources, competition is determined inadequate.

- I. Competition. The school district must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
1. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When making a clear and accurate description of the technical requirements is impractical or uneconomical, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 2. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- J. The school district must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the school district must not preclude potential bidders from qualifying during the solicitation period.
- K. Non-federal entities are prohibited from contracting with or making subawards under “covered transactions” to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered transactions” include procurement contracts for goods and services awarded under a grant or cooperative agreement that are expected to equal or exceed \$25,000.
- L. All nonprocurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 Code of Federal Regulations 180.215.

V. **MANAGING EQUIPMENT AND SAFEGUARDING ASSETS**

- A. Property Standards. The school district must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with federal funds as provided to property owned by the non-federal entity. Federally owned property need not be insured unless required by the terms and conditions of the federal award.

The school district must adhere to the requirements concerning real property, equipment, supplies, and intangible property set forth in 2 Code of Federal Regulations 200.311, 200.314, and 200.315.

B. Equipment

Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place will, at a minimum, meet the following requirements:

1. Property records must be maintained that include a description of the property; a serial number or other identification number; the source of the funding for the property (including the federal award identification number (FAIN)); who holds title; the acquisition date; the cost of the property; the percentage of the federal participation in the project costs for the federal award under which the property was acquired; the location, use, and condition of the property; and any ultimate disposition data, including the date of disposition and sale price of the property.
2. A physical inventory of the property must be ~~taken~~taken, and the results reconciled with the property records at least once every two years.
3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
4. Adequate maintenance procedures must be developed to keep property in good condition.
5. If the school district is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

VI. FINANCIAL MANAGEMENT REQUIREMENTS

- A. Financial Management. The school district's financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.
- B. Payment. The school district must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement between the school district and the financial management systems that meet the standards for fund control.

Advance payments to a school district must be limited to the minimum amounts needed and timed to be in accordance with the actual, immediate cash requirements of the school district in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The school district must make timely payment to contractors in accordance with the contract provisions.

- C. Internal Controls. The school district must establish and maintain effective internal control over the federal award that provides reasonable assurance that the school district is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government,” issued by the Comptroller General of the United States, or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The school district must comply with federal statutes, regulations, and the terms and conditions of the federal award.

The school district must also evaluate and monitor the school district’s compliance with statutes, regulations, and the terms and conditions of the federal award.

The school district must also take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.

The school district must take reasonable measures to safeguard protected personally identifiable information considered sensitive consistent with applicable federal and state laws regarding privacy and obligations of confidentiality.

VII. ALLOWABLE USE OF FUNDS AND COST PRINCIPLES

- A. Allowable Use of Funds. The school district administration and board will enforce appropriate procedures and penalties for program, compliance, and accounting staff responsible for the allocation of federal grant costs based on their allowability and their conformity with federal cost principles to determine the allowability of costs.

B. Definitions

1. “Allowable cost” means a cost that complies with all legal requirements that apply to a particular federal education program, including statutes, regulations, guidance, applications, and approved grant awards.
2. “Education Department General Administrative Regulations (EDGAR)” means a compilation of regulations that apply to federal education programs. These regulations contain important rules governing the administration of federal education programs and include rules affecting the allowable use of federal funds (including rules regarding allowable costs, the period of availability of federal awards, documentation requirements, and grants management requirements). EDGAR can be accessed at:
<http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>.

3. “Omni Circular” or “2 Code of Federal Regulations Part 200s” or “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” means federal cost principles that provide standards for determining whether costs may be charged to federal grants.
4. “Advance payment” means a payment that a federal awarding agency or passthrough entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-federal entity disburses the funds for program purposes.

C. Allowable Costs. The following items are costs that may be allowable under the 2 Code of Federal Regulations Part 200s under specific conditions:

1. Advisory councils;
2. Audit costs and related services;
3. Bonding costs;
4. Communication costs;
5. Compensation for personal services;
6. Depreciation and use allowances;
7. Employee morale, health, and welfare costs;
8. Equipment and other capital expenditures;
9. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of federal programs;
10. Insurance and indemnification;
11. Maintenance, operations, and repairs;
12. Materials and supplies costs;
13. Meetings and conferences;
14. Memberships, subscriptions, and professional activity costs;
15. Security costs;
16. Professional service costs;

17. Proposal costs;
18. Publication and printing costs;
19. Rearrangement and alteration costs;
20. Rental costs of building and equipment;
21. Training costs; and
22. Travel costs.

D. Costs Forbidden by Federal Law. 2 Code of Federal Regulations Part 200s and EDGAR identify certain costs that may never be paid with federal funds. The following list provides examples of such costs. If a cost is on this list, it may not be supported with federal funds. The fact that a cost is not on this list does not mean it is necessarily permissible. Other important restrictions apply to federal funds, such as those items detailed in the 2 Code of Federal Regulations Part 200s; thus, the following list is not exhaustive:

1. Advertising and public relations costs (with limited exceptions), including promotional items and memorabilia, models, gifts, and souvenirs;
2. Alcoholic beverages;
3. Bad debts;
4. Contingency provisions (with limited exceptions);
5. Fundraising and investment management costs (with limited exceptions);
6. Donations;
7. Contributions;
8. Entertainment (amusement, diversion, and social activities and any associated costs);
9. Fines and penalties;
10. General government expenses (with limited exceptions pertaining to Indian tribal governments and Councils of Government (COGs));
11. Goods or services for personal use;
12. Interest, except interest specifically stated in 2 Code of Federal Regulations 200.441 as allowable;

13. Religious use;
14. The acquisition of real property (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs);
15. Construction (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs); and
16. Tuition charged or fees collected from students applied toward meeting matching, cost sharing, or maintenance of effort requirements of a program.

E. Program Allowability

1. Any cost paid with federal education funds must be permissible under the federal program that would support the cost.
2. Many federal education programs detail specific required and/or allowable uses of funds for that program. Issues such as eligibility, program beneficiaries, [eapscaps](#), or restrictions on certain types of program expenses, other program expenses, and other program specific requirements must be considered when performing the programmatic analysis.
3. The two largest federal K-12 programs, Title I, Part A, and the Individuals with Disabilities Education Act (IDEA), do not contain a use of funds section delineating the allowable uses of funds under those programs. In those cases, costs must be consistent with the purposes of the program in order to be allowable.

F. Federal Cost Principles

1. The Omni Circular defines the parameters for the permissible uses of federal funds. While many requirements are contained in the Omni Circular, it includes five core principles that serve as an important guide for effective grant management. These core principles require all costs to be:
 - a. Necessary for the proper and efficient performance or administration of the program.
 - b. Reasonable. An outside observer should clearly understand why a decision to spend money on a specific cost made sense in light of the cost, needs, and requirements of the program.
 - c. Allocable to the federal program that paid for the cost. A program must benefit in proportion to the amount charged to the federal program – for example, if a teacher is paid 50% with Title I funds, the teacher must work with the Title I program/students at least 50% of the time. Recipients also

need to be able to track items or services purchased with federal funds so they can prove they were used for federal program purposes.

- d. Authorized under state and local rules. All actions carried out with federal funds must be authorized and not prohibited by state and local laws and policies.
- e. Adequately documented. A recipient must maintain proper documentation so as to provide evidence to monitors, auditors, or other oversight entities of how the funds were spent over the lifecycle of the grant.

G. Program Specific Fiscal Rules. The Omni Circular also contains specific rules on selected items of costs. Costs must comply with these rules in order to be paid with federal funds.

- 1. All federal education programs have certain program specific fiscal rules that apply. Determining which rules apply depends on the program; however, rules such as supplement, not supplant, maintenance of effort, comparability, caps on certain uses of funds, etc., have an important impact when analyzing whether a particular cost is permissible.
- 2. Many state-administered programs require local education agencies (LEAs) to use federal program funds to supplement the amount of state, local, and, in some cases, other federal funds they spend on education costs and not to supplant (or replace) those funds. Generally, the “supplement, not supplant” provision means that federal funds must be used to supplement the level of funds from non-federal sources by providing additional services, staff, programs, or materials. In other words, federal funds normally cannot be used to pay for things that would otherwise be paid for with state or local funds (and, in some cases, with other federal funds).
- 3. Auditors generally presume supplanting has occurred in three situations:
 - a. School district uses federal funds to provide services that the school district is required to make available under other federal, state, or local laws.
 - b. School district uses federal funds to provide services that the school district provided with state or local funds in the prior year.
 - c. School district uses Title I, Part A, or Migrant Education Program funds to provide the same services to Title I or Migrant students that the school district provides with state or local funds to nonparticipating students.
- 4. These presumptions apply differently in different federal programs and also in schoolwide program schools. Staff should be familiar with the supplement not supplant provisions applicable to their program.

H. Approved Plans, Budgets, and Special Conditions

1. As required by the Omni Circular, all costs must be consistent with approved program plans and budgets.
2. Costs must also be consistent with all terms and conditions of federal awards, including any special conditions imposed on the school district's grants.

I. Training

1. The school district will provide training on the allowable use of federal funds to all staff involved in federal programs.
2. The school district will promote coordination between all staff involved in federal programs through activities, such as routine staff meetings and training sessions.

J. Employee Sanctions. Any school district employee who violates this policy will be subject to discipline, as appropriate, up to and including the termination of employment.

VIII. COMPENSATION – PERSONAL SERVICES EXPENSES AND REPORTING

A. Compensation – Personal Services

Costs of compensation are allowable to the extent that they satisfy the specific requirements of the Uniform Grant Guidance and that the total compensation for individual employees:

1. Is reasonable for the services rendered and conforms to the established written policy of the school district consistently applied to both federal and non-federal activities; and
2. Follows an appointment made in accordance with a school district's written policies and meets the requirements of federal statute, where applicable.

Unless an arrangement is specifically authorized by a federal awarding agency, a school district must follow its written non-federal, entitywide policies and practices concerning the permissible extent of professional services that can be provided outside the school district for non-organizational compensation.

B. Compensation – Fringe Benefits

1. During leave.

The costs of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

- a. They are provided under established written leave policies;
 - b. The costs are equitably allocated to all related activities, including federal awards; and
 - c. The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the school district.
2. The costs of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in 2 Code of Federal Regulations 200.447(d)); pension plan costs; and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits must be allocated to federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such federal awards and other activities and charged as direct or indirect costs in accordance with the school district's accounting practices.
 3. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., post-retirement health benefits) are allowable in the year of payment provided that the school district follows a consistent costing policy.
 4. Pension plan costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with the written policies of the school district.
 5. Post-retirement costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the school district.
 6. Costs of severance pay are allowable only to the extent that, in each case, severance pay is required by law; employer-employee agreement; established policy that constitutes, in effect, an implied agreement on the school district's part; or circumstances of the particular employment.
- C. Insurance and Indemnification. Types and extent and cost of coverage are in accordance with the school district's policy and sound business practice.
- D. Recruiting Costs. Short-term, travel visa costs (as opposed to longer-term, immigration visas) may be directly charged to a federal award, so long as they are:
1. Critical and necessary for the conduct of the project;

2. Allowable under the cost principles set forth in the Uniform Grant Guidance;
 3. Consistent with the school district's cost accounting practices and school district policy; and
 4. Meeting the definition of "direct cost" in the applicable cost principles of the Uniform Grant Guidance.
- E. Relocation Costs of Employees. Relocation costs are allowable, subject to the limitations described below, provided that reimbursement to the employee is in accordance with the school district's reimbursement policy.
- F. Travel Costs. Travel costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the school district's non-federally funded activities and in accordance with the school district's reimbursement policies.

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the school district in its regular operations according to the school district's written reimbursement and/or travel policies.

In addition, when costs are charged directly to the federal award, documentation must justify the following:

1. Participation of the individual is necessary to the federal award; and
2. The costs are reasonable and consistent with the school district's established travel policy.

Temporary dependent care costs above and beyond regular dependent care that directly results from travel to conferences is allowable provided the costs are:

1. A direct result of the individual's travel for the federal award;
2. Consistent with the school district's documented travel policy for all school district travel; and
3. Only temporary during the travel period.

- Legal References:**
- 2 C.F.R. § 200.12 (Definitions: Capital Assets)
 - 2 C.F.R. § 200.112 (Conflict of Interest)
 - 2 C.F.R. § 200.113 (Mandatory Disclosures)
 - 2 C.F.R. § 200.205(d) (Federal Awarding Agency Review of Risk Posed by Applicants)
 - 2 C.F.R. § 200.214 (Suspension and Debarment)
 - 2 C.F.R. § 200.300(b) (Statutory and National Policy Requirements) 2 C.F.R. § 200.302 (Financial Management)
 - 2 C.F.R. § 200.303 (Internal Controls)
 - 2 C.F.R. § 200.305(b)(1) (Federal Payment)
 - 2 C.F.R. § 200.310 (Insurance Coverage)
 - 2 C.F.R. § 200.311 (Federally-Owned and Exempt Property)
 - 2 C.F.R. § 200.313(d) (Equipment)
 - 2 C.F.R. § 200.314 (Supplies)
 - 2 C.F.R. § 200.315 (Intangible Property)
 - 2 C.F.R. § 200.318 (General Procurement Standards)
 - 2 C.F.R. § 200.319(c) (Competition)
 - 2 C.F.R. § 200.320 (Methods of Procurement to be Followed)
 - 2 C.F.R. § 200.321 (Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms)
 - 2 C.F.R. § 200.328 (Financial Reporting)
 - 2 C.F.R. § 200.339
 - 2 C.F.R. § 200.403(c) (Factors Affecting Allowability of Costs)
 - 2 C.F.R. § 200.430 (Compensation – Personal Services)
 - 2 C.F.R. § 200.431 (Compensation – Fringe Benefits)
 - 2 C.F.R. § 200.447 (Insurance and Indemnification)
 - 2 C.F.R. § 200.463 (Recruiting Costs)
 - 2 C.F.R. § 200.464 (Relocation Costs of Employees)
 - 2 C.F.R. § 200.474 (Transportation Costs)
 - 2 C.F.R. § 200.475 (Travel Costs)

- Cross References:**
- MSBA/MASA Model Policy 208 (Development, Adoption, and Implementation of Policies)
 - MSBA/MASA Model Policy 210 (Conflict of Interest – School Board Members)
 - MSBA/MASA Model Policy 210.1 (Conflict of Interest – Charter School Board Members)
 - MSBA/MASA Model Policy 412 (Expense Reimbursement)
 - MSBA/MASA Model Policy 701 (Establishment and Adoption of School District Budget)
 - MSBA/MASA Model Policy 701.1 (Modification of School District Budget)
 - MSBA/MASA Model Policy 702 (Accounting)
 - MSBA/MASA Model Policy 703 (Annual Audit)



Minneota Public School District Policy 901

Adopted: June 2023

Revised: November 2024

901 COMMUNITY EDUCATION

I. PURPOSE

The purpose of this policy is to convey to employees and to the general public the important role of community education within the school district.

II. GENERAL STATEMENT OF POLICY

The school board affirms a strong commitment to the community education program. The school board welcomes, and strongly encourages use of school buildings and activity areas by the community when not used for regularly scheduled elementary and secondary programs. The school administration should strive to accomplish the following objectives:

- A. Maximum use should be made of public school facilities within the school district service area.
- B. Educational needs and interest of area residents should be determined periodically.
- C. Community resources and expertise of residents should be utilized to develop a vibrant, well-rounded community education program.
- D. Area residents should be encouraged to actively participate in program opportunities.

III. COMMUNITY EDUCATION ADVISORY COUNCIL

- A. The council shall assist in promoting the goals and objectives of the program.
- B. The membership of the community education advisory will consist of members who represent: various service organizations; churches; public and nonpublic schools; local government including elected officials; public and private nonprofit agencies serving youth and families; parents; youth; park, recreation or forestry services of municipal or local government units located in whole or in part within the boundaries of the school district; and any other groups participating in the community education program in the school district.

- C. Bylaws of the community education advisory council shall provide the framework for the organization including criteria pertaining to membership, officers' duties, frequency and structure of meetings and such other matters as deemed necessary and appropriate.
- D. The council will adopt a policy to reduce and eliminate program duplication within the school district.

Legal References: Minn. Stat. § 123B.51 (Schoolhouses and Sites; Uses for School and Nonschool Purposes; Closings)
Minn. Stat. § 124D.19, Subd. 1 (Community Education Programs; Advisory Council)
Minn. Stat. § 124D.20, Subd. 1 (Community Education Revenue)

Cross References: MSBA/MASA Model Policy 902 (Use of School District Facilities and Equipment)



Minneota Public School District Policy 902

Adopted: May 18, 2010

Revised: June-November 2024

902 USE OF SCHOOL DISTRICT FACILITIES AND EQUIPMENT

I. PURPOSE

The purpose of this policy is to provide guidelines for community use of school facilities and equipment.

II. GENERAL STATEMENT OF POLICY

The school board encourages maximum use of ~~the~~ school facilities and equipment for community purposes if, in its judgment, that use will not interfere with use for school purposes.

III. SCHEDULED COMMUNITY EDUCATION CLASSES AND ACTIVITIES

- A. The school district administration shall be charged with the process of scheduling rooms and special areas for community education classes and activities planned to be offered during each session.
- B. Procedures for providing publicity, registration, and collection of fees shall be the responsibility of the school district administration.
- C. Registration fees may be structured to include a pro-rata portion of costs for custodial services that may be needed.

IV. GENERAL COMMUNITY USE OF SCHOOL FACILITIES

- A. The school board may authorize the use of school facilities by community groups or individuals. It may impose reasonable regulations and conditions upon the use of school facilities as it deems appropriate.
- B. Requests for use of school facilities by community groups or individuals shall be made through the school district administrative office. The administration will present recommended procedures for the processing and review of requests to the school board. Upon approval by the school board, such procedures shall be an addendum to this policy.
- C. The school board may require a rental fee for the use of school facilities. Such fee may include the cost of custodial and supervisory service if deemed necessary. It may also

require a deposit or surety bond for the proper use and repair of damage to school facilities. A rental fee schedule, deposit or surety bond schedule, and payment procedure shall be presented for review and approval by the school board.

- D. When emergencies or unusual circumstances arise that necessitate rescheduling the use of school facilities, every effort will be made to find acceptable alternative meeting space.

V. USE OF SCHOOL EQUIPMENT

The administration will present a procedure to the school board for review and approval regarding the type of equipment that is available for community use, the extent to which it may be utilized, and the manner by which it may be scheduled for use and any charges to be made relating thereto. Upon approval of the school board, such procedure shall be an addendum to this policy.

VI. RULES FOR USE OF FACILITIES AND EQUIPMENT

The school board expects members of the community who use facilities and equipment to do so with respect for school district property and an understanding of proper use. Individuals and groups shall be responsible for damage to facilities and equipment. A certificate of insurance may be required by the school district to ensure payment for these damages and any liability for injuries.

Legal References: Minn. Stat. § 123B.51 (Schoolhouses and Sites; Uses for School and Nonschool Purposes; Closings)

Cross References: MSBA/MASA Model Policy 801 (Equal Access to School Facilities)
MSBA/MASA Model Policy 901 (Community Education)

School District Facilities and Equipment Use Request Form

Organization Name: _____

Contact Person: _____

Mailing Address: _____

Phone Number: _____

Email Address: _____

Indicate if applicable:

- School district activity or organization
- Governmental organization
- Local civic or nonprofit organization
- Local nonprofit organization planning on charging a fee/raising revenue during the facility use
- Commercial organization
- Other (please describe): _____

Nonprofit organizations: Please indicate whether your organization has 501(c)(3) status

- Yes
- No

School District Facilities and Equipment Requested: _____

Event Name: _____

Event Date: _____

Event Description: _____

Event Times: _____

Access to facilities: _____

Event start time: _____

Event end time: _____

Depart from facilities: _____

Number of Estimated People:

Youth: _____

Adults: _____

School District Facilities and Equipment Use Request Form

If food will be served, please describe type of food, facilities need, and cleanup plan: _____

Technology or other equipment needed (if any): _____

By completing this form, I agree that I have reviewed the District’s facilities and equipment use policies, rules, and fee schedule. By signing this Request Form, I agree in my capacity and on behalf of the organization, to abide by these rules and to ensure that they are enforced before, during, and after the event. I represent and agree that the organization will hold the District harmless and indemnify the District for any and all damages, costs, and expenses, including attorney’s fees, incurred, suffered, or claimed by any person arising out of the organization’s use of the District’s facilities and equipment.

Signature: _____

If submitted as an email attachment, the email shall serve as your signature.

Date: _____

Insurance Company: _____

Policy or Certification Number: _____

.....*For District Use Only*.....

Fee Type	Hours Billed	Cost Per Hour	Total
Facility Usage Fee			
Security Fee			
Equipment Fee			
Custodial Fee			
Kitchen Staff Fee			
Technical Support Fee			
Other Charges			
Fee Type	Cost Billed		Total
Grand Total			

School District Facilities and Equipment Use Request Form

Date Received: _____

Permit Number: _____

Date Issued: _____

Confirmation Sent: _____

- Sponsor must make a request of ISD to use ISD's facility or grounds by fully completing and submitting this agreement form to ISD **a minimum of ten (10) business days** prior to the date(s) of the event/period of use.
- ISD has the sole and absolute authority to accept or reject such facility or grounds use request.
- Sponsor further acknowledges and consents that ISD may charge Sponsor fees for use of ISD facility or grounds, and that such fees (and methods of payment therefor) will be determined in the sole and absolute discretion of ISD.

Minnesota Public Schools- Facilities and Equipment Use Agreement

On this date, (DATE) this Facility and Equipment Use Agreement (“Agreement”) was entered into subject to and in mutual consideration of the following terms and conditions:

Section 1: Parties to The Agreement

The parties hereto are:

Minnesota Public Schools – ISD #414

Street Address: _____

City, State: _____

Zip Code: _____

ISD Contact Person: _____

Phone Number: _____

Email Address: _____

And

(SPONSOR)

Street Address: _____

City, State: _____

Zip Code: _____

Sponsor Contact Person: _____

Phone Number: _____

Email Address: _____

Section 2: Facilities and Event

The Sponsor will use ISD facilities and equipment (“Facilities”) for the event set forth in the attached *Facilities and Equipment Use Request Form* (“Event”) completed by Sponsor and accepted by ISD.

Section 3: Insurance and Indemnification

Sponsor agrees to assume all risk of and liability for – and further agrees to defend, indemnify, and hold harmless – the ISD and its agents, officers, and employees, from and against any and all claims based on the vicarious liability of ISD or its agents, officers, and employees, but not against claims based solely on ISD’s comparative fault, negligence, or intentional misconduct.

Sponsor shall secure and keep in force during the entire term of the Event (from an insurance company, government self-insurance pool, or government self-retention fund authorized to do business in Minnesota ... singularly or collectively referred to, as the case may be, the “insurance carrier”) a commercial general liability insurance policy or coverage (“policy”) for any and all claims of any nature for bodily injury, property damage, personal and advertising injury, or other harm or loss arising out of or in connection with the Event(s). The policy shall name ISD (and including its agencies, officers, and employees) as an additional insured. Sponsor shall furnish a certificate of insurance from the insurance carrier showing the endorsement naming ISD as an additional insured to the policy with limits of liability of at least \$500,000 per person and \$1,500,000 per occurrence consistent with Minnesota Statute section 466.01, et seq.

The policy must provide that the policy may not be canceled without 10 days prior written notice to ISD and shall contain a “Waiver of Subrogation” (waiving any right of recovery the insurance carrier may have against ISD). The policy must provide that any fees, costs, expenses, or other charges for or related to the investigation or defense of any claim or suit shall be outside of (i.e., in addition to, without any cap or limit) any otherwise applicable limit of liability of the policy. Sponsor will deliver said certificate of insurance and endorsement to ISD at least 5 days prior to the Event.

Section 4: Force Majeure

If the Facilities to be used for the Event are rendered unsuitable for the conduct of the Sponsor’s Event by reason of force majeure, ISD and Sponsor are released from their respective obligations under this Agreement.

Minneota Public Schools- Facilities and Equipment Use Agreement

Force majeure shall mean fire, earthquake, hurricane, water event, act of God, strikes, work stoppages or other labor disturbances, riots or civil commotions, war or other act of any foreign nation, power of government, governmental agency or authority, or any other cause like or unlike any cause mentioned which is beyond the reasonable control of ISD.

Section 5: Alterations, Decorations Construction, Damage, Duty to Repair

Sponsor has inspected and accepts the Facilities and Equipment “as is.” Sponsor agrees that it shall be obligated to maintain the Facilities and Equipment for the safe exercise of the Event at Sponsor’s sole cost and expense in accordance with the provisions of this Agreement. Upon completion of the Event, Sponsor shall deliver the Facilities and Equipment to ISD in substantially the same condition as existed immediately prior to Sponsor’s use.

Sponsor shall not alter, injure, mar, or in any way deface the Facilities and Equipment; shall not cause or permit anything to be done whereby the Facilities shall be in any manner injured, marred, or defaced; and shall not drive, or permit to be driven, nails, hooks, tacks, screws, or the use of adhesive materials into any part of the Facilities.

Decorations must not disguise, cover, or interfere with any safety device, including fire safety equipment, such as fire extinguishers, exit signs, sprinkler heads and piping, electrical panels, and fire alarm pull stations. Decorations shall not block, nor restrict the use of halls, exits, or stairways.

Sponsor shall make no temporary or permanent modifications or constructions to the property without the prior written consent of ISD.

Sponsor shall be financially responsible for the repair and replacement of all or any part of the Facilities and Equipment that is damaged. Repairs or replacements made shall be to the satisfaction of ISD. Photos of damaged space(s) prior to repair will be used to verify requests for special damage repairs, restorations, or construction costs.

Sponsor’s responsibility extends beyond that of any security deposit made by Sponsor. Sponsor agrees to be responsible for all damages to any facility buildings, grounds, fields, and equipment incident to or in connection with the event.

Section 6: Temporary Structures, Signs

No temporary structures or signs will be placed upon any ISD facilities or grounds, except upon the prior written approval of ISD, and then only if and after all legally required permits are obtained. All such temporary structures and signs shall be removed before termination of the period of use.

Section 7: Ingress/Egress

All portions of the sidewalks, entries, doors, passages, vestibules, halls, corridors, stairways, passageways, and all ways of access to public utilities of the facility or grounds must be kept unobstructed by Sponsor; and must not be used by Sponsor for any purpose other than ingress to or egress from the facility or grounds.

Section 8: Delivery and Set Up

Sponsor agrees to have a person present for load in and load out. ISD will not sign for any items shipped to the school district for the Sponsor, nor take any responsibility for them, unless prior arrangements have been agreed upon.

Section 9: Equipment

Sponsor agrees that it will not use ISD’s equipment, tools, or furnishings located in or about the Facilities or without first seeking and receiving the written approval of ISD. Sponsor agrees to only allow equipment in or on the facility or grounds to be operated by persons who have been trained and certified in its specific use. The use of outside equipment may be denied depending on the nature of the equipment and its impact on the rest of the facility or grounds. ISD assumes no responsibility for equipment brought into or onto the facility or grounds.

Minneota Public Schools- Facilities and Equipment Use Agreement

Section 10: Concessions

Sponsor shall not sell or cause to be sold programs and/or novelties in or about the Facilities except as pursuant to written terms and conditions established or approved by ISD. All rights to sell concessions at the Event are reserved by ISD. Sponsor is not permitted to sell any beverages, confections, tobacco, or food for consumption at or on the Facilities except as approved by ISD in writing prior to the Event.

Section 11: Facilities Use Rules

Sponsor will ensure that all attendees and participants abide by the *Facilities and Equipment Use Rules* attached to this Agreement.

Section 12: Solicitation/Distribution of Materials

No solicitation shall be conducted in or around the Facilities or grounds except by ISD employees or authorized representatives acting in the scope of their agency or employment; or as otherwise permitted by ISD in accordance with ISD policies.

Section 13: Parking

Guaranteed parking (or parking adequacy) in or on ISD parking lots is not part of this Agreement. Fees charged for parking will be consistent with ISD faculty, staff, and student rates.

Section 14: Maximum Occupancy

At no time shall Sponsor permit the number of individuals occupying the Facilities to exceed the maximum occupancy, nor shall Sponsor fail to maintain an adequate minimum ratio of adults to minors, if applicable. Sponsor shall also confine the Event to the space reserved under this Agreement.

Section 15: Waste, Quiet Enjoyment, Safety Compliance

Sponsor shall not permit any waste upon or to the Facilities or engage in any activity that is unlawful or that constitutes a nuisance or that disturbs the quiet enjoyment of ISD students, employees, or invitees.

Sponsor shall not disturb the quiet enjoyment of adjacent properties, including creating sound levels equal to or exceeding 85 dB measured at the adjacent property line.

Sponsor agrees to use and occupy the Facilities in accordance with all ISD policies, regulations, rules, and practices and with all applicable municipal, state, and federal laws, including but not limited to fire codes.

Sponsor represents that its activities pursuant to this Agreement will be supervised by adequately trained personnel, and that Sponsor shall observe, and cause the participants in the activity of the event to observe, all safety rules for the facility or grounds and the activity.

Sponsor acknowledges that ISD has no duty to and will not provide supervision of the activity.

Sponsor is responsible for providing all necessary and appropriate safety instruction to all participants and attendees at Sponsor's event or as part of Sponsor's activity.

Section 16: Copyright Fees, Royalties and Other Licenses

If any material, composition, or name to be used or performed at the Event is copyrighted, Sponsor is responsible for securing, before using or employing such material, composition, or name, the assent in writing, of the owner of licensee of such copyright. Sponsor agrees to be fully responsible for any fees, royalties, and licenses in connection therewith. Movies shown in or on the facility or grounds require purchase of appropriate licensing for public viewing.

Section 17: Permits

Sponsor shall obtain, at its sole cost and expense, any additional permits and licenses that are necessary or required for Sponsor's use of the Facilities.

Minneota Public Schools- Facilities and Equipment Use Agreement

Section 18: Computer and Communication System Use

Sponsors permitted to use ISD's computers or communication systems assume the responsibility of ensuring that these resources are used appropriately. Misuse of computer or communication systems facilities and equipment violates ISD policy and regulations and may also violate federal or state law.

Section 19: Security, Code of Conduct, And Weapons

All security services desired by Sponsor must be arranged, supervised, and paid for by Sponsor pursuant to written disclosure to and written agreement from ISD. ISD (including any of its authorized representatives) shall at all times retain the right to eject any person whose conduct is disorderly, unruly, unsafe, or otherwise objectionable. Unauthorized possession or use of weapons on or in any ISD facility or grounds is prohibited.

Section 20: Keys

Keys to buildings shall not be issued or loaned on any occasion to the Sponsor. Doors will be opened and locked by ISD facilities personnel or other ISD authorized representatives.

Section 21: ADA Compliance

ISD complies with the American with Disabilities Act (ADA) with respect to its policies, practices, and procedures. Sponsor must comply with ADA requirements for the Event by providing reasonable accommodations. Sponsor will need to notify ISD of any requested accommodation in a timely manner.

Section 22: Abandoned Property

Any property left in or on ISD facilities or grounds shall, after a period of ten (10) days from the last day of use hereunder, be deemed abandoned and shall become property of ISD to be disposed of or utilized at ISD's sole discretion.

Section 23: Non-Assignment

Sponsor shall not assign this Agreement in whole or in part to any other person; nor shall any other person use ISD facility or grounds or any portion thereof under this Agreement without the written consent of ISD. The consent to one assignment shall not be deemed to be consent to another assignment. Any assignment without written consent from ISD shall be void and shall, at the option of ISD, terminate this Agreement.

Section 24: Inspection and Emergency Access

In addition to ISD's express or implied right of entry under any other provision of this Agreement, Sponsor shall permit ISD to enter the facility or grounds at all reasonable times for the purposes of, but not limited to: emergency access; inspection to determine whether Sponsor has complied or is complying with the provisions of this Agreement; exercising any matters pursuant to applicable law or governmental regulations; and carrying out any purpose necessary, incidental or connected with the performance of any ISD obligation under this Agreement.

Section 25: Modification

This Agreement shall supersede and void all prior understandings, whether written or oral, and the terms herein shall bind the parties. Any modifications or amendments to this Agreement must be in writing and signed by the parties.

Section 26: Severability

If any provision of this Agreement should be found invalid or unenforceable, the remainder of the provisions shall remain valid and enforceable.

Section 28: Governing Law and Venue

This Agreement shall be governed by the laws of the State of Minnesota and venue for any legal proceedings shall solely and exclusively be in Lyon County, Minnesota.

Minneota Public Schools- Facilities and Equipment Use Agreement

Section 28: Cancellation/Termination

This Agreement may be cancelled or terminated due to unforeseen emergencies or events beyond the control of either party. If ISD terminates this Agreement because Sponsor has violated the terms of this Agreement, or because participants at or attendees of Sponsor's event have violated laws or ISD policies, then Sponsor is obligated to make full payment of all fees under this Agreement. Otherwise, termination by ISD shall result in a pro rata refund of the applicable fee, based on the portion of the use period that was actually used less any expenses incurred by ISD.

By their duly authorized signatures below, the parties agree to enter into and execute this Agreement as of the date of ISD's approving authority identified below.

Sponsor

Date

Print Name and Title: _____

ISD Approving Authority

Date

Print Name and Title: _____

Minneota Public Schools- Facilities and Equipment Use Rules

1. The school district has established a priority list for use of school district facilities and equipment. This list can be found with Policy #902 at www.minneotaschools.org.
2. The school district has established a fee schedule for the use of school district facilities and equipment. The facility use fee schedule can be found with Policy #902 at www.minneotaschools.org.
3. Any person or organization requesting use of school facilities and equipment shall not advertise the event until receiving approval from the school district.
4. School facilities and equipment are not available to private groups or individuals for personal activities, such as wedding dances, receptions, private parties, or other privately-sponsored activities.
5. Any changes to the proposed use after a permit is issued must be submitted to the school district for review and approval.
6. The Superintendent may reject any application or rescind any agreement for facilities and equipment use when the activity is inconsistent with the educational goals of the District or when the activity is likely to cause bodily harm or property damage.
7. The school district complies with all federal, state, and local equal opportunity laws and regulations prohibiting discrimination in the use of school facilities. Users of school district facilities and equipment agree that the user will not unlawfully discriminate on the basis of race, color creed, religion, national origin, sex, gender, age, marital status, familial status, status with regard to public assistance, sexual orientation, or disability.
8. All groups are required to provide adult supervision for all activities. The person(s) supervising activities must be in the facilities with the group at all times.
9. School kitchen facilities and equipment may not be used without prior written approval and payment of the appropriate fees. A school district food service employee must be present when school kitchen facilities and equipment are used.
10. Users agree to comply with the Facility and Equipment Use Agreement's provisions regarding alterations and decorations in school district facilities.
11. Users are responsible for and agree to pay for injury to persons or damage to school facilities or equipment arising out of user's use of school facilities as set forth in the Facility and Equipment Use Agreement.
12. Users agree to comply with and abide by the insurance and indemnification provisions in the Facility and Equipment Use Agreement.
13. User will be responsible for any and all costs associated with false fire alarm operation.
14. Possession of alcohol on school property is prohibited.
15. School district facilities are tobacco free. Tobacco use on school property is prohibited.
16. Weapons may not be brought onto school property except as permitted under federal and state law and school district policies. Weapons include, but are not limited to, firearms, ammunition, explosives, swords, knives, fireworks, pellet guns, and paint ball guns.
17. Service animals are permitted in or on ISD facilities or grounds. No other animals are permitted without the school district's written permission. The Americans with Disabilities Act (ADA) and Minnesota law allow service animals to accompany persons with disabilities in or on ISD facility or grounds. The ADA defines service animal as any guide dog, signal dog, or other animal individually trained to provide assistance to a person with a disability.

Minneota Public Schools- Facilities and Equipment Use Fees

Facilities and Equipment	2024-2025 Fees		
	Minneota Youth Group or Association - No Fee or Admission Charged	Non-Profit Groups - Fee or Admission Charged	Minneota For Profit Groups and Non-Profit Non Minneota Groups
Viking Gymnasium	\$20 per hour	\$25 per hour	\$30 per hour
Auxiliary Gymnasium			
Concession Stand	\$25 per hour	\$30 per hour	\$35 per hour
Clean-Up Fee	None	\$35 per hour	\$35 per hour
Audio-Visual Fee			
Stage - Viking Gymnasium	\$20 per hour	\$25 per hour	\$30 per hour
Music Room-Private Lessons	\$30 per month	\$35 per month	\$40 per month
Cafeteria	\$20 per hour	\$25 per hour	\$30 per hour
Clean-Up Fee	None	\$35 per hour	\$35 per hour
Kitchen	\$30 per hour	\$35 per hour	\$40 per hour
Clean-Up Fee	None	\$35 per hour	\$35 per hour
Classroom	\$15 per hour	\$20 per hour	\$25 per hour
Parking Lot	None	\$10 per hour	\$15 per hour
School Fields and Greenspace	\$20 per hour	\$25 per hour	\$30 per hour
Scoreboards-Clocks	\$10 per hour	\$15 per hour	\$20 per hour
Piano	\$10 per hour	\$15 per hour	\$20 per hour
Portable Bleachers	\$5 per hour	\$10 per hour	\$10 per hour
Custodial fee	\$35 per hour	\$35 per hour	\$35 per hour
Risers	\$5 per hour	\$10 per hour	\$10 per hour
Custodial fee	\$35 per hour	\$35 per hour	\$35 per hour
Music Stands	None	\$5 per hour	\$10 per hour
Video Board	\$20 per hour	\$30 per hour	\$40 per hour
Video Set-Up	\$35 per hour	\$35 per hour	\$35 per hour

*Personnel: supervisors, security, custodians, set-up, and or clean-up fees may be included, depending on the nature of the event.

*A custodial fee of \$35 per hour may be assessed if required and outside of school hours, on weekends, and/or in summer months.

*A staff service charge may be assessed as required.

*Climate control may be charged per event as an additional charge.

*A snow removal fee may be charged when snow removal is required.

*An equipment replacement fee of 15% of gross revenue from ticket, entry, or fees collected may be assessed.



Minneota Public School District Policy 904

Adopted: November 2024~~3~~

904 DISTRIBUTION OF MATERIALS ON SCHOOL DISTRICT PROPERTY BY NONSCHOOL PERSONS

I. PURPOSE

The purpose of this policy is to provide for distribution of materials appropriate to the school setting by nonstaff and nonstudents on school district property in a reasonable time, place, and manner which does not disrupt the educational program nor interfere with the educational objectives of the school district.

II. GENERAL STATEMENT OF POLICY

- A. The school district intends to provide a method for nonschool persons and organizations to distribute materials appropriate to the school setting within the limitations and provisions of this policy.
- B. To provide for orderly and nondisruptive distribution of materials, the school board adopts the following regulations and procedures.

III. DEFINITIONS

- A. “Distribution” means circulation or dissemination of materials by means of handing out free copies, selling or offering copies for sale, accepting donations for copies, ~~posting~~posting, or displaying materials, or placing materials in internal staff or student mailboxes.
- B. “Materials” includes all materials and objects intended by nonschool persons or nonschool organizations for distribution. Examples of nonschool-sponsored materials include, but are not limited to, leaflets, brochures, buttons, badges, flyers, petitions, posters, underground newspapers whether written by students, employees or others, and tangible objects.
- C. “Nonschool person” means any person who is not currently enrolled as a student in or employed by the school district.
- D. “Obscene to minors” means:
 - 1. The average person, applying contemporary community standards, would find that the material, taken as a whole, appeals to the prurient interest of minors of the

- age to whom distribution is requested;
2. The material depicts or describes, in a manner that is patently offensive to prevailing standards in the adult community concerning how such conduct should be presented to minors of the age to whom distribution is requested, sexual conduct such as intimate sexual acts (normal or perverted), masturbation, excretory functions, and lewd exhibition of the genitals; and
 3. The material, taken as a whole, lacks serious literary, artistic, political, or scientific value for minors.
- E. “Minor” means any person under the age of eighteen (18).
- F. “Material and substantial disruption” of a normal school activity means:
1. Where the normal school activity is an educational program of the school district for which student attendance is compulsory, “material and substantial disruption” is defined as any disruption which interferes with or impedes the implementation of that program.
 2. Where the normal school activity is voluntary in nature (including school athletic events, school plays and concerts, and lunch periods) “material and substantial disruption” is defined as student rioting, unlawful seizures of property, conduct inappropriate to the event, participation in a school boycott, demonstration, sit-in, stand-in, walk-out, or other related forms of activity.

In order for expression to be considered disruptive, specific facts must exist upon which the likelihood of disruption can be forecast including past experience in the school, current events influencing student activities and behavior, and instances of actual or threatened disruption relating to the written material in question.

- G. “School activities” means any activity sponsored by the school including, but not limited to, classroom work, library activities, physical education classes, official assemblies and other similar gatherings, school athletic contests, band concerts, school plays, other theatrical productions, and in-school lunch periods.
- H. “Libelous” is a false and unprivileged statement about a specific individual that tends to harm the individual’s reputation or to lower him or her in the esteem of the community.

IV. GUIDELINES

- A. Nonschool persons and organizations may, within the provisions of this policy, be granted permission to distribute, at reasonable times and places as set forth in this policy, and in a reasonable manner, materials and objects which are appropriate to the school setting.

- B. Requests for distribution of materials will be reviewed by the administration on a case-by-case basis. However, distribution of the following materials is always prohibited. Material is prohibited that:
1. is obscene to minors;
 2. is libelous;
 3. is pervasively indecent or vulgar or contains any indecent or vulgar language or representations, with a determination made as to the appropriateness of the material for the age level of students to which it is intended;
 4. advertises any product or service not permitted to minors by law;
 5. advocates violence or other illegal conduct;
 6. constitutes insulting or fighting words, the very expression of which injures or harasses other people (e.g., threats of violence, defamation of character or of a person's race, religion, or ethnic origin);
 7. presents a clear and present likelihood that, either because of its content or the manner of distribution, it will cause a material and substantial disruption of the proper and orderly operation and discipline of the school or school activities, will cause the commission of unlawful acts or the violation of lawful school regulations.
- C. Permission for nonschool persons to distribute materials on school district property is a privilege and not a right. In making decisions regarding permission for such distribution, the administration will consider factors including, but not limited to, the following:
1. whether the material is educationally related;
 2. the extent to which distribution is likely to cause disruption of or interference with the school district's educational objectives, discipline, or school activities;
 3. whether the materials can be distributed from the office or other isolated location so as to minimize disruption of traffic flow in hallways;
 4. the quantity or size of materials to be distributed;
 5. whether distribution would require assignment of school district staff, use of school district equipment, or other resources;
 6. whether distribution would require that nonschool persons be present on the school grounds; and
 7. whether the materials are a solicitation for goods or services not requested by the

recipients.

V. TIME, PLACE, AND MANNER OF DISTRIBUTION

If permission is granted pursuant to this policy for the distribution of any materials, the time, place, and manner of distribution will be solely within the discretion of the administration, consistent with the provisions of this policy.

VI. PROCEDURES

- A. Any nonschool person wishing to distribute materials must first submit for approval a copy of the materials to the administration at least five days in advance of desired distribution time, together with the following information:
1. Name and phone number of the person submitting the request.
 2. Date(s) and time(s) of day of requested distribution.
 3. If material is intended for students, the grade(s) of students to whom the distribution is intended.
 4. The proposed method of distribution.
- B. The administration will review the request and render a decision. The administration will assign a location and method of distribution and will inform the persons submitting the request whether nonschool persons may be present to distribute the materials. In the event that permission to distribute the materials is denied or limited, the person submitting the request should be informed in writing of the reasons for the denial or limitation.
- C. Permission or denial of permission to distribute material does not imply approval or disapproval of its contents by either the school, the administration of the school, the school board, or the individual reviewing the material submitted.
- D. In the event that permission to distribute materials is denied, the nonschool person or organization may request reconsideration of the decision by the superintendent. The request for reconsideration must be in writing and must set forth the reasons why distribution is desirable and in the interest of the school community.

VII. VIOLATION OF POLICY

Any party violating this policy or distributing materials without permission will be directed to leave the school property immediately and, if necessary, the police will be called.

VIII. IMPLEMENTATION

The school district administration may develop any additional guidelines and procedures necessary to implement this policy for submission to the school board for approval. Upon approval by the school board, such guidelines and procedures shall be an addendum to this

policy.

Legal References: U. S. Const., amend. I
Hazelwood School District v. Kuhlmeier, 484 U.S. 260, 108 S.Ct. 562, 98 L.Ed.2d 592 (1988)
Doe v. South Iron R-1 School District, 498 F.3d 878 (8th Cir. 2007)
Bystrom v. Fridley High School, 822 F.2d 747 (8th Cir. 1987)
Cornelius v. NAACP Legal Defense and Educational Fund, Inc., 473 U.S. 788, 105 S.Ct. 3439, 87 L.Ed.2d 567 (1985)
Perry Education Ass'n v. Perry Local Educators' Ass'n, 460 U.S. 37, 103 S.Ct. 948, 74 L.Ed.2d 794 (1983)
Roark v. South Iron R-1 School Dist., 573 F.3d 556 (8th Cir. 2009)
Victory Through Jesus Sports Ministry Foundation v. Lee's Summit R-7 School Dist., 640 F.3d 329 (8th Cir. 2011), cert. denied 565 U.S. 1036, 132 S.Ct. 592 (2011)

Cross References: MSBA/MASA Model Policy 505 (Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees)
MSBA/MASA Model Policy 512 (School-Sponsored Student Publications)



Minneota Public School District Policy 905

Adopted: June 2023

Revised: November 2024

905 ADVERTISING

I. PURPOSE

The purpose of this policy is to provide guidelines for the advertising or promoting of products or services to students and parents in the schools.

II. GENERAL STATEMENT OF POLICY

The school district's policy is that the name, facilities, staff, students, or any part of the school district shall not be used for advertising or promoting the interests of a commercial or nonprofit agency or organization except as set forth below.

III. ADVERTISING GUIDELINES

- A. School publications, including publications such as programs and calendars, may accept and publish paid advertising provided they receive advance approval from the appropriate administrator. In no instance shall publications accept advertising or advertising images for alcohol, tobacco, drugs, drug paraphernalia, weapons, or obscene, pornographic, or illegal materials. Advertisements may be rejected by the school district if determined to be inconsistent with the educational objectives of the school district or inappropriate for inclusion in the publication. For example, advertisements may be rejected if determined to be false, misleading, or deceptive, or if they relate to an illegal activity or antisocial behavior. The faculty advisor is responsible for screening all such advertising for appropriateness, including compliance with the school district policy prohibiting sexual, racial, and religious harassment.
- B. The school board may approve advertising in school district facilities or on school district property. Any approval will state precisely where such advertising may be placed. The restrictions listed in Section A. above will apply. Advertising will not be allowed outside the specific area approved by the school board. Specific advertising must be approved by the superintendent or designee. In no instance will an advertising device be erected or maintained within 100 feet of a school that is visible to and primarily intended to advertise and inform or to attract or which does attract the attention of operators and occupants of motor vehicles.
- C. Donations which include or carry advertisements must be approved by the school board.

- D. The school district or a school may acknowledge a donation it has received from an organization by displaying a “donated by,” “sponsored in part by,” or a similar by-line with the organization’s name and/or symbol on the item. Examples include activity programs or yearbooks.
- E. Nonprofit entities and organizations may be allowed to use the school district name, students, or facilities for purposes of advertising or promotion if the purpose is determined to be educationally related and prior approval is obtained from the school board. Advertising will be limited to the specific event or purpose approved by the school board.
- F. Contracts for computers or related equipment or services that require advertising to be disseminated to students will not be entered into or permitted unless done pursuant to and in accordance with state law.
- G. The inclusion of advertisements in school district publications, in school district facilities, or on school district property does not constitute approval and/or endorsement of any product, service, organization, or activity. Approved advertisements will not imply or declare such approval or endorsement.

IV. ACCOUNTING

Advertising revenues must be accounted for and reported in compliance with UFARS. A periodic report shall be made to the school board by the superintendent regarding the scope and amount of such revenues.

Legal References: Minn. Stat. § 123B.93 (Advertising on School Buses)
Minn. Stat. § 125B.022 (Contracts for Computers or Related Equipment or Service)
Minn. Stat. § 173.08 (Excluded Road Advertising Devices)

Cross References: MSBA/MASA Model Policy 421 (Gifts to Employees and School Board Members)
MSBA/MASA Model Policy 702 (Accounting)



Minneota Public School District District Procedures

Adopted: May 16, 2023

Revised: November 2024

DISTRICT PROCEDURES: TECHNOLOGY OFFBOARDING

1. PURPOSE

These Technology Offboarding Procedures outline the actions and responsibilities of all parties involved in the offboarding process for employees, contractors, and temporary workers ("leaving employees") at Minneota Public School. It is important when an employee leaves the district that we close accounts and revoke permissions. A smooth exit for a leaving employee is important for both the school district and the leaving employee. Formalizing the offboarding process mitigates legal and security threats and ensures that the leaving employee's departure causes minimal disruption. The purpose of these procedures is to ensure a smooth transition, maintain the security and integrity of our technology assets, and protect our districts intellectual property and confidential information.

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2. DEFINITION

Offboarding is the process that leads to the formal separation between an employee and a company through resignation, termination, or retirement. It includes all the decisions and processes that take place when an employee leaves.

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3. SCOPE

These procedures apply to all leaving employees, including full-time, part-time, temporary, coaches, advisors, directors, and contracted workers. These procedures cover the management and handling of all Minneota Public School technology assets, including, but not limited to, hardware, software, network access, remote access, email accounts, and data storage. A leaving employee's access is terminated at the end of the day of the leaving employee's last day of employment, unless a determination is made to deviate from this timeframe.

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4. ROLES AND RESPONSIBILITIES

Human Resources (HR) staff shall:

- 4.1 Notify the IT department and relevant managers of the leaving employee's departure date.
- 4.2 Coordinate with the IT department to ensure completion of all offboarding procedures.
- 4.3 Ensure the leaving employee's access to any accounts payable or vendor payment system is terminated.

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The Technology Department shall:

- 4.4 Revoke all access to company networks, systems, and applications.
- 4.5 Disable the Leaving Employee's email account.
- 4.6 Retrieve all company-owned hardware, including computers, mobile devices, and peripherals.
- 4.7 Reassign or cancel any software licenses and subscriptions.
- 4.8 Conduct an audit to ensure all technology assets are accounted for and access has been revoked.
- 4.9 Collaborate with the relevant manager to ensure a smooth transition of necessary work-related data and files.
- 4.10 Change or revoke any shared account passwords.

- 4.11 Inform others that they will no longer be able to electronically communicate with the leaving employee.
- 4.12 Remove the leaving employee from any school directories, including the district's website.
- 4.13 Establish details for forwarding the leaving employee's emails to a relevant manager or supervisor.
- 4.14 Delete the leaving employee's phone extension and voicemail.

Managers shall:

- 4.15 Collaborate with the IT department to ensure a smooth transfer of work-related data and files.
- 4.16 Review and reassign any ongoing projects or tasks to other team members.
- 4.17 Ensure all company-owned hardware and technology assets are returned.
- 4.18 Work with the IT department and verify that the leaving employee's phone extension, voicemail, and email have been removed or terminated.
- 4.19 Coordinate with the IT department and verify that the leaving employee's contact information in any school district directory, including the district's website, have been removed.

The Leaving Employee shall:

- 4.20 Provide information regarding their access to company networks, systems, programs, and applications.
- 4.21 Return all company-owned hardware and technology assets on or before the departure date.
- 4.22 Transfer all necessary work-related data and files to the designated team member or manager.
- 4.23 Potentially complete an exit interview, as referenced by company policy.

5. PROCEDURES

- 5.1 **Notification:** Once HR is informed of the Leaving Employee's departure, they will notify the IT department and relevant managers at least two weeks prior to the departure date.
- 5.2 **Access Revocation:** The IT department will revoke access to company networks, systems, and applications on the last working day of the Leaving Employee, or as specified by HR.
- 5.3 **Hardware Retrieval:** The Leaving Employee must return all company-owned hardware to the IT department or their manager on or before their departure date.
- 5.4 **Data Transfer:** The Leaving Employee must transfer all necessary work-related data and files to their manager or designated team member before their departure.
- 5.5 **Exit Interview:** If required, the Leaving Employee must complete an exit interview with HR to provide feedback on their experience at Minneota Public School.

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6. COMPLIANCE

Employees who violate these procedures may be subject to appropriate disciplinary action up to and including discharge as well as both civil and criminal penalties. Non-employees, including, without limitation, contractors, may be subject to termination of contractual agreements, denial of access to IT resources, and other actions as well as both civil and criminal penalties.

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7. EXCEPTIONS

Requests for exceptions to these procedures shall be reviewed by the Technology Coordinator (TC). A manager or staff member requesting exceptions shall provide such requests to the TC. The request should specifically state the scope of the exception, along with justification for granting the exception, the potential impact or risk attendant upon granting the exception, risk mitigation measures to be undertaken by the IT Department, initiatives, actions and a ~~time frame~~ timeframe for achieving the minimum compliance level with the procedures set forth herein. The TC shall review such requests and confer with the requesting department and Superintendent.

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8. **REVIEW**

These procedures will be reviewed and updated on an annual basis or as necessary to comply with changing laws, regulations, and technology standards.

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9. **RESPONSIBLE DEPARTMENT**

The Technology Director and Superintendent are responsible for updating and maintaining these procedures, along with compliance with the procedures.

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10. **REFERENCES AND RESOURCES**

- National Institute of Standards and Technology (NIST) Special Publications: NIST SP 800-12, NIST SP 800-16, NIST SP 800-50, NIST SP 800-100
- Electronic Code of Federal Regulations (CFR): 5 CFR 930.301

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NEW

BUSINESS

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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INTRODUCTORY SECTION

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF SCHOOL BOARD MEMBERS AND OFFICIALS
JUNE 30, 2024**

<u>SCHOOL BOARD MEMBERS</u>		<u>TERM EXPIRES</u>
Abby Thostenson	Chairperson	January 1, 2027
Tom Skorczewski	Vice Chairperson	January 1, 2027
Carmen Panka	Treasurer	January 1, 2025
Ryan Runia	Clerk	January 1, 2025
Terri Myhre	Director	January 1, 2025
Jon Buysse	Director	January 1, 2027
Martin Hennen	Director	January 1, 2027
 <u>SCHOOL OFFICIAL</u>		
Scott Monson	Superintendent	



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INDEPENDENT AUDITOR'S REPORT

Members of the School Board
Independent School District No. 414
Minneota, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Independent School District No. 414, Minneota, Minnesota as of and for the year ended June 30, 2024, and the related notes to the basic 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 and each major fund of Independent School District No. 414, Minneota, Minnesota as of June 30, 2024, and the respective changes in financial position 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 Independent School District No. 414, Minneota, Minnesota, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Independent School District No. 414, Minneota, Minnesota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 Independent School District No. 414, Minneota, Minnesota'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 Independent School District No. 414, Minneota, Minnesota's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Independent School District No. 414, Minneota, Minnesota's basic financial statements. The accompanying uniform financial accounting and reporting standards compliance table is presented for purposes of additional analysis and is 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 uniform financial accounting and reporting standards compliance table is 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 audit report. The other information comprises the introductory and other supplementary information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Summarized Comparative Information

We have previously audited Independent School District No. 414, Minneota, Minnesota's June 30, 2023 financial statements, and our report, dated December 15, 2023, expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024, on our consideration of Independent School District No. 414, Minneota, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 414, Minneota, Minnesota'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 Independent School District No. 414, Minneota, Minnesota's internal control over financial reporting and compliance.

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

November 18, 2024

REQUIRED SUPPLEMENTAL INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

As management of Independent School District No. 414, Minneota, Minnesota, we offer readers of Independent School District No. 414, Minneota, Minnesota's financial statements this narrative overview and analysis of the financial activities of Independent School District No. 414, Minneota, Minnesota for the fiscal year ended June 30, 2024.

FINANCIAL HIGHLIGHTS

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

- Net position in the Statement of Net Position increased \$864,280 from the prior year to \$2,899,031. This increase was primarily the result of increases in the tuition revenue, admissions, student fees, investment earnings, and revenue from state sources, and favorable differences between actual and expected investment earnings and liability experience for both the Teacher Retirement Association and Public Employees Retirement Association as it relates to pensions.
- The District's General Fund revenues exceeded expenditures and other financing uses for the year by \$318,076. The unassigned fund balance decreased by \$1,958 and the various nonspendable, restricted, and assigned fund balances increased by \$320,034. The General Fund unassigned fund balance as of June 30, 2024, was \$1,283,036.
- A ten-year tuition agreement has been approved with the Ivanhoe School District to educate Ivanhoe students in grades 7-12 through fiscal year 2029. The District enrolled 49 students through the tuition agreement in 2023-2024. The collaboration the District has with the Ivanhoe School District continues to increase revenue and provide financial and enrollment stability.
- On May 9, 2023, the District held a special election. The District voters authorized the issuance of \$2,450,000 of General Obligation Bonds to provide funds for the acquisition and betterment of school sites and facilities, including the acquisition, installation, replacement and maintenance of software, computers, mobile devices, improved technology and technology systems, networks, infrastructure, and office and instructional technology. The District received the bond proceeds of \$2,450,000 in August, 2023. During the same special election, the voters authorized the District to revoke its existing capital project levy authorization of 8.660% times the net tax capacity of the District and replace it with a new capital project levy authorization of 3.345% times the net tax capacity of the District. The existing capital project levy authorization raised approximately \$500,000 for taxes payable in 2022 the first year it was levied. The proposed new capital project levy authorization will raise approximately \$250,000 for taxes payable in 2024, the first year it is levied, and will be authorized for eight years. The estimated total cost of the projects to be funded over that time period is approximately \$2,000,000. The revenue from the proposed capital project levy authorization will provide funds for the acquisition, installation, replacement, support, and maintenance of software, software licenses, computers, improved technology equipment, networks, infrastructure, and the costs of technology related personnel and training.
- The District was compliant with its existing fund balance policy on June 30, 2024. The District maintained 28% of the District's General Fund operating budget (excluding restricted expenditures) in the combined total of the General Fund committed, assigned, and unassigned fund balances. This is above the 25% stated in the fund balance policy.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts. They are:

- Independent Auditor's Report,
- Required Supplementary Information which includes the Management's Discussion and Analysis (this section),
- Basic financial statements, notes to the basic financial statements, and
- Other supplementary information, and other required reports and information.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont’d)

The basic financial statements include two kinds of statements that present different views of the District:

- The government-wide financial statements, including the Statement of Net Position and the Statement of Activities, provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the government-wide statements. The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the District’s activities are shown in one category:

- **Governmental Activities** – Most of the District’s basic services are included here, such as regular and special education, transportation, administration, food service, and community education. Property taxes and state aids finance most of these activities.

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 are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District has one kind of fund:

- **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 funds 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 statements, additional information (reconciliation schedules) follows the governmental funds statements that explain the relationship (or differences) between these two types of financial statement presentations.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GOVERNMENT-WIDE FINANCIAL STATEMENTS)

NET POSITION

The District's combined net position was \$2,899,031 on June 30, 2024. This was an increase of 42.5% from the previous year total of \$2,034,751. A summary of the District's net position is as follows:

Net Position – Governmental Activities			Percentage Change
	<u>6/30/2024</u>	<u>6/30/2023</u>	
Current and Other Assets	\$ 8,374,903	\$ 5,053,935	
Capital and Right of Use Assets	<u>12,777,332</u>	<u>13,431,311</u>	
Total Assets	<u>21,152,235</u>	<u>18,485,246</u>	14.4%
Related to OPEB	16,927	30,144	
Related to Pensions	<u>1,197,810</u>	<u>1,591,676</u>	
Total Deferred Outflows of Resources	<u>1,214,737</u>	<u>1,621,820</u>	(25.1%)
Current Liabilities	1,996,394	1,544,988	
Noncurrent Liabilities	<u>14,738,532</u>	<u>13,419,701</u>	
Total Liabilities	<u>16,734,926</u>	<u>14,964,689</u>	11.8%
Property Tax Levied for Subsequent Year's Expenditures	2,333,441	2,174,833	
Related to OPEB	68,974	62,187	
Related to Pensions	<u>330,600</u>	<u>870,606</u>	
Total Deferred Inflows of Resources	<u>2,733,015</u>	<u>3,107,626</u>	(12.1%)
Net Investment in Capital and Right of Use Assets	4,399,132	4,263,988	
Restricted	770,682	650,589	
Unrestricted	<u>(2,270,783)</u>	<u>(2,879,826)</u>	
Total Net Position	<u>\$ 2,899,031</u>	<u>\$ 2,034,751</u>	42.5%

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GOVERNMENT-WIDE FINANCIAL STATEMENTS) (Cont'd)

CHANGE IN NET POSITION

The change in net position occurs as a result of revenue being greater than expenses for the year ended June 30, 2024. This increase was a result of a variety of factors including increased tuition revenue, admissions, student fees, investment earnings, and revenue from state sources, and favorable differences between actual and expected investment earnings and liability experience for both the Teacher Retirement Association and Public Employees Retirement Association as it relates to pensions. These increases were offset by an increase in overall salaries and benefits. A summary of the District's revenues and expenses is as follows:

Change in Net Position – Governmental Activities			Percentage
Revenues	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>Change</u>
Program Revenues			
Charges for Services	\$ 748,086	\$ 740,215	
Operating Grants and Contributions	2,342,379	1,534,097	
Capital Grants and Contributions	50,106	-	
General Revenues			
Property Taxes	1,688,883	1,671,613	
Unallocated Federal and State Aid	5,010,174	4,662,174	
Other	265,534	123,763	
Total Revenues	<u>10,105,162</u>	<u>8,731,862</u>	15.7%
Expenses			
District and School Administration	575,242	478,409	
District Support Services	392,951	380,790	
Regular Instruction	3,598,612	2,554,882	
Vocational Instruction	170,054	197,636	
Exceptional Instruction	1,116,476	933,990	
Community Education and Services	222,310	157,096	
Instructional Support Services	176,663	325,154	
Pupil Support Services	1,026,259	967,334	
Site, Buildings and Equipment	878,866	760,809	
Fiscal and Other Fixed Cost Programs	40,372	38,949	
Interest on Long-Term Debt	324,715	256,896	
Depreciation and Amortization - Unallocated	<u>718,362</u>	<u>718,961</u>	
Total Expenses	<u>9,240,882</u>	<u>7,770,906</u>	18.9%
Increase (Decrease) in Net Position	864,280	960,956	
Beginning Net Position	<u>2,034,751</u>	<u>1,073,795</u>	
End of Year Net Position	<u>\$ 2,899,031</u>	<u>\$ 2,034,751</u>	42.5%

The District's total revenues consisted of program revenues of \$3,140,571, property taxes of \$1,688,883, unallocated federal and state aids of \$5,010,174, earnings on investments of \$228,223, and a small amount from miscellaneous other sources. Expenses totaling \$9,240,882 consisted primarily of student instructional costs of \$4,885,142, student support services of \$1,202,922, administration costs of \$968,193, site, buildings and equipment costs of \$878,866, unallocated depreciation and amortization costs of \$718,362, community education services of \$222,310, interest on long-term debt of \$324,715, and minor other amounts.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GOVERNMENT-WIDE FINANCIAL STATEMENTS) (Cont'd)

CHANGE IN NET POSITION (Cont'd)

The cost of all governmental activities this year was \$9,240,882.

- The users of the District's programs paid for 8.1%, or \$748,086, of the costs.
- The federal and state governments subsidized certain programs with grants and contributions. This totaled \$2,392,485, or 25.9% of the total costs.
- Most of the District's net costs of services (\$6,100,311), however, were paid for by state taxpayers based on the statewide education aid formula and by District taxpayers.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS)

FUND BALANCE

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$5,417,885. This was up from \$2,377,309 at the end of the prior year, an increase of \$3,040,576. The General Fund increased \$318,076, primarily due to an increase in tuition revenue, admissions, student fees, general education and state special education aid, and earnings from investments, offset by an increase in salaries and benefits, and an operating transfer to the Community Service Fund. The Food Service Fund had an increase of \$16,232 mainly due to a change in funding sources due to free lunches provided by State of Minnesota starting in fiscal year 2024. The Community Service Fund decreased \$46,646, before other financing sources, due to program expenditures exceeding state revenue and fees from patrons in the School Readiness and Early Childhood Family Education Programs. This decrease was offset by an operating transfer from the General Fund resulting in a net fund balance increase of \$20,907. The Building Construction Fund had an increase of \$2,642,317 due to the issuance of bonds. The Debt Service Fund increased \$43,044 due to increased interest earnings and statutory levy requirements.

REVENUES AND EXPENDITURES

Revenues and other financing sources of the District's governmental funds totaled \$12,759,465. This was an increase of 44.1% over the previous year total of \$8,854,408. Total expenditures and other financing uses were \$9,718,889. This was an increase of 5.1% from the previous year total of \$9,246,736. A summary of the revenues, expenditures, and other financing sources (uses) reported on the governmental financial statements is as follows:

Revenues and Expenditures – Governmental Funds

	<u>Revenue</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Fund Balance Increase (Decrease)</u>
General Fund	\$ 8,059,417	\$ 7,673,788	\$ (67,553)	\$ 318,076
Food Service Fund	492,945	476,713	-	16,232
Community Service Fund	182,964	229,610	67,553	20,907
Building Construction Fund	113,179	97,325	2,626,463	2,642,317
Debt Service Fund	1,216,944	1,173,900	-	43,044
Totals	<u>\$ 10,065,449</u>	<u>\$ 9,651,336</u>	<u>\$2,626,463</u>	<u>\$ 3,040,576</u>

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS) (Cont'd)
GENERAL FUND**

The General Fund is used by the District to record the primary operations of providing educational services to students from kindergarten through grade twelve. Pupil transportation activities, capital purchases, and major maintenance projects are also included in the General Fund.

The following schedule presents a summary of General Fund revenues and other financing sources:

Revenues – General Fund				
	Year Ended 6/30/2024	Year Ended 6/30/2023	Amount Change	Percentage Change
Local Sources				
Property Taxes	\$ 1,120,346	\$ 1,028,652	\$ 91,694	8.9%
Tuition and Contracts	403,456	320,963	82,493	25.7%
Other Local Sources	313,765	226,992	86,773	38.2%
State Sources	6,046,820	5,164,378	882,442	17.1%
Federal Sources	164,692	171,890	(7,198)	(4.2%)
Sales and Other Conversion of Assets	10,338	4,673	5,665	121.2%
Total Revenues	<u>8,059,417</u>	<u>6,917,548</u>	<u>1,141,869</u>	16.5%
Other Financing Sources				
Insurance Recovery	-	165,394	(165,394)	(100.0%)
Total Other Financing Sources	<u>-</u>	<u>165,394</u>	<u>(165,394)</u>	(100.0%)
Total Revenues and Other Financing Sources	<u>\$ 8,059,417</u>	<u>\$ 7,082,942</u>	<u>\$ 976,475</u>	13.8%

The following schedule presents a summary of General Fund expenditures and other financing uses:

Expenditures – General Fund				
	Year Ended 6/30/2024	Year Ended 6/30/2023	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries and Wages	\$ 4,296,694	\$ 4,050,381	\$ 246,313	6.1%
Employee Benefits	1,013,107	931,865	81,242	8.7%
Purchased Services	1,464,442	1,495,760	(31,318)	(2.1%)
Supplies and Materials	660,926	687,416	(26,490)	(3.9%)
Other Expenditures	20,690	21,242	(552)	(2.6%)
Capital Expenditures	199,480	184,502	14,978	8.1%
Debt Service Expenditures	18,449	65,780	(47,331)	(72.0%)
Total Expenditures	<u>7,673,788</u>	<u>7,436,946</u>	<u>236,842</u>	3.2%
Other Financing Uses				
Operating Transfer Out	67,553	-	67,553	100.0%
Total Expenditures and Other Financing Uses	<u>\$ 7,741,341</u>	<u>\$ 7,436,946</u>	<u>\$ 304,395</u>	4.1%

In summary, the 2023-2024 General Fund revenue exceeded expenditures and other financing uses by \$318,076. As a result, the total fund balance increased to \$2,249,926 at June 30, 2024. After deducting statutory and accounting standards restrictions, the unassigned fund balance decreased \$1,958 to \$1,283,036 at June 30, 2024. The District closely monitors the General Fund unassigned fund balance through its budgeting process throughout the year.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS) (Cont'd)
GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year ended June 30, 2024 the District revised its operating budget once. This revision was planned, and was necessary because when the initial budget was prepared and adopted (a budget must be in place prior to the beginning of the fiscal year on July 1) details of student enrollment numbers, salary details, staffing levels, and other significant information items were not yet definite. The revision was made in February 2024 to reflect changes in enrollment data, state funding adjustments, and unforeseen changes in expenditures categories.

While the District's final budget for the General Fund anticipated that expenditures and other financing uses would exceed revenue by \$144,908 the actual results for the year showed a surplus of \$318,076.

- Actual revenues were \$299,415 or 3.9 percent, more than budget, due primarily to more state general education and special education revenue, admissions, and earnings from investments partially offset by less levy revenue, school unemployment aid, and federal revenue than expected.
- Actual expenditures and other financing uses were \$163,569 or 2.1 percent, less than budget. This variance was mainly due to incorrectly budgeting for busing costs and technology purchases.

FOOD SERVICE FUND

The Food Service Fund revenue for 2023-2024 totaled \$492,945 and expenditures were \$476,713, resulting in the fund balance increasing \$16,232. This increase is due primarily to a change in funding sources during the current year. The June 30, 2024 Food Service Fund fund balance is \$184,251.

COMMUNITY SERVICE FUND

In 2023-2024, the total revenues and other financing sources for the Community Service Fund were \$250,517 and total expenditures were \$229,610. Total revenues and other financing sources exceeded expenditures by \$20,907, resulting in an increase of the same amount in the June 30, 2024 fund balance. The Community Service Fund fund balance as of June 30, 2024 is \$53,177.

BUILDING CONSTRUCTION FUND

The Building Construction Fund revenues and other financing sources exceeded expenditures by \$2,642,317 in 2023-2024 due to the issuance of bonds and earnings from investments exceeding bond and initial costs on the technology project. The Building Construction Fund fund balance as of June 30, 2024 is \$2,642,317.

DEBT SERVICE FUND

The Debt Service Fund revenues exceeded expenditures by \$43,044 in 2023-2024 due to the statutory levy process and various aids exceeding debt service payments. The Debt Service Fund fund balance as of June 30, 2024 is \$288,214.

CAPITAL AND RIGHT OF USE ASSETS AND DEBT ADMINISTRATION

CAPITAL AND RIGHT OF USE ASSETS

As of June 30, 2024, the District had net capital and right of use assets of \$12,777,332 representing a broad range of capital and right of use assets, including school buildings and improvements, computer and audio-visual equipment, and various other equipment for instructional, support and administrative purposes. Total depreciation and amortization expense for the year was \$849,495. Information about the District's capital and right of use assets is shown below. More detailed information about the District's capital and right of use assets is presented in Note 4 to the basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

**CAPITAL AND RIGHT OF USE ASSETS AND DEBT ADMINISTRATION (Cont'd)
CAPITAL AND RIGHT OF USE ASSETS (Cont'd)**

Capital and Right of Use Assets – Governmental Activities

	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>Percentage Change</u>
Land	\$ 65,665	\$ 65,665	0.0%
Buildings and Improvements	20,858,327	20,858,327	0.0%
Equipment and Vehicles	2,513,694	2,318,178	8.4%
Right of Use Asset	33,000	33,000	0.0%
Less Accumulated Depreciation and Amortization	<u>(10,693,354)</u>	<u>(9,843,859)</u>	8.6%
Total Net Capital and Right of Use Assets	<u>\$ 12,777,332</u>	<u>\$13,431,311</u>	(4.9%)

DEBT ADMINISTRATION

At year-end, the District had \$10,815,000 in general obligation bonds outstanding. The District also had various other long-term liabilities as detailed in Note 5 to the basic financial statements.

- The District issued \$2,450,000 in General Obligation Bonds on August 22, 2023.
- The District continues to pay its scheduled debt payments, retiring \$926,600 of bonds and lease liabilities in the year ending June 30, 2024.

Outstanding Debt

	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>Percentage Change</u>
General Obligation Bonds	\$10,815,000	\$ 9,285,000	16.5%
Right of Use Lease	<u>13,200</u>	<u>19,800</u>	(33.3%)
Total	<u>\$10,828,200</u>	<u>\$ 9,304,800</u>	16.4%

FACTORS BEARING ON THE DISTRICT'S FUTURE

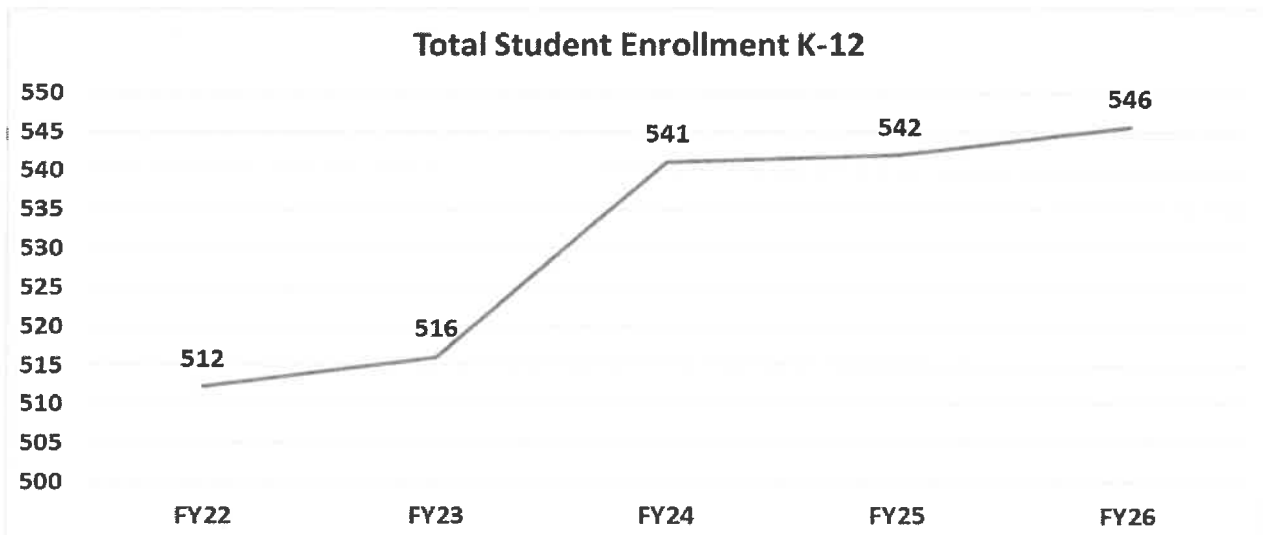
The Minnesota Legislature has made available to districts a \$300 board-controlled levy and a \$424 local optional revenue levy, giving the Minneota District a total of \$724 of board-authorized levy. With the exception of these levies, the District is dependent on the State of Minnesota and local taxpayers for its revenue authority. On November 2, 2021, a ten-year, \$500,000 per year, technology levy was passed. This new levy was to be effective for the 2022-2023 school year. On May 9, 2023, the District passed two Special Election Questions, which essentially 'repealed' the November 2021, ten-year, \$500,000 per year technology levy and replaced it with an eight-year, \$250,000 per year technology levy and the sale of an eight-year, \$2.45 million bond to fund technology. The result of these two questions being approved will be a slight reduction in taxes for district property owners.

In the 2023 Legislative Session, the Legislature approved foundation formula increases of 2.00%, for the 2024-2025 fiscal year. This has a minimal – but still slightly positive – effect for school district operations and maintaining a balanced budget. The Legislature also approved free breakfast and lunch to all K-12 students, regardless of family income during the 2023 Legislative session. This has a positive effect for school district food service funds. Along with these, long-term facilities maintenance revenue was approved in the 2015 Legislative Session, began in 2016-2017. This has a significant, positive effect for the District as the District has been working to maintain the facilities in the District. Economic conditions in Minnesota have been changing and hopefully the Legislature will continue to have options available to them in providing programs and support for K-12 education.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FACTORS BEARING ON THE DISTRICT'S FUTURE (Cont'd)

The PreK-12th grade student enrollment, including Ivanhoe tuition agreement students, increased by approximately 27 students from 2022-2023 to 2023-2024. Since revenue and funding are primarily determined by student enrollment, this enrollment increase led to a more stable and positive budget in 2023-2024. Student enrollment is anticipated to be relatively stable in the future. The District continues to utilize enrollment and financial planning tools, along with detailed and conservative budgeting and a budget monitoring process to plan for these enrollment changes to the best of its ability. The graph below includes all students in Kindergarten through 12th Grade, including students open enrolled into the District and Ivanhoe Tuition Students. With potential unforeseen variances in student enrollment and less-than-necessary funding from the State, the District will likely need to consider attempting to pass an operating referendum sometime in the near future. The District is planning for a February 2025 Building Bond Referendum to address significant deferred maintenance needs along with educational and programming enhancements.



Salary and benefit costs account for slightly less than 70% of the District's General Fund operating expenditures. Teacher contracts are in effect for two-year periods, with the most recent contract expiring on June 30, 2025. Contracts with certified staff were approved in or before June 2024 and most will expire June 30, 2025. The Superintendent's contract was approved from July 2022 through June 2025. The High School Principal and Elementary Principal/Curriculum Director's contracts are current and will expire on June 30, 2026. A contract with paraprofessionals and educational consultants was approved for two years and will expire June 30, 2026. The District will continue to bargain in good faith with staff representatives during negotiations but will also need to balance that commitment with the reality of limited resources and the District's long-range financial future.

On October 1, 2024, the School Board approved pursuing two questions for the February 11, 2025 building bond referendum. Question #1 will be for infrastructure for \$11,724,100. Question #2 will be for programming options for \$13,089,000.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide District 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 one has questions about this report or needs additional financial information, contact the Business Office, Independent School District No. 414, 504 N. Monroe Street, Minneota, MN 56264, visit the District website at www.minneotaschools.org or call (507) 872-6532.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
STATEMENT OF NET POSITION
JUNE 30, 2024
(with Partial Comparative Information as of June 30, 2023)

	Governmental Activities	
	2024	2023
ASSETS		
Current Assets:		
Cash and Investments	\$ 4,352,713	\$ 2,836,841
Property Taxes Receivable-Net	1,547,689	1,335,211
Accounts and Interest Receivable	163,143	121,128
Due From State of Minnesota	949,974	626,602
Due From Federal Government	111,646	47,717
Due From Other Government Units	1,984	3,322
Inventory	54,523	36,686
Prepaid Expenses	82,641	46,428
Total Current Assets	7,264,313	5,053,935
Noncurrent Assets:		
Investments	1,110,590	-
Capital and Right of Use Assets:		
Land	65,665	65,665
Other Capital and Right of Use Assets, Net of Depreciation and Amortization	12,711,667	13,365,646
Total Noncurrent Assets	13,887,922	13,431,311
TOTAL ASSETS	21,152,235	18,485,246
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB	16,927	30,144
Related to Pensions	1,197,810	1,591,676
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,214,737	1,621,820
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 22,366,972	\$ 20,107,066
LIABILITIES		
Current Liabilities:		
Salaries Payable	\$ 199,330	\$ 184,015
Accounts and Interest Payable	426,856	253,504
Due to State of Minnesota	36,000	-
Payroll Liabilities	163,644	153,266
Unearned Revenue	6,415	11,313
Current Portion of Long-Term Liabilities	1,164,149	942,890
Total Current Liabilities	1,996,394	1,544,988
Noncurrent Liabilities:		
Noncurrent Portion of Long-Term Liabilities	9,948,436	8,508,568
Net Pension Liability	4,646,251	4,736,976
Total OPEB Liability	143,845	174,157
Total Noncurrent Liabilities	14,738,532	13,419,701
TOTAL LIABILITIES	16,734,926	14,964,689
DEFERRED INFLOWS OF RESOURCES		
Property Tax Levied for Subsequent Year's Expenditures	2,333,441	2,174,833
Related to OPEB	68,974	62,187
Related to Pensions	330,600	870,606
TOTAL DEFERRED INFLOWS OF RESOURCES	2,733,015	3,107,626
NET POSITION		
Net Investment in Capital and Right of Use Assets	4,399,132	4,263,988
Restricted For:		
Capital Asset Acquisition	347,314	150,574
Debt Service	70,098	133,832
Food Service	184,251	168,019
Community Service	53,289	44,365
Other Activities	115,730	153,799
Unrestricted	(2,270,783)	(2,879,826)
TOTAL NET POSITION	2,899,031	2,034,751
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 22,366,972	\$ 20,107,066

The accompanying notes are an integral part of the basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2024
(with Partial Comparative Information for the Year Ended June 30, 2023)**

	2024			2023	
	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
District and School Administration	\$ 575,242				(478,409)
District Support Services	392,951				(380,790)
Regular Instruction	3,598,612	\$ 486,979	\$ 731,732	\$ 50,106	(1,592,769)
Vocational Instruction	170,054				(197,636)
Exceptional Instruction	1,116,476	113,692	945,610		(285,938)
Community Education and Services	222,310	104,694	40,170		(18,298)
Instructional Support Services	176,663		40,000		(325,154)
Pupil Support Services	1,026,259	42,721	504,117		(527,788)
Site, Buildings and Equipment	878,866		80,750		(675,006)
Fiscal and Other Fixed Cost Programs	40,372				(38,949)
Interest on Long Term Debt	324,715				(256,896)
Depreciation and Amortization-Unallocated **	718,362				(718,961)
Total Governmental Activities	9,240,882	748,086	2,342,379	50,106	(5,496,594)
General Revenues:					
Property Taxes Levied for:					
General Purposes					1,144,337
Community Education and Service					36,306
Debt Service					508,240
Federal and State Aid Not					
Restricted to Specific Purposes					5,010,174
Earnings on Investments					228,223
Miscellaneous Revenues					37,311
Total General Revenues					6,964,591
Change in Net Position					864,280
Net Position - Beginning of Year					2,034,751
Net Position - End of Year					\$ 2,899,031
					\$ 2,034,751

** This line excludes direct depreciation and amortization expenses of the various programs

The accompanying notes are an integral part of the basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

(with Partial Comparative Information as of June 30, 2023)

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Building Construction	Debt Service	2024	2023
ASSETS							
Cash and Investments	\$ 2,130,464	\$ 118,948	\$ 63,784	\$ 2,563,078	\$ 587,029	\$ 5,463,303	\$ 2,836,841
Current Property Taxes Receivable	393,217	-	13,896	-	1,134,776	1,541,889	1,330,599
Delinquent Property Taxes Receivable	2,434	-	112	-	3,254	5,800	4,612
Accounts and Interest Receivable	63,611	16,141	4,152	79,239	-	163,143	121,128
Due From State of Minnesota	870,372	-	6,483	-	73,119	949,974	626,602
Due From Federal Government	111,646	-	-	-	-	111,646	47,717
Due From Other Governmental Units	1,984	-	-	-	-	1,984	3,322
Inventory	-	54,523	-	-	-	54,523	36,686
Prepaid Expenditures	80,391	2,250	-	-	-	82,641	46,428
TOTAL ASSETS	\$ 3,654,119	\$ 191,862	\$ 88,427	\$ 2,642,317	\$ 1,798,178	\$ 8,374,903	\$ 5,053,935
LIABILITIES							
Salaries Payable	\$ 198,440	\$ 756	\$ 134	\$ -	\$ -	\$ 199,330	\$ 184,015
Accounts Payable	208,163	440	3,785	-	-	212,388	148,587
Due to State of Minnesota	36,000	-	-	-	-	36,000	-
Unearned Revenue	-	6,415	-	-	-	6,415	11,313
Payroll Liabilities	163,644	-	-	-	-	163,644	153,266
TOTAL LIABILITIES	\$ 606,247	\$ 7,611	\$ 3,919	\$ -	\$ -	\$ 617,777	\$ 497,181
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Delinquent Property Taxes	2,434	-	112	-	3,254	5,800	4,612
Property Tax Levied for Subsequent Year's Expenditures	795,512	-	31,219	-	1,506,710	2,333,441	2,174,833
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 797,946	\$ -	\$ 31,331	\$ -	\$ 1,509,964	\$ 2,339,241	\$ 2,179,445
FUND BALANCES							
Nonspendable Fund Balances	80,391	56,773	-	-	-	137,164	83,114
Restricted Fund Balances	388,652	127,478	53,177	2,642,317	288,214	3,499,838	709,344
Assigned Fund Balances	497,847	-	-	-	-	497,847	299,857
Unassigned Fund Balances	1,283,036	-	-	-	-	1,283,036	1,284,994
TOTAL FUND BALANCES	\$ 2,249,926	\$ 184,251	\$ 53,177	\$ 2,642,317	\$ 288,214	\$ 5,417,885	\$ 2,377,309
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,654,119	\$ 191,862	\$ 88,427	\$ 2,642,317	\$ 1,798,178	\$ 8,374,903	\$ 5,053,935

The accompanying notes are an integral part of the basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024
(with Partial Comparative Information as of June 30, 2023)**

	2024	2023
Total Fund Balances for Governmental Funds	\$ 5,417,885	\$ 2,377,309
 Amounts reported for governmental activities in the Statement of Net Position are different because:		
 Capital and right of use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Those assets consist of:		
Land	65,665	65,665
Other Capital and Right of Use Assets, Net of \$10,693,354 of Accumulated Depreciation and Amortization	12,711,667	13,365,646
 Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.		
	5,800	4,612
 Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(214,468)	(104,917)
 Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Outflows of Resources Related to Pensions	1,197,810	1,591,676
Deferred Outflows of Resources Related to OPEB	16,927	30,144
Deferred Inflows of Resources Related to Pensions	(330,600)	(870,606)
Deferred Inflows of Resources Related to OPEB	(68,974)	(62,187)
 Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Bonds Payable	(10,815,000)	(9,285,000)
Right of Use Lease Liabilities	(13,200)	(19,800)
Other Post Employment Benefits Payable	(143,845)	(174,157)
Pension Benefits Payable	(4,646,251)	(4,736,976)
Unamortized Bond Premium	(286,402)	(148,886)
Unamortized Bond Discounts	2,017	2,228
Total Net Position of Governmental Activities	\$ <u>2,899,031</u>	\$ <u>2,034,751</u>

The accompanying notes are an integral part of the basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

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

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Building Construction	Debt Service	2024	2023
REVENUES							
Local Property Tax Levies	\$ 1,120,346		\$ 36,288		\$ 507,745	\$ 1,664,379	\$ 1,639,186
Other Local and County Revenues	717,221	4,148	105,678	113,179	34,106	974,332	683,420
Revenue From State Sources	6,046,820	249,716	40,998	-	675,093	7,012,627	5,801,632
Revenue From Federal Sources	164,692	205,960	-	-	-	370,652	376,176
Sales and Other Conversion of Assets	10,338	33,121	-	-	-	43,459	188,600
TOTAL REVENUES	8,059,417	492,945	182,964	113,179	1,216,944	10,065,449	8,689,014
EXPENDITURES							
Current:							
District and School Administration	598,637					598,637	593,427
District Support Services	386,291					386,291	360,549
Regular Instruction	3,660,968					3,660,968	3,135,180
Vocational Instruction	180,591					180,591	237,148
Exceptional Instruction	1,131,138					1,131,138	1,037,659
Community Education and Services	-		229,610			229,610	173,382
Instructional Support Services	175,689					175,689	330,080
Pupil Support Services	538,497	476,713				1,015,210	950,237
Site, Buildings and Equipment	743,676			97,325		841,001	912,028
Fiscal and Other Fixed Cost Programs	40,372					40,372	38,949
Capital Outlay:							
Debt Service:							
Principal	17,143				920,000	937,143	958,844
Interest	1,306				251,800	253,106	278,141
Other Debt Service Expenditures	-				2,100	2,100	5,850
TOTAL EXPENDITURES	7,673,788	476,713	229,610	97,325	1,173,900	9,651,336	9,246,736
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	385,629	16,232	(46,646)	15,854	43,044	414,113	(557,722)
OTHER FINANCING SOURCES (USES)							
Bond Proceeds	-			2,450,000		2,450,000	-
Bond Issuance Premium	-			176,463		176,463	-
Insurance Recovery	-					-	165,394
Operating Transfers In (Out)	(67,553)		67,553			-	-
TOTAL OTHER FINANCING SOURCES (USES)	(67,553)		67,553	2,626,463		2,626,463	165,394
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	318,076	16,232	20,907	2,642,317	43,044	3,040,576	(392,328)
FUND BALANCE BEGINNING OF YEAR	1,931,850	168,019	32,270	-	245,170	2,377,309	2,769,637
FUND BALANCE END OF YEAR	\$ 2,249,926	\$ 184,251	\$ 53,177	\$ 2,642,317	\$ 288,214	\$ 5,417,885	\$ 2,377,309

The accompanying notes are an integral part of the basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(with Partial Comparative Information for the Year Ended June 30, 2023)**

	2024	2023
Total Net Change in Fund Balances - Governmental Funds	\$ 3,040,576	\$ (392,328)
 Amounts reported for governmental activities in the Statement of Activities are different because:		
 Capital outlays to purchase or build capital assets and right of use assets financed with long-term lease liabilities are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation or amortization expense in the Statement of Activities. This is the amount by which depreciation and amortization expense exceeds capital outlays in the period.		
Capital Outlays	195,516	228,665
Depreciation and Amortization Expense	(849,495)	(844,584)
 Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position. In the current period these amounts consist of:		
Repayment of Bond Principal	920,000	895,000
Repayment of Financed Purchase Lease	-	47,551
Repayment of Right of Use Lease	6,600	6,600
 Interest on long-term debt is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues regardless of when it is due. In addition, the amortization of bond premium/discount decreases/increases interest expense in the Statement of Activities.		
	(70,815)	25,872
 Property taxes that will not be collected for several months after the District's fiscal year end are not considered available revenues in the governmental funds, and are instead considered unavailable tax revenues. They are, however, recorded as revenues in the Statement of Activities.		
	1,188	594
 Governmental funds recognized pension contributions as expenditures at the time of payment, whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.		
State Aid Related to Pension Expense	38,525	42,254
Pension Expense	198,340	926,479
 In the Statement of Activities, other post employment benefits are measured by the amounts actuarially accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of actual or implicit resources used.		
	10,308	24,853
Change in Net Position of Governmental Activities	\$ 864,280	\$ 960,956

The accompanying notes are an integral part of the basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The financial statements of Independent School District No. 414, Minneota, Minnesota have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. The GASB pronouncements are recognized as U.S. generally accepted accounting principles for state and local governments.

B. FINANCIAL REPORTING ENTITY

Independent School District No. 414, Minneota, Minnesota (the District) is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

U.S. Generally Accepted Accounting Principles (GAAP) require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units – entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. These financial statements include all funds of the District. There are no other entities for which the District is financially accountable.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. In accordance with GASB Statement No. 84, Fiduciary Activities, and Minnesota State Statutes, the District's School Board does exercise control or oversight responsibility with respect to the underlying student activities. Accordingly, the student activity funds are included in these financial statements.

C. BASIC FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

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 items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position are available. Depreciation and amortization expense that can be specifically identified by function is included in the direct expenses of each function. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. BASIC FINANCIAL STATEMENT PRESENTATION (Cont'd)

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fiduciary funds are used to account for assets held by the District in a fiduciary capacity. No assets of the District were determined to be of this nature, so no fiduciary funds are presented.

Proprietary funds are used to report business-type activities carried on by a school district. No activities of the District were determined to be of this nature, so no proprietary funds are present in the financial statements.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

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

1. Revenue Recognition – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and U.S. generally accepted accounting principles. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.
2. Recording of Expenditures – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues and lease liabilities are recognized on their due dates.

Description of Funds

The existence of the various District funds has been established by the State of Minnesota, Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is as follows:

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Cont'd)

Description of Funds (Cont'd)

Governmental Funds

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the District, as well as the capital related activities such as maintenance of facilities, equipment purchases, health and safety projects, and disabled accessibility projects.

Food Service Fund – The Food Service Fund is used to account for food service revenues and expenditures.

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

Building Construction Fund – The Building Construction Fund is used to account for financial resources to be used for technology and technology upgrades.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

GASB Statement No. 34 specifies that the accounts and activities of each of the District’s most significant governmental funds (termed “major funds”) be reported in separate columns on the fund financial statements. Other non-major funds can be reported in total. Although only the General Fund, Building Construction Fund, and Debt Service Fund are major funds by definition, the District has elected to report all funds as major funds and therefore presents all funds in separate columns on the fund financial statements – an option permitted by GASB Statement No. 34.

E. BUDGETING

Budgets presented in this report for comparison to actual amounts are presented in accordance with U.S. generally accepted accounting principles. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Building Construction, and Debt Service Funds. The approved budget is published in summary form in the District’s legal newspaper by November 30 of each year. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels. Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

Unencumbered expenditure appropriations lapse at year-end. Encumbrances are generally not recorded.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. CASH AND INVESTMENTS

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate and government bonds, repurchase agreements and the State Treasurer's Investment Pool. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances. Investments are reported at fair value.

Cash and investments at June 30, 2024 are comprised of deposits, certificates of deposit, U.S. Treasury Notes, and shares in Minnesota Trust. Minnesota Trust is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC under Rule 2.a.7. The fair value of the position in the pool is the same as the value of the pool shares.

The District has formal policies in place as of June 30, 2024 to address custodial credit risk for deposits. The District does not have formal policies in place to address credit risk, concentration of credit risk, interest rate risk, and custodial credit risk for investments.

G. ACCOUNTS RECEIVABLE

Accounts receivable represent amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. Amounts due from the State of Minnesota and from other governmental units for general education aids and reimbursements under various specific programs are reported at the estimated amounts to be received based on available information at the date of this report. In some instances, adjustments and proration by these agencies, which are dependent upon the amount of funds available for distribution, may result in differing amounts actually being received. Any such differences will be absorbed into operations of the subsequent period. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary. The only receivables not expected to be collected within one year are delinquent property taxes receivable, which are generally immaterial.

H. INVENTORIES

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

I. PREPAYMENTS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

J. PROPERTY TAXES

The Board of Education annually adopts a tax levy and certifies it to the County in December for collection in the following year. The County is responsible for collecting all property taxes for the District. These taxes attach an enforceable lien on taxable property within the District on January 1 and are payable by the property owners in May and October of each year. The taxes are collected by the County Auditor-Treasurer and tax settlements are made to the District periodically throughout the year.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. PROPERTY TAXES (Cont'd)

Statutory funding formulas determine the majority of the District revenue in the General and special revenue funds. This revenue is divided between property taxes and State aids by the legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the “tax shift.” The remaining portion of taxes collectible in 2024 is recorded as a deferred inflow of resources (property tax levied for subsequent year’s expenditures).

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 available to finance the operations of the District in the current year.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets. 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 fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress, if any.

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

The accounting policies for the amortization of right of use assets are discussed in the specific policy note below.

L. LEASES

The District accounts for leases under GASB Statement No. 87, *Leases*. This requires the establishment of a lease liability and related right of use asset for all leases with a term longer than 12 months. The District evaluates each arrangement at inception to determine if it qualifies as a long-term lease.

The District capitalizes right of use assets at the present value of the lease payments over the lease term at the commencement date. Right of use assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Right of use assets are amortized using the straight-line method over the term of the lease which is five years.

The District records long-term leases at the present value of the lease payments over the lease term at the commencement date. Lease payments may include fixed and variable payment amounts. The District determines the relevant lease term by evaluating whether renewal and termination options are reasonably certain to be exercised. If it is not explicitly stated in the agreement, the District uses a discount rate based on the value of the asset or their incremental borrowing rate to calculate the present value of the lease payments. Lease liabilities are recorded in the government-wide financial statements, but are not reported in the fund financial statements.

Payments on leases with a term of less than 12 months are recorded as expenditures at the time of payment.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District accounts for subscription-based information technology arrangements (SBITAs) under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This requires the establishment of a subscription asset and related subscription liability (where applicable) for all SBITAs with a term longer than 12 months. Payments on subscription arrangements with a term of less than 12 months are recorded as expenditures at the time of payment. The District evaluates each subscription arrangement at inception to determine if it qualifies as a SBITA. The District has determined that none of their subscription arrangements qualify as a SBITA as of June 30, 2024.

N. 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. Existing bonded debt is reported at the face value of remaining indebtedness. For any new indebtedness that may be issued, bond premiums and discounts will be deferred and amortized over the life of the bonds using the straight-line method. Bonds payable will be reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

O. DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

P. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the Statement of Net Position and the governmental funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Q. DEFINED BENEFIT PENSION PLANS

The District recognized total pension expense (revenue) of \$174,032 for the following statewide pension plans in which it participates.

Teachers Retirement Association

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. DEFINED BENEFIT PENSION PLANS (Cont'd)

Public Employees Retirement Association

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 additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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.

R. VACATION AND SICK PAY

Employees of the District earn sick leave at various rates for each month of full time service to a maximum accumulation of 150 days. Unused vacation pay does not accumulate. The expenditures for sick leave and vacation pay are recognized during the periods that payment is actually made and accumulated leaves are forfeited by the employee upon termination of employment.

S. MATCHING DEFERRED ANNUITY PROGRAM

District's Deferred Annuity Contribution

Beginning July 1, 2004 matching deferred compensation is available to all regularly contracted teachers who have reached the fourth year of service or have been granted tenure. A tenured teacher shall start at the fourth step and move one step for every year of service to the District. The District will match up to the monthly employee's contribution to an approved 403(b) annuity. Teachers whose basic contract is between 35% of full time and full time and are on step four or higher will have this benefit prorated on a monthly basis.

T. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and workers compensation. The District purchases commercial insurance coverage for such risks.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

U. FUND BALANCE

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources reported in governmental funds. These classifications are as follows:

Nonspendable – consists of amounts that cannot be spent because it is not in spendable form, such as prepaid and inventory items.

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 amounts that are constrained for specific purposes that are internally imposed by formal action (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 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 other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School Board itself or by an official to which the School Board delegates the authority. Pursuant to School Board resolution, the District Finance Director and Superintendent are authorized to establish assignments of fund balance.

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MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. FUND BALANCE (Cont'd)

Unassigned – is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

If resources from more than one fund balance classification could be spent, the District will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned as determined by the School Board.

To ensure the financial strength and stability of the District, the School Board will maintain a minimum of 25% but will strive to maintain 30% or better of the District's General Fund operating budget, excluding those accounts associated within the restricted category, in the combined total of the General Fund committed, assigned and unassigned fund balances.

V. NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide financial statements. Net position invested in capital and right of use assets consists of capital and right of use assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of any long-term liabilities used to build, acquire, or finance the capital and right of use assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All other net position items that do not meet the definition of "net investment in capital and right of use assets" or "restricted" are reported as unrestricted.

W. USE OF ESTIMATES

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

X. RECLASSIFICATIONS

Certain amounts in the prior year data have been reclassified in order to be consistent with the current year's presentation. The total amount of the District's prior year fund balance did not change due to these reclassifications.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND BALANCE/NET POSITION

At June 30, 2024, the District had no funds with negative fund balances.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the School Board, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all District deposits be secured by a bank guaranty bond or 110 percent of collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk: For deposits, is the risk that, in the event of failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2024, the District's bank balance was not exposed to custodial credit risk because it was insured and properly collateralized with securities held by the pledging financial institution's trust department or agent and in the District's name.

B. INVESTMENTS

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investments were not exposed to interest rate risk at June 30, 2024.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investments were not exposed to credit risk at June 30, 2024.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District has no formal investment policy that places limits on the amount the District may invest in any one issuer. More than 5% of the District's investments are in Minnesota Trust.

Custodial Credit Risk: For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments were not exposed to custodial credit risk at June 30, 2024.

The following table presents the District's cash and investment balances at June 30, 2024:

<u>Cash/Investment Type</u>	<u>Credit Rating</u>	<u>Average Maturities</u>	<u>Percentage of Total</u>	
Pooled Cash and Investments:				
Certificates of Deposit	N/A	8.1 Months	43.6%	\$ 2,379,900
Money Market Accounts	N/A	N/A	38.7%	2,112,671
U.S. Treasury Notes	AAA to AA+	8.0 Months	10.6%	581,742
Checking Account	N/A	N/A	7.1%	388,990
Total Cash and Investments			100.0%	\$ <u>5,463,303</u>

Cash and Investments are presented in the June 30, 2024 basic financial statements as follows:

Statement of Net Position:

Current Assets:	
Cash and Investments	\$ 4,352,713
Noncurrent Assets:	
Investments	<u>1,110,590</u>
Total Cash and Investments	\$ <u>5,463,303</u>

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DEPOSITS AND INVESTMENTS (Cont'd)

C. FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The Governmental Accounting Standards Board (GASB) establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs used to measure fair value. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There are three levels of inputs that may be used to measure fair value:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The entity has the following recurring fair value measurements as of June 30, 2024:

- Fixed income securities - Fixed income securities are valued using market corroborated inputs.

There were no level 1 or 3 inputs as of June 30, 2024.

The following table sets forth by level, within the fair value hierarchy, the District's investments at fair value as of June 30, 2024.

	2024	
Fair Value	Significant Observable Inputs Level 2	
Investments by Fair Value Level		
Fixed Income Securities		
U.S. Treasury Notes	\$ 581,742	\$ 581,742
Total Fixed Income Securities	581,742	581,742
Total Investments by Fair Value Level	\$ 581,742	\$ 581,742

A summary of Cash and Investments as of June 30, 2024 is as follows:

Investments Disclosed by Fair Value Level	\$ 581,742
Accounts not Disclosed by Fair Value Level:	
Certificates of Deposit	2,379,900
Money Market Accounts	2,112,671
Checking Accounts	388,990
Total Cash and Investments	\$ 5,463,303

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

4. CAPITAL AND RIGHT OF USE ASSETS

Capital and right of use asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 65,665	\$ -	\$ -	\$ 65,665
Total Capital Assets, Not Being Depreciated	<u>65,665</u>	<u>-</u>	<u>-</u>	<u>65,665</u>
Capital Assets, Being Depreciated				
Land Improvements	687,332	-	-	687,332
Buildings and Improvements	20,170,995	-	-	20,170,995
Equipment and Transportation Vehicles	2,318,178	195,516	-	2,513,694
Total Capital Assets, Being Depreciated	<u>23,176,505</u>	<u>195,516</u>	<u>-</u>	<u>23,372,021</u>
Right of Use Assets, Being Amortized				
Leased Office Equipment	33,000	-	-	33,000
Total Right of Use Assets, Being Amortized	<u>33,000</u>	<u>-</u>	<u>-</u>	<u>33,000</u>
Accumulated Depreciation for:				
Land Improvements	438,423	28,472	-	466,895
Buildings and Improvements	7,815,444	692,950	-	8,508,394
Equipment and Transportation Vehicles	1,576,792	121,473	-	1,698,265
Accumulated Amortization for:				
Leased Office Equipment	13,200	6,600	-	19,800
Total Accumulated Depreciation and Amortization	<u>9,843,859</u>	<u>849,495</u>	<u>-</u>	<u>10,693,354</u>
Total Capital and Right of Use Assets, Being Depreciated and Amortized, Net	<u>13,365,646</u>	<u>(653,979)</u>	<u>-</u>	<u>12,711,667</u>
Governmental Activities Capital and Right of Use Assets, Net	<u>\$13,431,311</u>	<u>\$ (653,979)</u>	<u>\$ -</u>	<u>\$12,777,332</u>

Depreciation and amortization expense was charged to functions of the District as follows:

Governmental Activities	
District and School Administration	\$ 400
Regular Instruction	95,623
Exceptional Instruction	383
Community Education and Services	1,068
Pupil Support Services	15,653
Site, Buildings and Equipment	18,006
Unallocated	<u>718,362</u>
Total Depreciation and Amortization Expense, Governmental Activities	<u>\$ 849,495</u>

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

5. LONG-TERM LIABILITIES

A. DESCRIPTION OF LONG-TERM DEBT

Under the provisions of Minnesota Statute §475.53 subd. 4, the District’s net debt may not exceed 15% of the estimated market value of all taxable property within the District. The District is in compliance with this provision.

Long-term debt is comprised of the following as of June 30, 2024:

<u>Governmental Activities</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Debt Outstanding</u>
Alternative Facilities Bonds, Series 2016A	2.00-2.75%	\$ 2,400,000	02/01/2031	\$ 1,235,000
Capital Facilities Bonds, Series 2016A	2.00-2.75%	\$ 960,000	02/01/2031	540,000
Alternative Facilities Refunding Bonds, Series 2016B	2.00%	\$ 2,620,000	02/01/2028	1,745,000
General Obligation School Building Bonds, Series 2018A	3.00%	\$ 5,160,000	02/01/2038	3,950,000
General Obligation Facilities Maintenance Bonds, Series 2018B	3.00-4.00%	\$ 1,230,000	02/01/2034	895,000
General Obligation Bonds, Series 2023A	5.00%	\$ 690,000	02/01/2027	690,000
General Obligation Bonds, Series 2023B	6.00%	\$ 1,760,000	02/01/2032	1,760,000
Long-Term Lease Liabilities				
Right of Use Leases				
Print Management	0.00%	\$ 33,000	06/01/2027	13,200
Unamortized Premiums				286,402
Unamortized Discounts				(2,017)
Total Outstanding Long-Term Debt				<u>\$11,112,585</u>

General Obligation Bonds

On March 24, 2016, the District issued \$2,400,000 of General Obligation Alternative Facilities Bonds, Series 2016A. The proceeds of this bond issue are for ventilation system improvements, and sprinkling/fire alarm system replacements to the existing facilities. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2023-2024 was \$36,163.

On March 24, 2016, the District issued \$960,000 of General Obligation Capital Facilities Bonds, Series 2016A. The proceeds of this bond issue are for energy conservation and deferred maintenance projects in the existing facilities. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2023-2024 was \$15,800.

On August 18, 2016, the District issued \$2,620,000 of General Obligation Alternative Facilities Refunding Bonds, Series 2016B. The proceeds of the issue were used to finance a partial refunding of the 2023 through 2028 maturities of the District’s \$2,945,000 General Obligation Alternative Facilities Bonds, Series 2008B, dated June 12, 2008. The proceeds were placed in an escrow account which paid the interest on the advance refunding bonds until February 2018, at which time the 2008B series bonds were callable and the escrow was used to defease the refunded debt. This advance refunding was undertaken to reduce the District’s future debt service payments by \$288,552, resulting in a present value savings of \$260,337. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2023-2024 was \$43,100.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

5. LONG-TERM LIABILITIES (Cont'd)

A. DESCRIPTION OF LONG-TERM DEBT (Cont'd)

General Obligation Bonds (Cont'd)

On February 8, 2018, the District issued \$5,160,000 of General Obligation School Building Bonds, Series 2018A. The proceeds of this bond issue are for the acquisition and betterment of the school site and facility, including the renovation, repair, remodeling, upgrading, equipping and construction of improvements to the school district site and facility. This includes the renovation and construction of plumbing upgrades to the 1950 and 1961 elementary bathrooms and the 1957 varsity locker rooms; the expansion of classrooms for kindergarten and Family and Consumer Science; the construction of electrical upgrades to the K-12 building; the removal of asbestos from classrooms and hallway flooring; the acquisition, construction and installation of a new air handler in the elementary area, and the completion of various other health and safety improvements to the school district facility. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2023-2024 was \$124,650.

On December 13, 2018, the District issued \$1,230,000 of General Obligation Facilities Maintenance Bonds, Series 2018B. The proceeds of this bond issue are for various indoor air quality and health and safety projects in the existing facilities. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2023-2024 was \$32,087.

On August 22, 2023, the District issued \$690,000 of General Obligation Bonds, Series 2023A. The proceeds of this bond issue are for the acquisition and betterment of the school site and facility, including the acquisition, installation, replacement and maintenance of software, computers, mobile devices, improved technology and technology systems, networks, infrastructure, and office and instructional technology; and to pay costs associated with issuance of the bonds. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. There was no interest paid in 2023-2024.

On August 22, 2023, the District issued \$1,760,000 of General Obligation Bonds, Series 2023B. The proceeds of this bond issue are for the acquisition and betterment of the school site and facility, including the acquisition, installation, replacement and maintenance of software, computers, mobile devices, improved technology and technology systems, networks, infrastructure, and office and instructional technology; and to pay costs associated with issuance of the bonds. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. There was no interest paid in 2023-2024.

Long-Term Lease Liabilities (Right of Use Lease)

Print Management

The District entered into a five year lease agreement in July of 2021 with Bennett Office Technologies (now Coordinated Business Services, Ltd.) for the use of print management services. The lease agreement has required monthly principal and interest payments of \$550 throughout the term of the lease. The lease liability is measured at a discount rate of 0.00%, as estimated by the District based on the various terms in the lease agreement. Principal and interest payments on this lease are recorded in the in the General Fund. Interest paid in 2023-2024 was \$-0-.

These right of use assets serve as collateral for the related right of use lease liability and are being amortized using a straight-line method over the life of the right of use asset.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

5. LONG-TERM LIABILITIES (Cont'd)

B. MINIMUM DEBT PAYMENTS

Minimum annual principal and interest payments on general obligation bonds payable and the right of use lease are as follows:

Year Ending June 30	General Obligation Bonds Payable		Right of Use Lease	
	Principal	Interest	Principal	Interest
2025	\$ 1,115,000	\$ 429,528	\$ 6,600	\$ -
2026	1,215,000	335,000	6,600	-
2027	1,260,000	300,300	-	-
2028	1,315,000	263,388	-	-
2029	930,000	220,325	-	-
2030-2034	3,625,000	550,258	-	-
2035-2038	1,355,000	103,200	-	-
	<u>\$10,815,000</u>	<u>\$2,201,999</u>	<u>\$ 13,200</u>	<u>\$ -</u>

C. CHANGES IN LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities					
Alternative Facilities Bonds, Series 2016A	\$ 1,395,000	\$ -	\$ 160,000	\$ 1,235,000	\$ 165,000
Capital Facilities Bonds, Series 2016A	610,000	-	70,000	540,000	70,000
Alternative Facilities Refunding, Bonds, Series 2016B	2,155,000	-	410,000	1,745,000	420,000
General Obligation School Building Bonds, Series 2018A	4,155,000	-	205,000	3,950,000	210,000
General Obligation Facilities Maintenance Bonds, Series 2018B	970,000	-	75,000	895,000	80,000
General Obligation Bonds, Series 2023A	-	690,000	-	690,000	170,000
General Obligation Bonds, Series 2023B	-	1,760,000	-	1,760,000	-
Long-Term Lease Liabilities					
Right of Use Lease					
Print Management	19,800	-	6,600	13,200	6,600
Unamortized Premiums	148,886	176,463	38,947	286,402	42,760
Unamortized Discounts	(2,228)	-	(211)	(2,017)	(211)
	<u>\$ 9,451,458</u>	<u>\$ 2,626,463</u>	<u>\$ 965,336</u>	<u>\$11,112,585</u>	<u>\$ 1,164,149</u>

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

6. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The District follows Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

A. GENERAL INFORMATION ABOUT THE OPEB PLAN

1. Plan Description

The District's defined benefit OPEB plan, Independent School District No. 414, Minneota, Minnesota's retirees' health insurance plan (the Plan), provides OPEB for certain retired employees of the District. The Plan is a single-employer defined benefit OPEB plan administered by the District. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period.

No assets are accumulated in a trust that meets the criteria in Paragraph four of GASB Statement No. 75. OPEB benefits have historically been funded on a pay-as-you-go basis. For fiscal year 2024, the District paid benefits of \$10,227 from the General Fund.

2. Benefits Provided

The District provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. Minnesota Statute 471.61 subd. 2b requires that government entities allow active employees who retire from the District when eligible to receive a retirement benefit from the Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA) and do not participate in any other health benefits program providing similar coverage, continued coverage with respect to both themselves and their eligible dependent(s) under the District's health benefits program. Retiree and District responsibility as to amount of premium covered are dependent upon employee classification at retirement. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy.

3. Employees Covered by Benefit Terms

At July 1, 2023, the following employees were covered by the benefit terms:

Spouses receiving benefits	1
Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	<u>79</u>
	<u><u>83</u></u>

B. TOTAL OPEB LIABILITY

The District's total OPEB liability of \$143,845 was measured as of July 1, 2023, and was determined by an actuarial valuation as July 1, 2023. The "entry age with level percentage of pay" actuarial cost method as prescribed by GASB Statement No. 75 was used to calculate the total OPEB liability.

1. Actuarial Assumptions and Other Inputs

The total OPEB liability measured on July 1, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Service graded table range from 2.85% to 10.25%
Discount rate	3.90%
Healthcare cost trend rate	6.50% as of July 1, 2023 grading to 5.00% over 6 years and then to 4.00% over the next 48 years

The discount rate was based on the estimated yield of 20-Year AA-rated municipal bonds.

Mortality rates were based on recent tables developed and recommended by the Society of Actuaries.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

6. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Cont'd)

B. TOTAL OPEB LIABILITY (Cont'd)

1. Actuarial Assumptions and Other Inputs (Cont'd)

The actuarial assumptions used in the July 1, 2023 valuation (July 1, 2023 measurement) were made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. Assumptions were based on various rationale that included a variety of published sources of historical and projected future financial data and various studies or experience studies. The retirement and withdrawal assumptions used were similar to those used to value pension liabilities for Minnesota School District employees. The rates are based on the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2014 through June 30, 2018. The full list of assumptions and rationale are included in the District's OPEB plan report, which may be obtained by writing or calling the District.

C. CHANGES IN THE TOTAL OPEB LIABILITY

	<u>Total OPEB Liability</u>
Balance at July 1, 2022 (reporting date June 30, 2023)	\$ <u>174,157</u>
Changes for the year:	
Service cost	11,335
Interest	6,600
Assumption Changes	2,117
Asset Gain/(Loss)	(26,520)
Benefit payments	<u>(23,844)</u>
Net changes	<u>(30,312)</u>
Balance at July 1, 2023 (reporting date June 30, 2024)	\$ <u>143,845</u>

Changes in the benefit terms since the prior measurement date:

- None.

Changes in actuarial assumptions since the prior measurement date:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirements Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The discount rate was changed from 3.80% to 3.90%.

1. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	Total OPEB Liability	
1 percent decrease	Current	1 percent increase
(2.90%)	(3.90%)	(4.90%)
\$152,269	\$143,845	\$135,642

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6. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Cont'd)

C. CHANGES IN THE TOTAL OPEB LIABILITY (Cont'd)

2. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	Total OPEB Liability	
1 percent decrease	Current	1 percent increase
(5.50%	(6.50%	(7.50%
decreasing	decreasing	decreasing
to 4.00%	to 5.00%	to 6.00%
over 6 years	over 6 years	over 6 years
then to 3.00%)	then to 4.00%)	then to 5.00%)
\$129,950	\$143,845	\$160,221

D. OPEB EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2024, the District recognized OPEB expense (revenue) of \$81. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 58,719
Changes of assumptions or other inputs	6,700	10,255
Benefits paid subsequent to the measurement date	<u>10,227</u>	<u>-</u>
Total	<u>\$ 16,927</u>	<u>\$ 68,974</u>

\$10,227 reported as deferred outflows of resources related to OPEB resulting from the District's benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	OPEB Expense Amount
2025	\$ (18,016)
2026	\$ (18,010)
2027	\$ (9,931)
2028	\$ (10,450)
2029	\$ (5,867)
Thereafter	\$ -

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7. FUND BALANCE CLASSIFICATION

At June 30, 2024, a summary of the governmental fund balance classifications is as follows:

	General Fund	Food Service Fund	Community Service Fund	Building Construction Fund	Debt Service Fund	Total
Nonspendable:						
Prepaid Expenditures	\$ 80,391	\$ 2,250	\$ -	\$ -	\$ -	\$ 82,641
Inventory	-	54,523	-	-	-	54,523
	<u>80,391</u>	<u>56,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,164</u>
Restricted for:						
Literacy Incentive Aid	25,304	-	-	-	-	25,304
Operating Capital	273,635	-	-	-	-	273,635
Capital Projects/Technology Levy	(713)	-	-	-	-	(713)
School Library Aid	1,605	-	-	-	-	1,605
Long-Term Facilities Maintenance	32,656	-	-	-	-	32,656
Student Support Personnel Aid	28,337	-	-	-	-	28,337
Student Activities	27,828	-	-	-	-	27,828
Food Service	-	127,478	-	-	-	127,478
Community Education	-	-	41,051	-	-	41,051
Community Service	-	-	10,341	-	-	10,341
Early Childhood Family Education	-	-	1,785	-	-	1,785
Technology and Technology Upgrades	-	-	-	2,642,317	-	2,642,317
Debt Service	-	-	-	-	288,214	288,214
	<u>388,652</u>	<u>127,478</u>	<u>53,177</u>	<u>2,642,317</u>	<u>288,214</u>	<u>3,499,838</u>
Assigned for:						
Projected Budget Deficit	122,847	-	-	-	-	122,847
Curriculum and Instructional Resources	150,000	-	-	-	-	150,000
Furniture, Fixtures, and Equipment	75,000	-	-	-	-	75,000
District Vehicles	150,000	-	-	-	-	150,000
	<u>497,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>497,847</u>
Unassigned:	<u>1,283,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,283,036</u>
Total Fund Balance:	<u>\$2,249,926</u>	<u>\$ 184,251</u>	<u>\$ 53,177</u>	<u>\$2,642,317</u>	<u>\$ 288,214</u>	<u>\$ 5,417,885</u>

The District is reporting a negative restricted fund balance in Capital Projects/Technology Levy at June 30, 2024. Minnesota Statutes require the District to report a deficit in the restricted fund balance, when applicable, in order to permit the statutory revenue formula calculations. This deficit will be partially offset with future operating tax levies.

8. PENSION PLANS

Substantially all employees of the District are required by State law to belong to pension plans administered by Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA), all of which are administered on a statewide basis. Disclosures relating to these plans follow:

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8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION

1. Plan Description

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. TRA is a separate statutory entity and is administered by a Board of Trustees. The Board 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 schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Defined Contribution Plan (DCR) administered by Minnesota State.

2. Benefits Provided

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

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

Tier I:	<u>Step Rate Formula</u>	<u>Percentage</u>
Basic	1 st ten years of service	2.20% per year
	All years after	2.70% per year
Coordinated	1 st ten years if service years are up to July 1, 2006	1.20% per year
	1 st ten years if service years are July 1, 2006 or after	1.40% per year
	All other years of service if service years are up to July 1, 2006	1.70% per year
	All other years of service if service years are July 1, 2006 or after	1.90% per year

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) 3.00% per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

or

Tier II: For years of service prior to July 1, 2006, a level formula of 1.70% per year for Coordinated members and 2.70% per year for Basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.90% per year for Coordinated members and 2.70% per year for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

2. Benefits Provided (Cont'd)

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 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.

3. Contribution Rate

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2022, June 30, 2023, and June 30, 2024 were:

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

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

Employer contributions reported in TRA's ACFR, Statement of Changes in Fiduciary Net Position	\$ 508,764,000
Employer contributions not related to future contribution efforts	(87,000)
TRA's contributions not included in allocation	<u>(643,000)</u>
Total employer contributions	508,034,000
Total non-employer contributions	<u>35,587,000</u>
Total contributions reported in Schedule of Employer and Non-Employer Allocations	<u>\$ 543,621,000</u>

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

The District's contributions to the TRA plan for the year ended June 30, 2024, were \$292,195. The District's contributions were equal to the required contributions as set by state statute.

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JUNE 30, 2024**

8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

4. Actuarial Assumptions

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

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information

Valuation Date	July 1, 2023
Measurement Date	June 30, 2023
Experience Study	June 28, 2019 (demographic and economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage Growth Rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected Salary Increase	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Cost of Living Adjustment	1.00% for January 2019 through January 2023, then increasing by 0.10% each year up to 1.50% annually

Mortality Assumptions

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 rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
Post-disability	RP-2014 disabled retiree mortality table, without adjustment.

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

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8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

4. Actuarial Assumptions (Cont'd)

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 (Geometric Mean)
Domestic Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Private Markets	25.00%	5.90%
Fixed Income	<u>25.00%</u>	0.75%
Total	<u>100.00%</u>	

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2023 is six years. The *Difference Between Expected and Actual Experience, Changes of Assumptions, and Changes in Proportion* use the amortization period of six years in the schedule presented. The amortization period for *Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments* is five years as required by GASB Statement No. 68.

The following changes in benefit and funding terms and actuarial assumptions occurred in 2023:

Changes in the benefit and funding terms since the prior measurement date:

- None

Changes in actuarial assumptions since the prior measurement date:

- The 2023 Tax Finance and Policy Bill, effective July 1, 2025:
 - The employer contribution rate will increase from 8.75% to 9.50% on July 1, 2025.
 - The employee contribution rate will increase from 7.75% to 8.00% on July 1, 2025.
 - The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.
- The 2024 Omnibus Pensions and Retirement Bill:
 - The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024.
 - The TRA's amortization date will remain the same at 2048.

5. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2023 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted, and as a result, the Municipal Bond Index Rate was not used in determination of the Single Equivalent Interest Rate (SEIR).

6. Net Pension Liability

On June 30, 2024, the District reported a liability of \$3,896,938 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to

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8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

6. Net Pension Liability (Cont'd)

TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was 0.0472% at the end of the measurement period and 0.0462% for the beginning of the year.

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

District's proportionate share of net pension liability	\$	3,896,938
State's proportionate share of the net pension liability associated with the District		<u>272,941</u>
Total		<u>\$ 4,169,879</u>

For the year ended June 30, 2024, the District recognized pension expense (revenue) of \$35,714. This amount is inclusive of \$38,432 which is recognized as pension expense (and grant revenue) for the support provided by direct aid.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 36,334	\$ 55,009
Changes in actuarial assumptions	414,550	-
Net difference between projected and actual investment earnings	40,718	-
Changes in proportion	157,171	38,977
Contributions paid to TRA subsequent to the measurement date	<u>292,195</u>	<u>-</u>
Total	<u>\$ 940,968</u>	<u>\$ 93,986</u>

The \$292,195 reported as deferred outflows of resources related to pensions resulting from the District's contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to TRA pensions will be recognized in pension expense as follows:

Year ended June 30	Pension Expense Amount
2025	\$ 77,493
2026	\$ 30,867
2027	\$ 452,060
2028	\$ (11,851)
2029	\$ 6,218
Thereafter	\$ -

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8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

7. Pension Liability Sensitivity

The following presents the net pension liability of TRA calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

Sensitivity of Net Pension Liability (NPL) to changes in the discount rate		
1 percent decrease	Current	1 percent increase
(6.00%)	(7.00%)	(8.00%)
\$6,215,329	\$3,896,938	\$1,999,052

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

8. Pension Plan Fiduciary Net Position

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

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

1. Plan Description

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

General Employees Retirement Plan

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

2. Benefits Provided

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

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.20% for each of the first 10 years of service and 1.70% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.70% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

2. Benefits Provided (Cont'd)

General Employees Plan Benefits (Cont'd)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50.00% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.00% and a maximum of 1.50%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

In 2023, the legislature allocated funding for a one-time lump-sum payment to General Employee Plan benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

3. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2024, were \$81,438. The District's contributions were equal to the required contributions as set by state statute.

4. Pension Costs

General Employees Fund Pension Costs

At June 30, 2024, the District reported a liability of \$749,313 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$20,702.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0134% at the end of the measurement period and 0.0131% for the beginning of the period.

District's proportionate share of net pension liability	\$ 749,313
State's proportionate share of the net pension liability associated with the District	20,702
Total	<u>\$ 770,015</u>

For the year ended June 30, 2024, the District recognized pension expense (revenue) of \$138,318 for its proportionate share of the General Employees Plan's pension expense. This amount is inclusive of \$93, which is recognized as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's pension expense for the annual \$16 million contribution.

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8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

4. Pension Costs (Cont'd)

General Employees Fund Pension Costs (Cont'd)

At June 30, 2024, the District reported its proportionate share of the General Employees Plan'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	\$ 24,475	\$ 4,970
Changes in actuarial assumptions	116,849	205,380
Net difference between projected and actual investment earnings	-	26,264
Changes in proportion	34,080	-
Contributions paid to PERA subsequent to the measurement date	81,438	-
Total	<u>\$ 256,842</u>	<u>\$ 236,614</u>

The \$81,438 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	Pension Expense Amount
2025	\$ 35,216
2026	\$ (101,456)
2027	\$ 21,286
2028	\$ (16,256)
2029	\$ -
Thereafter	\$ -

5. Long-term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Markets	25.00%	5.90%
Total	<u>100.00%</u>	

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JUNE 30, 2024**

8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

6. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.00%. 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 investment return rates deemed to be reasonable by the actuary. An investment return of 7.00% was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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

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

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

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

7. Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2023 was 7.00%. 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 General Employees Fund 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.

8. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for the General Employees Fund, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

8. Pension Liability Sensitivity (Cont'd)

Sensitivity of Net Pension Liability (NPL) to changes in the discount rate		
1 percent decrease	Current	1 percent increase
(6.00%)	(7.00%)	(8.00%)
\$1,325,595	\$749,313	\$275,299

9. Pension Plan Fiduciary Net Position

Detailed information about the pension 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.

C. CHANGES IN THE NET PENSION LIABILITY

Changes in the net pension liability related to pension plans for the fiscal year ended June 30, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Teachers Retirement Association	\$ 3,699,452	\$ 713,672	\$ 516,186	\$ 3,896,938
Public Employees Retirement Association	<u>1,037,524</u>	<u>147,083</u>	<u>435,294</u>	<u>749,313</u>
Total Net Pension Liability	<u>\$ 4,736,976</u>	<u>\$ 860,755</u>	<u>\$ 951,480</u>	<u>\$ 4,646,251</u>

D. FINANCIAL STATEMENT PRESENTATION

Deferred Inflows/Outflows of Resources related to pension plans are presented in the June 30, 2024 basic financial statements as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
TRA	\$ 940,968	\$ 93,986
PERA	<u>256,842</u>	<u>236,614</u>
Total Governmental Activities	<u>\$ 1,197,810</u>	<u>\$ 330,600</u>

9. OPERATING TRANSFER

During 2024, the following authorized transfer was made:

<u>From</u>	<u>To</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Community Service Fund	To cover deficit spending in School Readiness and E.C.F.E.	<u>\$ 67,553</u>

10. GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 101, *Compensated Absences* was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The Statement will result in a liability for compensated absences that more appropriately reflects when the District incurs an obligation. Statement No. 101 is effective for implementation for the year ended June 30, 2025.

11. SUBSEQUENT EVENT

On October 1, 2024, the School Board approved pursuing two questions for the February 11, 2025 building bond referendum. Question #1 will be for infrastructure for \$11,724,100. Question #2 will be for programming options for \$13,089,000.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2024

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS)**)

Measurement Date	7/1/2023	7/1/2022	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017
Total OPEB Liability							
Service Cost	\$ 11,335	8,885	\$ 11,250	\$ 14,453	\$ 10,976	\$ 12,833	\$ 12,459
Interest	6,600	4,055	5,870	6,084	8,816	9,367	9,989
Assumption Changes	2,117	(12,629)	5,958	3,582	(4,331)	-	-
Plan Changes	-	-	-	62,678	-	-	-
Differences between expected and actual experience	-	-	(37,950)	-	(52,272)	-	-
Asset Gain/(Loss)	(26,520)	-	-	-	-	-	-
Benefit Payments	(23,844)	(20,644)	(47,679)	(22,954)	(36,326)	(36,766)	(45,399)
Net change in total OPEB liability	(30,312)	(20,333)	(62,551)	63,843	(73,137)	(14,566)	(22,951)
Total OPEB Liability - Beginning	174,157	194,490	257,041	193,198	266,335	280,901	303,852
Total OPEB Liability - Ending (a)	\$ 143,845	\$ 174,157	\$ 194,490	\$ 257,041	\$ 193,198	\$ 266,335	\$ 280,901
Covered Payroll	\$ 3,838,967	3,164,870	\$ 3,072,689	\$ 2,992,761	\$ 2,905,593	\$ 2,969,907	\$ 2,833,405
Total OPEB liability as a percentage of covered payroll	3.75%	5.50%	6.33%	8.59%	6.65%	8.97%	9.91%

**Note: The District implemented the provisions of GASB Statement No. 75 for the year ended June 30, 2018. The Schedules within the Required Supplementary Information section require a ten-year presentation, but do not require retroactive reporting. Information prior to 2018 is not available. Additional years will be reported as they become available.

Note: This schedule is presented using the optional format of combining the required schedules in paragraphs 170(a) and 170(b) of GASB Statement No. 75.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY AND DISTRICT'S
CONTRIBUTIONS FOR DEFINED BENEFIT PENSION PLANS
JUNE 30, 2024**

TEACHERS RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS)**

Measurement Date	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	District's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability with the District		District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a+b/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
				(a+b)	(c)			
6/30/23	0.0472%	\$ 3,896,938	\$ 272,941	\$4,169,879	\$3,000,741	139.0%	76.42%	
6/30/22	0.0462	3,699,452	274,203	3,973,655	2,858,632	139.0	76.17	
6/30/21	0.0431	1,886,185	158,959	2,045,144	2,605,316	78.5	86.63	
6/30/20	0.0437	3,228,615	270,783	3,499,398	2,525,827	138.5	75.48	
6/30/19	0.0439	2,798,195	247,709	3,045,904	2,503,129	121.7	78.21	
6/30/18	0.0451	2,834,587	266,479	3,101,066	2,507,126	123.7	78.07	
6/30/17	0.0437	8,723,313	842,826	9,566,139	2,354,446	406.3	51.57	
6/30/16	0.0459	10,948,245	1,098,762	12,047,007	2,433,727	495.0	44.88	
6/30/15	0.0485	3,000,205	367,673	3,367,878	2,477,655	135.9	76.80	
6/30/14	0.0512	2,359,259	165,965	2,525,224	2,334,359	108.2	81.50	

TEACHERS RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS)**

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution		Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
		Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)		
6/30/24	\$ 292,195	\$ 292,195	\$ -	\$ 3,324,226	8.79%
6/30/23	256,988	256,988	-	3,000,741	8.56
6/30/22	239,805	239,805	-	2,858,632	8.39
6/30/21	212,153	212,153	-	2,605,316	8.14
6/30/20	200,524	200,524	-	2,525,827	7.94
6/30/19	193,861	193,861	-	2,503,129	7.74
6/30/18	188,886	188,886	-	2,507,126	7.50
6/30/17	176,583	176,583	-	2,354,446	7.50
6/30/16	179,016	179,016	-	2,433,727	7.40
6/30/15	185,810	185,810	-	2,477,655	7.50

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY AND DISTRICT'S
CONTRIBUTIONS FOR DEFINED BENEFIT PENSION PLANS
(CONTINUED)
JUNE 30, 2024**

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (*)
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS)**

Measurement Date	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the District	District's Proportionate Share of the Net Pension Liability with the District	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		(a)	(b)	(a+b)	(c)	(a+b/c)	
6/30/23	0.0134%	\$ 749,313	\$ 20,702	\$ 770,015	\$1,071,222	71.9%	83.1%
6/30/22	0.0131	1,037,524	30,453	1,067,977	990,734	107.8	76.7
6/30/21	0.0129	550,888	16,831	567,719	949,747	59.8	87.0
6/30/20	0.0121	725,450	22,239	747,689	881,867	84.8	79.1
6/30/19	0.0114	630,280	19,499	649,779	830,871	78.2	80.2
6/30/18	0.0118	654,616	21,495	676,111	793,160	85.2	79.5
6/30/17	0.0115	734,152	9,192	743,344	739,689	100.5	75.9
6/30/16	0.0111	901,265	11,724	912,989	688,850	132.5	68.9
6/30/15	0.0105	544,164	-	544,164	621,818	87.5	78.2
6/30/14	0.0113	530,817	-	530,817	599,431	88.6	78.7

* This schedule is for employers in the General Employees Plan to present their proportionate share of the State of Minnesota's contributions to the General Employees Fund on their behalf.

PUBLIC EMPLOYEES GENERAL RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS)**

Fiscal Year Ending	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	(a)	(b)	(a-b)	(d)	(b/d)
6/30/24	\$ 81,438	\$ 81,438	\$ -	\$ 1,085,844	7.5%
6/30/23	80,177	80,177	-	1,071,222	7.5
6/30/22	73,408	73,408	-	990,734	7.4
6/30/21	70,330	70,330	-	949,747	7.4
6/30/20	64,509	64,509	-	881,867	7.3
6/30/19	61,129	61,129	-	830,871	7.4
6/30/18	58,602	58,602	-	793,160	7.4
6/30/17	55,426	55,426	-	739,689	7.5
6/30/16	51,614	51,614	-	688,850	7.5
6/30/15	45,817	45,817	-	621,818	7.4

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024 Actual	Variance	2023 Actual
	Original	Final			
REVENUES					
Local Property Tax Levies:					
Maintenance Levy	\$ 1,173,103	\$ 1,147,506	\$ 1,120,346	\$ (27,160)	\$ 1,028,652
	<u>1,173,103</u>	<u>1,147,506</u>	<u>1,120,346</u>	<u>(27,160)</u>	<u>1,028,652</u>
Other Local and County Revenues:					
County Apportionment	13,766	13,766	14,891	1,125	20,294
Other School Districts-Tuition/Reimbursements	352,149	407,856	403,456	(4,400)	320,963
Admissions	117,550	114,060	140,094	26,034	87,308
Student Fees	36,000	41,000	46,423	5,423	25,338
Earnings From Investments	51,000	42,000	75,806	33,806	59,317
Rent For School Facilities	9,600	9,600	9,600	-	9,600
Miscellaneous Revenues and Reimbursements	24,000	18,400	26,951	8,551	25,135
	<u>604,065</u>	<u>646,682</u>	<u>717,221</u>	<u>70,539</u>	<u>547,955</u>
Revenue From State Sources:					
Endowment Fund Apportionment	21,836	22,000	28,843	6,843	22,978
General Education Aid	4,518,004	4,696,924	4,782,261	85,337	4,346,766
Shared Time	9,621	9,621	13,848	4,227	8,236
Disparity Aid	-	1,284	1,284	-	1,296
Homestead/Agricultural Levy Credits	2,000	15,343	15,343	-	16,887
Other State Credits	1,518	42,988	5,382	(37,606)	4,409
Special Education	679,183	622,738	904,146	281,408	597,157
Non-Public Pupil Transportation	8,506	10,902	8,442	(2,460)	8,242
Integration Aid	22,442	23,091	23,110	19	22,442
Alt Teacher Compensation	87,880	87,542	87,557	15	87,870
Literacy Incentive Aid	34,056	34,056	25,304	(8,752)	34,056
School Unemployment Aid	147,148	147,148	60,579	(86,569)	-
Student Support Aid	-	13,012	40,000	26,988	-
Library Aid	-	36,000	40,000	4,000	-
Medical Assistance	12,000	16,000	10,721	(5,279)	14,039
	<u>5,544,194</u>	<u>5,778,649</u>	<u>6,046,820</u>	<u>268,171</u>	<u>5,164,378</u>
Revenue From Federal Sources:					
Title I	51,833	51,833	52,446	613	51,579
Title II	19,791	9,791	9,790	(1)	10,014
Title IV	-	10,000	10,000	-	10,000
Elementary and Secondary School Emergency Relief (ESSER) Fund	-	60,000	6,654	(53,346)	-
Rural Education Achievement Program	38,646	38,646	50,993	12,347	48,909
Federal Special Education	22,000	16,895	34,809	17,914	36,856
Other Federal Programs	-	-	-	-	14,532
	<u>132,270</u>	<u>187,165</u>	<u>164,692</u>	<u>(22,473)</u>	<u>171,890</u>
Sales and Other Conversion of Assets:					
Resale Materials	-	-	10,338	10,338	4,673
	<u>-</u>	<u>-</u>	<u>10,338</u>	<u>10,338</u>	<u>4,673</u>
TOTAL REVENUES	<u>7,453,632</u>	<u>7,760,002</u>	<u>8,059,417</u>	<u>299,415</u>	<u>6,917,548</u>
EXPENDITURES					
Current:					
District and School Administration:					
Salaries and Wages	432,666	443,761	451,078	(7,317)	445,496
Employee Benefits	122,077	124,329	122,452	1,877	117,860
Purchased Services	12,000	20,500	17,095	3,405	19,119
Supplies and Materials	2,500	2,500	4,440	(1,940)	2,068
Other Expenditures	10,500	9,450	3,572	5,878	8,884
	<u>579,743</u>	<u>600,540</u>	<u>598,637</u>	<u>1,903</u>	<u>593,427</u>
District Support Services:					
Salaries and Wages	75,353	75,353	107,415	(32,062)	98,985
Employee Benefits	147,394	11,415	15,775	(4,360)	14,448
Purchased Services	68,500	66,000	100,039	(34,039)	103,204
Supplies and Materials	16,000	15,000	145,974	(130,974)	131,654
Other Expenditures	20,000	15,100	17,088	(1,988)	12,258
	<u>327,247</u>	<u>182,868</u>	<u>386,291</u>	<u>(203,423)</u>	<u>360,549</u>

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

EXPENDITURES (Cont'd)	2024 Budgeted Amounts		2024	Variance	2023
	Original	Final	Actual		Actual
Current: (Cont'd)					
Regular Instruction:					
Salaries and Wages	\$ 2,536,038	\$ 2,496,446	\$ 2,411,385	\$ 85,061	\$ 2,195,733
Employee Benefits	532,630	703,950	604,351	99,599	529,746
Purchased Services	288,989	287,351	402,708	(115,357)	232,178
Supplies and Materials	431,250	458,190	242,524	215,666	177,523
	<u>3,788,907</u>	<u>3,945,937</u>	<u>3,660,968</u>	<u>284,969</u>	<u>3,135,180</u>
Vocational Instruction:					
Salaries and Wages	108,887	104,732	130,468	(25,736)	116,980
Employee Benefits	26,938	25,764	32,071	(6,307)	36,435
Supplies and Materials	39,200	29,300	18,052	11,248	83,733
	<u>175,025</u>	<u>159,796</u>	<u>180,591</u>	<u>(20,795)</u>	<u>237,148</u>
Exceptional Instruction:					
Salaries and Wages	731,086	759,943	762,890	(2,947)	740,922
Employee Benefits	140,421	147,724	149,120	(1,396)	147,592
Purchased Services	160,558	196,089	210,690	(14,601)	143,934
Supplies and Materials	6,350	7,960	8,438	(478)	5,211
	<u>1,038,415</u>	<u>1,111,716</u>	<u>1,131,138</u>	<u>(19,422)</u>	<u>1,037,659</u>
Instructional Support Services:					
Salaries and Wages	27,904	30,904	72,058	(41,154)	144,970
Employee Benefits	4,552	4,552	11,419	(6,867)	23,021
Purchased Services	93,600	76,600	81,581	(4,981)	154,385
Supplies and Materials	9,000	13,650	10,631	3,019	7,704
	<u>135,056</u>	<u>125,706</u>	<u>175,689</u>	<u>(49,983)</u>	<u>330,080</u>
Pupil Support Services:					
Salaries and Wages	130,481	165,531	143,230	22,301	107,948
Employee Benefits	37,130	55,121	35,508	19,613	22,894
Purchased Services	418,562	432,250	280,659	151,591	309,114
Supplies and Materials	123,650	108,795	79,100	29,695	101,688
	<u>709,823</u>	<u>761,697</u>	<u>538,497</u>	<u>223,200</u>	<u>541,644</u>
Site, Buildings and Equipment:					
Salaries and Wages	206,428	219,265	218,170	1,095	199,347
Employee Benefits	44,077	47,080	42,411	4,669	39,869
Purchased Services	281,798	311,600	331,298	(19,698)	494,877
Supplies and Materials	181,000	152,000	151,767	233	177,835
Other Expenditures	70	70	30	40	100
	<u>713,373</u>	<u>730,015</u>	<u>743,676</u>	<u>(13,661)</u>	<u>912,028</u>
Fiscal And Other Fixed Cost Programs:					
District Insurance	52,000	52,635	40,372	12,263	38,949
	<u>52,000</u>	<u>52,635</u>	<u>40,372</u>	<u>12,263</u>	<u>38,949</u>
Capital Outlay:					
District Support Services	-	-	2,149	(2,149)	14,617
Regular Instruction	191,900	189,300	189,007	293	164,846
Site, Buildings and Equipment	17,000	8,100	8,324	(224)	5,039
	<u>208,900</u>	<u>197,400</u>	<u>199,480</u>	<u>(2,080)</u>	<u>184,502</u>
Debt Service:					
Principal	25,000	35,300	17,143	18,157	63,844
Interest	-	1,300	1,306	(6)	1,936
	<u>25,000</u>	<u>36,600</u>	<u>18,449</u>	<u>18,151</u>	<u>65,780</u>
TOTAL EXPENDITURES	<u>7,753,489</u>	<u>7,904,910</u>	<u>7,673,788</u>	<u>231,122</u>	<u>7,436,946</u>

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024 Actual	Variance	2023 Actual
	Original	Final			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (299,857)	\$ (144,908)	\$ 385,629	\$ 530,537	\$ (519,398)
OTHER FINANCING SOURCES (USES)					
Insurance Recovery	-	-	-	-	165,394
Operating Transfers In (Out)	-	-	(67,553)	(67,553)	-
	-	-	(67,553)	(67,553)	165,394
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(299,857)	(144,908)	318,076	462,984	(354,004)
FUND BALANCE BEGINNING OF YEAR	1,931,850	1,931,850	1,931,850	-	2,285,854
FUND BALANCE END OF YEAR	\$ 1,631,993	\$ 1,786,942	\$ 2,249,926	\$ 462,984	\$ 1,931,850
FUND BALANCE ANALYSIS					
NONSPENDABLE FUND BALANCE					
Prepaid Expenditures			\$ 80,391		\$ 46,428
RESTRICTED FUND BALANCE					
Gifted and Talented			-		6,877
Safe Schools - Crime Levy			-		18,353
Learning and Development			-		101,120
Basic Skills			-		6,611
Operating Capital			273,635		150,574
School Library Aid			1,605		-
Literacy Incentive Aid			25,304		-
Student Support Personnel Aid			28,337		-
Capital Projects/Technology Levy			(713) **		(51) **
Long-Term Facilities Maintenance			32,656		(3,751) **
Student Activities			27,828		20,838
TOTAL RESTRICTED FUND BALANCE			388,652		300,571
ASSIGNED FUND BALANCE					
Projected Budget Deficit			122,847		299,857
Curriculum and Instructional Resources			150,000		-
Furniture, Fixtures, and Equipment			75,000		-
District Vehicles			150,000		-
TOTAL ASSIGNED FUND BALANCE			497,847		299,857
UNASSIGNED FUND BALANCE			1,283,036		1,284,994
TOTAL FUND BALANCE			\$ 2,249,926		\$ 1,931,850

** Required by MN Statutes to record a deficit, when applicable, in order to permit statutory revenue formula calculations.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024 Actual	Variance	2023 Actual
	Original	Final			
REVENUES					
Other Local and County Revenues:					
Earnings From Investments	\$ 2,500	\$ 4,000	\$ 4,148	\$ 148	\$ 7,315
Revenue From State Sources:					
School Lunch Aid	10,000	10,000	205,811	195,811	10,635
School Milk Program	400	400	430	30	286
School Breakfast Program	-	1,000	43,475	42,475	6,251
	<u>10,400</u>	<u>11,400</u>	<u>249,716</u>	<u>238,316</u>	<u>17,172</u>
Revenue From Federal Sources:					
School Lunch Aid	-	-	36,058	36,058	55,794
Special Assistance	350,000	350,000	92,791	(257,209)	74,907
School Breakfast Program	60,000	75,000	35,151	(39,849)	21,685
Other Federal Programs	5,600	1,300	-	(1,300)	13,977
USDA Commodities	20,000	29,300	41,960	12,660	37,923
	<u>435,600</u>	<u>455,600</u>	<u>205,960</u>	<u>(249,640)</u>	<u>204,286</u>
Sales And Other Conversion Of Assets:					
Sale of Lunches and Breakfasts	41,144	26,500	33,121	6,621	183,927
	<u>41,144</u>	<u>26,500</u>	<u>33,121</u>	<u>6,621</u>	<u>183,927</u>
TOTAL REVENUES	<u>489,644</u>	<u>497,500</u>	<u>492,945</u>	<u>(4,555)</u>	<u>412,700</u>
EXPENDITURES					
Current:					
Pupil Support Services:					
Salaries and Wages	137,526	156,071	153,320	2,751	144,898
Employee Benefits	20,836	25,201	24,161	1,040	21,914
Purchased Services	9,500	26,000	21,540	4,460	17,696
Supplies and Materials	17,000	18,000	13,507	4,493	12,094
Food Purchases	195,000	204,500	193,908	10,592	153,610
USDA Commodities	15,000	15,000	41,960	(26,960)	37,923
Milk Purchases	31,200	31,200	28,317	2,883	20,458
	<u>426,062</u>	<u>475,972</u>	<u>476,713</u>	<u>(741)</u>	<u>408,593</u>
Capital Outlay:					
Pupil Support Services	-	-	-	-	35,638
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,638</u>
TOTAL EXPENDITURES	<u>426,062</u>	<u>475,972</u>	<u>476,713</u>	<u>(741)</u>	<u>444,231</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	63,582	21,528	16,232	(5,296)	(31,531)
FUND BALANCE BEGINNING OF YEAR	<u>168,019</u>	<u>168,019</u>	<u>168,019</u>	<u>-</u>	<u>199,550</u>
FUND BALANCE END OF YEAR	<u>\$ 231,601</u>	<u>\$ 189,547</u>	<u>\$ 184,251</u>	<u>\$ (5,296)</u>	<u>\$ 168,019</u>
FUND BALANCE ANALYSIS					
NONSPENDABLE FUND BALANCE					
Prepaid Expenditures			\$ 2,250		\$ -
Inventory			54,523		36,686
TOTAL NONSPENDABLE FUND BALANCE			<u>56,773</u>		<u>36,686</u>
RESTRICTED FUND BALANCE					
Food Service			127,478		131,333
TOTAL FUND BALANCE			<u>\$ 184,251</u>		<u>\$ 168,019</u>

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - COMMUNITY SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024	Variance	2023
	Original	Final	Actual		Actual
REVENUES					
Local Property Tax Levies:					
Community Service Levy	\$ 37,378	\$ 38,499	\$ 36,288	\$ (2,211)	\$ 34,987
Other Local And County Revenues:					
Earnings From Investments	2,000	500	984	484	700
Fees From Patrons	87,000	101,474	104,694	3,220	107,133
	<u>89,000</u>	<u>101,974</u>	<u>105,678</u>	<u>3,704</u>	<u>107,833</u>
Revenue From State Sources:					
Disparity and Abatement Aid	53	58	58	-	59
Homestead Market Value	350	693	699	6	735
Preschool Screening	1,620	1,338	4,114	2,776	3,195
Non Public School Programs	7,394	8,055	12,703	4,648	7,593
Early Childhood and Family Education	9,131	9,063	9,063	-	9,136
School Readiness	11,873	14,361	14,361	-	11,865
	<u>30,421</u>	<u>33,568</u>	<u>40,998</u>	<u>7,430</u>	<u>32,583</u>
TOTAL REVENUES	<u>156,799</u>	<u>174,041</u>	<u>182,964</u>	<u>8,923</u>	<u>175,403</u>
EXPENDITURES					
Current:					
Community Education And Services:					
Salaries and Wages	114,973	170,775	160,051	10,724	118,004
Employee Benefits	18,476	28,639	26,493	2,146	19,351
Purchased Services	11,403	20,571	15,807	4,764	15,031
Supplies and Materials	17,191	19,982	26,654	(6,672)	20,634
Other Expenditures	-	-	605	(605)	362
	<u>162,043</u>	<u>239,967</u>	<u>229,610</u>	<u>10,357</u>	<u>173,382</u>
Capital Outlay:					
Community Education And Services	5,000	1,000	-	1,000	15,122
TOTAL EXPENDITURES	<u>167,043</u>	<u>240,967</u>	<u>229,610</u>	<u>11,357</u>	<u>188,504</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,244)</u>	<u>(66,926)</u>	<u>(46,646)</u>	<u>20,280</u>	<u>(13,101)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In (Out)	-	-	67,553	67,553	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(10,244)</u>	<u>(66,926)</u>	<u>20,907</u>	<u>87,833</u>	<u>(13,101)</u>
FUND BALANCE BEGINNING OF YEAR	<u>32,270</u>	<u>32,270</u>	<u>32,270</u>	<u>-</u>	<u>45,371</u>
FUND BALANCE END OF YEAR	<u>\$ 22,026</u>	<u>\$ (34,656)</u>	<u>\$ 53,177</u>	<u>\$ 87,833</u>	<u>\$ 32,270</u>
FUND BALANCE ANALYSIS					
RESTRICTED FUND BALANCE					
Community Education			\$ 41,051	\$	27,932
Community Service			10,341		7,460
Early Childhood Family Education			1,785		(12,000) **
School Readiness			-		8,878
TOTAL RESTRICTED FUND BALANCE			<u>\$ 53,177</u>	<u>\$</u>	<u>32,270</u>

** Required by MN Statutes to record a deficit, when applicable, in order to permit statutory revenue formula calculations.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

1. OTHER POST EMPLOYMENT BENEFITS

No assets are accumulated in a trust that meets the criteria in Paragraph four of GASB Statement No. 75.

2024 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount- Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The discount rate was changed from 3.80% to 3.90%.

2023 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.10% to 3.80%.

2022 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The health care trend rates, mortality tables, non-teacher salary increase rates, and withdrawal rates were updated.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.40% to 2.10%.

2021 Changes

Changes in Benefit Terms:

- Two teachers retired with Early Retirement Incentive benefits of \$602 per month of District paid medical contributions, payable until Medicare eligibility or June 30, 2021. The increase in liability also reflects a corresponding increase in the implicit rate medical subsidy.

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.10% to 2.40%.

2020 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The healthcare trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.40% to 3.10%.

2019 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- None

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

1. OTHER POST EMPLOYMENT BENEFITS (Cont'd)

2018 Changes

Changes in the Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality table was updated from the RP-2014 White Collar Mortality Tables with MP-2014 Generational Improvement Scale to the RP-2014 adjusted to 2006 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.
- The discount rate was changed from 4.00% to 3.40%.
- The withdrawal table for all employees and retirement table for only employees eligible to retire with Rule 90 also were updated.

2. DEFINED BENEFIT PENSION PLANS

The following changes were reflected in the valuations performed on behalf of the following defined benefit pension plans for the fiscal years (measurement date) ending June 30:

Teachers Retirement Association

2023 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

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

- The employer contribution rate will increase from 8.75% to 9.50% on July 1, 2025.
- The employee contribution rate will increase from 7.75% to 8.00% on July 1, 2025.
- The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.

The 2024 Omnibus Pensions and Retirement Bill:

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

2022 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- None

2021 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

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

2020 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

2. DEFINED BENEFIT PENSION PLANS (Cont'd)

Teachers Retirement Association (Cont'd)

2019 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- None

2018 Changes

Changes in Benefit and Funding Terms:

The 2018 Omnibus Pension Bill contained a number of changes.

- The COLA was reduced from 2.00% each January 1 to 1.00%, effective January 1, 2019. Beginning January 1, 2024, the COLA (Cost of Living Adjustment) will increase 0.10% each year until reaching the ultimate rate of 1.50% in 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% if the funded ratio was at least 90.00% 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 0.00% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.00% to 3.00%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.50% to 7.50%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 8.50% to 7.50%.
- The price inflation assumption was lowered from 3.00% to 2.50%.
- The payroll growth assumption was lowered from 3.50% to 3.00%.
- The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the unfunded actuarial accrued liability (UAAL) was reset to June 30, 2048 (30 years).
- A mechanism in the law that provided the TRA Board with some authority to set contribution rates was eliminated.

2017 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- The COLA was assumed to increase from 2.00% annually to 2.50% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50%, but remain at 2.00% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.40% to 0.00%, the vested inactive load increased from 4.00% to 7.00% and the non-vested inactive load increased from 4.00% to 9.00%.
- The investment return assumption was changed from 8.00% to 7.50%.
- The price inflation assumption was lowered from 2.75% to 2.50%.
- The payroll growth assumption was lowered from 3.50% to 3.00%.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

2. DEFINED BENEFIT PENSION PLANS (Cont'd)

Teachers Retirement Association (Cont'd)

2017 Changes (Cont'd)

Changes in Actuarial Assumptions (Cont'd):

- The general wage growth assumption was lowered from 3.50% to 2.85% for ten years followed by 3.25%, thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

2016 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- The COLA was not assumed to increase (it remained at 2.00% for all future years).
- The price inflation assumption was lowered from 3.00% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.50%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale.
- The post-retirement mortality assumption was changed to the RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

2015 Changes

Changes in Benefit and Funding Terms:

- The Duluth Teachers Retirement Fund Association was merged into TRA on June 30, 2015. This also resulted in a state-provided contribution stream of \$14.377 million until the system becomes fully funded.

Changes in Actuarial Assumptions:

- The cost of living adjustment was assumed to increase from 2.00% annually to 2.50% annually on July 1, 2037.

Public Employees Retirement Association

General Employees Fund

2023 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

2. DEFINED BENEFIT PENSION PLANS (Cont'd)

Public Employees Retirement Association (Cont'd)

General Employees Fund (Cont'd)

2022 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- None

2021 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- None

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 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 Scale MP-2018 to Scale 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% Joint & Survivor option changed from 35.00% to 45.00%. The assumed number of married female new retirees electing 100.00% Joint & Survivor option changed from 15.00% to 30.00%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.00% for the period July 1, 2020 through December 31, 2023 and 0.00% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

**2. DEFINED BENEFIT PENSION PLANS (Cont'd)
Public Employees Retirement Association (Cont'd)
General Employees Fund (Cont'd)**

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases change from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, 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.

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and non-vested deferred members. The revised CSA loads are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

Change in Plan Provisions:

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

2016 Changes

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- 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% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions:

- None

2015 Changes

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

**2. DEFINED BENEFIT PENSION PLANS (Cont'd)
Public Employees Retirement Association (Cont'd)
General Employees Fund (Cont'd)**

2015 Changes (Cont'd)

Changes in Plan Provisions:

- On January 1, 2015 the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, was due September 2015.

3. BUDGETS, STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets presented for comparison to actual amounts are presented in accordance with U.S. generally accepted accounting principles. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

A. DEFICIT SPENDING

For the year ended June 30, 2024, the District projected deficit spending in the following funds:

General Fund	\$ 144,908
Community Service Fund	\$ 66,926

B. EXPENDITURES EXCEEDING APPROPRIATIONS

For the year ended June 30, 2024, the District had the following fund with expenditures exceeding the latest amended budget:

Fund	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Food Service Fund	\$ 475,972	\$ 476,713	\$ 741

Budget revisions were last approved in February of 2024. These excesses were realized since that time and are approved by the School Board upon acceptance of this report.

OTHER SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUILDING CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024 Actual	Variance	2023 Actual
	Original	Final			
REVENUES					
Other Local And County Revenues:					
Earnings From Investments	\$ -	\$ 71,016	\$ 113,179	\$ 42,163	\$ -
EXPENDITURES					
Current:					
Site, Buildings and Equipment:					
Purchased Services	-	-	61,946	(61,946)	-
Supplies and Materials	-	36,000	35,379	621	-
	-	36,000	97,325	(61,325)	-
TOTAL EXPENDITURES	-	36,000	97,325	(61,325)	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	35,016	15,854	(19,162)	-
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	2,450,000	2,450,000	-	-
Bond Issuance Premium	-	185,533	176,463	(9,070)	-
	-	2,635,533	2,626,463	(9,070)	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	2,670,549	2,642,317	(28,232)	-
FUND BALANCE BEGINNING OF YEAR	-	-	-	-	-
FUND BALANCE END OF YEAR	\$ -	\$ 2,670,549	\$ 2,642,317	\$ (28,232)	\$ -
FUND BALANCE ANALYSIS					
RESTRICTED FUND BALANCE					
Technology and Technology Upgrades			\$ 2,642,317		\$ -

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024
(with Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024 Budgeted Amounts		2024	Variance	2023
	Original	Final	Actual		Actual
REVENUES					
Local Property Tax Levy:					
Debt Service Levy	\$ 1,100,531	\$ 506,190	\$ 507,745	\$ 1,555	\$ 575,547
Other Local And County Revenues:					
Earnings From Investments	5,000	5,500	34,106	28,606	20,317
Revenue From State Sources:					
Homestead Market Value	19,000	20,380	20,380	-	22,096
Disparity Aid	2,934	1,705	1,705	-	1,695
School Bond Agriculture Credit	-	572,257	572,257	-	477,905
Long-Term Facilities Maintenance Aid	82,833	72,265	80,751	8,486	85,803
	<u>104,767</u>	<u>666,607</u>	<u>675,093</u>	<u>8,486</u>	<u>587,499</u>
TOTAL REVENUES	1,210,298	1,178,297	1,216,944	38,647	1,183,363
EXPENDITURES					
Debt Service:					
Principal	920,000	920,000	920,000	-	895,000
Interest	251,800	251,800	251,800	-	276,205
Other Debt Service Expenditures	6,000	6,000	2,100	3,900	5,850
TOTAL EXPENDITURES	1,177,800	1,177,800	1,173,900	3,900	1,177,055
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	32,498	497	43,044	42,547	6,308
FUND BALANCE BEGINNING OF YEAR	245,170	245,170	245,170	-	238,862
FUND BALANCE END OF YEAR	\$ 277,668	\$ 245,667	\$ 288,214	\$ 42,547	\$ 245,170
FUND BALANCE ANALYSIS					
RESTRICTED FUND BALANCE					
Debt Service			\$ 288,214		\$ 245,170

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNESOTA, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - HISTORICAL ANALYSIS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES										
Local Property Tax Levies	\$ 512,567	\$ 449,861	\$ 474,877	\$ 609,409	\$ 536,521	\$ 548,657	\$ 551,710	\$ 522,039	\$ 1,028,652	\$ 1,120,346
Other Local and County Revenues	447,966	425,428	560,948	574,078	598,005	557,594	543,069	478,726	547,955	717,221
Revenue From State Sources	4,683,889	4,548,527	4,461,197	4,640,616	4,789,453	4,923,865	4,840,255	5,046,750	5,164,378	6,046,820
Revenue From Federal Sources	173,046	176,818	167,778	141,777	129,541	144,497	335,836	657,834	171,890	164,692
Sales and Other Conversion of Assets	-	-	9,355	39,259	7,662	2,023	2,723	1,651	4,673	10,338
Transfers In/Prior Period Restatement	-	-	-	-	-	9,684	-	-	-	-
TOTAL REVENUES	5,817,468	5,600,634	5,674,155	6,005,139	6,061,182	6,186,320	6,273,593	6,707,000	6,917,548	8,059,417
EXPENDITURES - PROGRAMS										
District and School Administration	415,665	406,649	445,662	477,496	496,350	499,718	539,979	661,027	593,427	598,637
District Support Services	117,327	124,683	134,562	144,087	141,818	131,664	137,449	151,834	375,166	400,289
Regular Instruction	3,057,550	3,100,251	2,987,575	3,179,996	3,203,806	3,198,550	3,313,956	3,545,367	3,300,026	3,856,575
Vocational Instruction	105,495	114,174	121,504	136,268	132,112	134,557	140,583	170,702	237,148	180,591
Exceptional Instruction	733,301	587,603	587,780	617,754	654,083	727,201	749,688	899,154	1,037,659	1,131,138
Instructional Support Services	74,849	110,378	104,357	108,374	122,202	108,200	139,640	116,128	330,080	175,689
Pupil Support Services	428,164	528,473	582,019	489,277	541,797	412,600	331,157	487,164	541,644	538,497
Site, Buildings, and Equipment	822,687	799,733	636,376	568,946	605,228	604,739	622,475	842,855	982,847	752,000
Fiscal and Other Fixed Cost Programs	20,631	22,546	24,224	24,536	24,968	27,652	30,999	33,668	38,949	40,372
TOTAL EXPENDITURES	5,775,669	5,794,490	5,624,059	5,746,734	5,922,364	5,844,881	6,005,926	6,907,899	7,436,946	7,673,788
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	41,799	(193,856)	50,096	258,405	138,818	341,439	267,667	(200,899)	(519,398)	385,629
FUND BALANCE BEGINNING OF YEAR	1,342,631	1,385,930	1,192,074	1,244,410	1,502,815	1,729,989	2,071,428	2,339,095	2,285,854	1,931,850
OTHER FINANCING SOURCES (USES)	1,500	-	2,240	-	88,356	-	-	147,658	165,394	(67,553)
FUND BALANCE END OF YEAR	1,385,930	1,192,074	1,244,410	1,502,815	1,729,989	2,071,428	2,339,095	2,285,854	1,931,850	2,249,926
ADJUSTED CASH BALANCES	1,408,267	1,151,422	1,361,418	1,543,949	1,544,916	1,924,736	2,301,606	2,061,915	2,188,039	2,130,464
EXPENDITURES - OBJECT										
Salaries and Wages	\$ 3,090,548	\$ 3,099,677	\$ 3,159,923	\$ 3,309,421	\$ 3,352,056	\$ 3,456,884	\$ 3,591,600	\$ 3,922,664	\$ 4,050,381	\$ 4,296,694
Employee Benefits	743,820	745,891	737,374	760,687	741,713	773,424	855,712	899,184	931,865	1,013,107
Purchased Services	968,119	967,956	1,058,874	994,795	1,053,008	1,035,191	953,435	1,409,917	1,495,760	1,464,442
Supplies and Materials	412,419	316,725	291,329	336,478	440,990	395,389	521,471	522,059	687,416	660,926
Other Expenditures	16,304	17,878	20,136	19,329	19,637	23,792	18,076	22,285	21,242	20,690
Capital Expenditures	544,459	646,363	356,423	326,024	314,960	160,201	65,632	131,790	250,282	217,929
TOTAL EXPENDITURES	5,775,669	5,794,490	5,624,059	5,746,734	5,922,364	5,844,881	6,005,926	6,907,899	7,436,946	7,673,788

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA, MINNESOTA
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMMUNITY SERVICE FUND-DETAIL ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

	Community Education				Community Services			ECFE	
	General Community Education	Fitness Center	After School Enrichment	Drivers Training	Non Public Aid	Pre School Screening	School Readiness	ECFE	Home- Visiting
REVENUES									
County Levy	\$ 36,288	\$ -	4,625	-	\$ 12,703	4,114	\$ 14,361	\$ 16,435	271
Interest	984	-	-	-	-	-	8,990	-	-
State Aid	40,998	-	-	-	-	-	69,691	8,990	73
Fees and Charges	104,694	-	-	-	-	-	-	-	-
TOTAL REVENUES	182,964	51,701	4,625	0	12,703	4,114	84,052	25,425	344
EXPENDITURES									
Salaries	160,051	4,186	-	-	2,380	1,037	122,399	21,491	-
Benefits	26,493	622	-	-	465	167	20,508	3,571	-
Purchased Services	15,807	1,804	-	-	3,831	-	131	-	-
Materials and Supplies	26,654	330	-	-	5,422	29	3,782	585	-
Admin. Costs to Fund 01	605	-	-	-	605	-	-	-	-
TOTAL EXPENDITURES	229,610	36,265	6,942	0	12,703	1,233	146,820	25,647	0
EXCESS (DEFICIT)	(46,646)	(6,942)	4,625	0	0	2,881	(62,768)	(222)	344
OPERATING TRANSFERS IN	67,553	0	0	0	0	0	53,890	13,663	0
FUND BALANCE, BEGINNING	32,270	42,032	14,222	1,101	(12)	7,472	8,878	(13,441)	1,441
FUND BALANCE, ENDING	53,177	57,468	18,847	1,101	(12)	10,353	0	0	1,785

OTHER REQUIRED REPORTS

**INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA
MINNEOTA, MINNESOTA
SCHEDULE OF FINDINGS ON INTERNAL CONTROL STRUCTURE AND COMPLIANCE
JUNE 30, 2024**

**INTERNAL CONTROL OVER FINANCIAL REPORTING
PREVIOUSLY REPORTED ITEM NOT RESOLVED**

2024-001 Audit Adjustments

Condition: During our audit, we proposed audit adjustments that resulted in significant changes to the District's financial statements. This finding was reported in the prior year audit as finding number 2023-001. The District's corrective action plan for the prior year audit filed with the Minnesota Department of Education stated that the District would strive to ensure that journal entries are entered and reviewed properly. We noted an attempt by District personnel to correct this deficiency during the current year; however, adjustments were still required.

Effect: A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect misstatements of the financial statements on a timely basis. One control deficiency that typically is considered significant is identification by the auditor of a misstatement in the financial statement not initially identified by the entity's internal controls. This could affect the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Cause: This condition was caused by an oversight in coding entries and in reviewing year end account balances.

Criteria: The District's accounting staff should review journal entries throughout the year and activity subsequent to year end to ensure that correct accounts are affected.

Recommendation: We recommend that the District's accounting staff continue the process of reviewing journal entries posted to the general ledger.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and the auditor's recommendations will be adopted.

PREVIOUSLY REPORTED ITEMS RESOLVED

Finding 2023-002: Coding of Disbursements

During our audit, we noted that the District did not follow the policies and procedures that were approved by the School Board as they relate to proper coding of disbursements according to the UFARS Manual.

Resolution

This finding is resolved. The District was noted as following the policies and procedures that were approved by the School Board as they relate to proper coding of disbursements according to the UFARS Manual.

INDEPENDENT SCHOOL DISTRICT NO. 414
MINNEOTA
MINNEOTA, MINNESOTA
SCHEDULE OF FINDINGS ON INTERNAL CONTROL STRUCTURE AND COMPLIANCE
CORRECTIVE ACTION PLAN
JUNE 30, 2024

2024-001 Audit Adjustments

Auditor Recommendation

We recommend that the District's accounting staff continue the process of reviewing journal entries posted to the general ledger.

Corrective Action Plan (CAP)

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Action Planned in Response to Finding
Tara Skorczewski (Business Manager) will spend additional time when coding entries to ensure their accuracy and will review balances and closing accounts more closely throughout the year to ensure end of year balances are accurate.
3. Official Responsible for Insuring CAP
Scott Monson (Superintendent) is the official responsible for insuring corrective action for the deficiency.
4. Planned Completion Date for CAP
This plan will be implemented for the 2024-2025 fiscal year.
5. Plan to Monitor Completion of CAP
Scott Monson (Superintendent) and the School Board will be monitoring the corrective action plan.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Members of the School Board
Independent School District No. 414
Minneota, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities and each major fund of Independent School District No. 414, Minneota, Minnesota, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise Independent School District No. 414, Minneota, Minnesota's basic financial statements, and have issued our report thereon dated November 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered Independent School District No. 414, Minneota, Minnesota's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Independent School District No. 414, Minneota, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of Independent School District No. 414, Minneota, Minnesota's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings on internal control structure and compliance as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Independent School District No. 414, Minneota, Minnesota's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Minnesota Legal Compliance

In connection with our audit, nothing came to our attention that caused us to believe that Independent School District No. 414, Minneota, Minnesota failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for Minnesota school districts (UFARS) sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

Independent School District No. 414, Minneota, Minnesota's Response to Finding

Government Auditing Standards require the auditor to perform limited procedures on Independent School District No. 414, Minneota, Minnesota's response to the finding identified in our audit and described in the accompanying schedule of findings on internal control structure and compliance corrective action plan. Independent School District No. 414, Minneota, Minnesota's response was not subjected to the other auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

November 18, 2024

MANAGEMENT LETTER

Members of the School Board
Independent School District No. 414
Minneota, Minnesota

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Independent School District No. 414, Minneota, Minnesota, for the year ended June 30, 2024, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on internal control.

However, during our audit we became aware of the following opportunity for strengthening internal controls and operating efficiency. We previously reported on the District's internal control and any related significant deficiencies and material weaknesses in our report dated November 18, 2024. This letter does not affect our report dated November 18, 2024, on the basic financial statements of the Independent School District No. 414, Minneota, Minnesota.

COMMENT AND SUGGESTION

- Due to the limited number of office personnel within Independent School District No. 414, Minneota, Minnesota, segregation of accounting functions necessary to ensure adequate internal accounting control is not always possible. The District has responded to this deficiency by implementing various oversight controls by the School Board and Management. These oversight controls help to mitigate the risk to the organization created by the lack of segregation of duties within the accounting function. However, the risks that are created by the lack of segregation of duties can never be completely eliminated. The School Board and Management should continue to be diligent in their review of financial transactions, and document these procedures by initialing invoices, and approving expenditure reports.

If you have any questions regarding this item, please contact us.

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

November 18, 2024

Fiscal Compliance Report - 6/30/2024

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	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$8,059,417	\$8,059,418	(\$1)	Total Revenue	\$113,179	\$113,178	\$1
Total Expenditures	\$7,673,788	\$7,673,789	(\$1)	Total Expenditures	\$97,325	\$97,325	\$0
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$80,391	\$80,391	\$0	4.60 Non Spendable Fund Balance	\$0	\$0	\$0
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$27,828	\$27,828	\$0	4.07 Capital Projects Levy	\$0	\$0	\$0
4.02 Scholarships	\$0	\$0	\$0	4.13 Funded by COP/FP	\$0	\$0	\$0
4.03 Staff Development	\$0	\$0	\$0	4.67 LTFM	\$0	\$0	\$0
4.07 Capital Projects Levy	(\$713)	(\$713)	\$0	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$2,642,317	\$2,642,317	\$0
4.12 Literacy Incentive Aid	\$25,304	\$25,304	\$0	<i>Unassigned:</i>			
4.14 Operating Debt	\$0	\$0	\$0	4.63 Unassigned Fund Balance	\$0	\$0	\$0
4.16 Levy Reduction	\$0	\$0	\$0				
4.17 Taconite Building Maint	\$0	\$0	\$0	07 DEBT SERVICE			
4.20 American Indian Education Aid	\$0	\$0	\$0	Total Revenue	\$1,216,944	\$1,216,944	\$0
4.24 Operating Capital	\$273,635	\$273,635	\$0	Total Expenditures	\$1,173,900	\$1,173,900	\$0
4.26 \$25 Taconite	\$0	\$0	\$0	<i>Non Spendable:</i>			
4.27 Disabled Accessibility	\$0	\$0	\$0	4.60 Non Spendable Fund Balance	\$0	\$0	\$0
4.28 Learning & Development	\$0	\$0	\$0	<i>Restricted / Reserved:</i>			
4.34 Area Learning Center	\$0	\$0	\$0	4.25 Bond Refundings	\$0	\$0	\$0
4.35 Contracted Alt. Programs	\$0	\$0	\$0	4.33 Maximum Effort Loan Aid	\$0	\$0	\$0
4.36 State Approved Alt. Program	\$0	\$0	\$0	4.51 QZAB Payments	\$0	\$0	\$0
4.38 Gifted & Talented	\$0	\$0	\$0	4.67 LTFM	\$0	\$0	\$0
4.39 English Learner	\$0	\$0	\$0	<i>Restricted:</i>			
4.40 Teacher Development and Evaluation	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$288,214	\$288,214	\$0
4.41 Basic Skills Programs	\$0	\$0	\$0	<i>Unassigned:</i>			
4.43 School Library Aid	\$1,605	\$1,605	\$0	4.63 Unassigned Fund Balance	\$0	\$0	\$0
4.48 Achievement and Integration	\$0	\$0	\$0				
4.49 Safe Schools Levy	\$0	\$0	\$0	08 TRUST			
4.51 QZAB Payments	\$0	\$0	\$0	Total Revenue	\$0	\$0	\$0
4.52 OPEB Liab Not In Trust	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
4.53 Unfunded Sev & Retirement Levy	\$0	\$0	\$0	<i>Restricted / Reserved:</i>			
4.59 Basic Skills Extended Time	\$0	\$0	\$0	4.01 Student Activities	\$0	\$0	\$0
4.67 LTFM	\$32,656	\$32,656	\$0	4.02 Scholarships	\$0	\$0	\$0
4.71 Student Support Personnel Aid	\$28,337	\$28,337	\$0	4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
4.72 Medical Assistance	\$0	\$0	\$0				
<i>Restricted:</i>				18 CUSTODIAL			
4.64 Restricted Fund Balance	\$0	\$0	\$0	Total Revenue	\$0	\$0	\$0
4.75 Title VII Impact Aid	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
4.76 Payments in Lieu of Taxes	\$0	\$0	\$0	<i>Restricted / Reserved:</i>			
<i>Committed:</i>				4.01 Student Activities	\$0	\$0	\$0
4.18 Committed for Separation	\$0	\$0	\$0	4.02 Scholarships	\$0	\$0	\$0
4.61 Committed Fund Balance	\$0	\$0	\$0	4.48 Achievement and Integration	\$0	\$0	\$0
<i>Assigned:</i>				4.64 Restricted Fund Balance	\$0	\$0	\$0
4.62 Assigned Fund Balance	\$497,847	\$497,847	\$0				
<i>Unassigned:</i>				20 INTERNAL SERVICE			
4.22 Unassigned Fund Balance	\$1,283,036	\$1,283,036	\$0	Total Revenue	\$0	\$0	\$0
				Total Expenditures	\$0	\$0	\$0
02 FOOD SERVICES				4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
Total Revenue	\$492,945	\$492,943	\$2				
Total Expenditures	\$476,713	\$476,712	\$1	25 OPEB REVOCABLE TRUST			
<i>Non Spendable:</i>				Total Revenue	\$0	\$0	\$0
				Total Expenditures	\$0	\$0	\$0

4.60 Non Spendable Fund Balance <i>Restricted / Reserved:</i>	\$56,773	<u>\$56,773</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$127,478	<u>\$127,478</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

04 COMMUNITY SERVICE

Total Revenue	\$182,964	<u>\$182,964</u>	<u>\$0</u>
Total Expenditures	\$229,610	<u>\$229,610</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance <i>Restricted / Reserved:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>
4.31 Community Education	\$41,051	<u>\$41,051</u>	<u>\$0</u>
4.32 E.C.F.E	\$1,785	<u>\$1,785</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>
4.44 School Readiness	\$0	<u>\$0</u>	<u>\$0</u>
4.47 Adult Basic Education	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$10,341	<u>\$10,341</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
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45 OPEB IRREVOCABLE TRUST

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>

47 OPEB DEBT SERVICE

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

World's Best Workforce Plan	2023-2024
#1: All Students Ready for School	YES
#2: All Students in 3rd Grade Achieving Grade-Level Literacy	NO
#3: Close the Achievement Gap Between Student Groups	NO
#4: All Students Career- and College-Ready by Graduation	YES
#5: All Students Graduate	YES
Achievement and Integration Plan	
	2023-2024
#1: Integration Goal	NOT ON TRACK
#2: Teacher Equity Goal	ON TRACK
#3: Achievement Goal	ON TRACK

2023-2024 WORLD'S BEST WORKFORCE PLAN

FOCUS AREA #1: ALL STUDENTS READY FOR SCHOOL

2023-2024 Goal: By May of 2024, 70% of Pre-K students in both preschool classes will demonstrate developing or secure literacy skills as measured by the Heggerty Assessment for literacy skills. The skills that will be assessed are alphabet recognition, rhyming recognition, onset fluency, blending and segmenting syllables and compound word.

2023-2024 Goal Result: In May 2024, 25 of 28 students were developing or secure according to the Heggerty Assessment, meaning that 89% of students were either developing or secure.

GOAL STATUS: GOAL MET [ONE YEAR GOAL].

FOCUS AREA #2: ALL STUDENTS IN 3RD GRADE ACHIEVING GRADE-LEVEL LITERACY

2023-2024 Goal: By the spring of 2024, 100% of the third graders will have a meet or an exceed achievement level on the Reading MCAs.

2023-2024 Goal Result: 51.7% of the third graders had a met or an exceeded achievement level on their Reading MCAs.

GOAL STATUS: GOAL NOT MET [ONE YEAR GOAL]. WHILE WE DID NOT MEET THE GOAL, OUR STUDENTS DID OUTPERFORM THEIR PEERS IN THE STATE BY 5.4%.

FOCUS AREA #3: CLOSE THE ACHIEVEMENT GAP(S) BETWEEN STUDENT GROUPS

2023-2024 Goal: By the spring of 2024, the gap between Special Education and non-Special Education student in all grades, as assessed by all Reading State Assessments, will be reduced by 3% when compared to the gap from the spring of 2023.

2023-2024 Goal Result: In the spring of 2024, the gap between SpEd and Non-SpEd was 48.8% in comparison to the gap from 2023 which was 47.9%. This is an increase of 0.9, after a 1.2% increase the previous year.

GOAL STATUS: GOAL NOT MET [ONE YEAR GOAL].

FOCUS AREA #4: ALL STUDENTS CAREER- AND COLLEGE-READY BY GRADUATION

2023-2024 Goal: By the spring of 2024, 100% of the ninth graders will have developed a graduation plan to include a timeline for earning credits, attending a minimum of one visit to a university or technical college, and completed one preparatory assessment (ASVAB, ACT, or other).

2023-2024 Goal Result: 100% of the students in 9th grade generated a graduation plan which included all of the components listed in the goal.

GOAL STATUS: GOAL MET [ONE YEAR GOAL].

FOCUS AREA #5: ALL STUDENTS GRADUATE

2023-2024 Goal: By the end of the 2023-2024 school year, 100% of the seniors will have earned enough credits to be eligible for graduation.

2023-2024 Goal Result: 100% of the seniors met graduation requirements and earned a diploma from Minneota High School.

GOAL STATUS: GOAL MET [ONE YEAR GOAL].

2023-2024 ACHIEVEMENT & INTEGRATION PLAN

FOCUS AREA #1: INTEGRATION GOAL

2023-2024 Goal: The percentage of students completing Grade 11 earning credits in two or more Career and Technical Education or College level courses will increase from 97.6% in 2023 to 100% in 2026.

2023-2024 Goal Result: In 2023-2024, 39 of 43 [or 90.7%] of 11th Grade students took 2 or more classes in CTE or college courses.

GOAL STATUS: NOT ON TRACK; DID MEET THE THREE-YEAR GOAL.

FOCUS AREA #2: TEACHER EQUITY GOAL

2023-2024 Goal: The percentage of students with access to effective teachers trained in equity literacy will increase from 0% in 2023 to 75% in 2026.

2023-2024 Goal Result: All of our licensed staff – or 100% - participated in and completed training [in 2023-2024] that included topics such as:

- ⇒ diversity defined,
- ⇒ identification of behaviors that may be discriminatory or create a hostile learning environment,
- ⇒ looking deeper into communications strategies, and
- ⇒ examining positive and reinforcing behaviors that show respect and appreciation for diverse individuals.

GOAL STATUS: GOAL WAS MET FOR 2023-2024 [THREE-YEAR GOAL].

FOCUS AREA #3: ACHIEVEMENT GOAL

2023-2024 Goal: By the spring of 2026, the achievement gap between non-white students and white students will decrease by 3%, as assessed by the reading MCAs. There will be no more than a 12% gap in proficiency when the two groups are compared.

2023-2024 Goal Result: Reading MCA data from 2023-2024 includes white students with a 66.1% proficiency rate and non-white students with a 60.7% proficiency rate – consequently, the result of this is a 5.4% achievement gap. This is a significant improvement from the 15% achievement gap that existed between these two student subgroups in 2022-2023.

GOAL STATUS: GOAL WAS MET FOR 2023-2024 [THREE-YEAR GOAL].



Minneota Elementary School

E-Learning Day Plan

What is E-Learning?

An E-learning day is used in place of a school day that has been canceled due to inclement weather. An E-Learning day means that students will attend school virtually and in a synchronous fashion.

Attendance

Parents or Guardians will contact elementary teachers before 3:00 PM on an E-Learning day in order for their child to be counted as “Present” for the day. Parents are encouraged to reach out to their child’s teacher by email, Seesaw, or other forms of communication.



Elementary Schedule for E-Learning Days:

Teacher E-Learning Prep Time: 7:45 AM - 9:55 AM

Teachers available time: 10:00 AM to ~~3:45~~ 2:20 PM.

- For attendance purposes, please email your child’s homeroom teacher by 3:00 pm indicating your child has, is, or will complete the work. Attendance will be submitted at 3:00 PM.
- Teachers are available to answer questions via email or via chat in Google Classroom.
- Teachers will provide an interactive lesson for their students.

Why is the Minneota School District preparing for the use of E-Learning days?-

Historically, winter weather in southwest Minnesota can be persistent and disruptive. Neighboring school districts have experienced a loss of an entire school week due to winter storms and their aftermath. Now, in the 2024-2025 ~~2023-2024~~ school year, it seems that with the resources available and, if prepared carefully, we can mitigate the disruptiveness our winter weather can have on student learning.

Providing students and teachers more opportunities for learning and the ability to provide learning without disruption during snow days is consistent with our district's focus on student achievement. Additionally, an E-Learning day reinforces 21st-century job and post-secondary educational opportunities for working and learning remotely.

The state allows us to have five E-Learning Days. E-Learning Days count as a day of instruction and don't have to be made up.



Parent Expectations

- Reinforce to your student that this is “school”, and it’s not optional to attend school on an E-Learning day.
- Check your email regularly; make sure you have a valid e-mail address on file.
- Communicate with your child(s) teacher. For attendance purposes, please email your child’s homeroom teacher by 3:00 pm indicating your child has, is, or will complete the work.

Student Expectations

- Students will know where to find their activities/assignments.
- Students will complete activities/assignments as directed.
- Families and students will follow their teacher’s E-Learning activities/assignments provided by the teacher.

Anticipated Frequently Asked Questions

How will we be notified that a “snow day” is an E-Learning day?

The school will communicate with all parents and staff through the SchoolMessenger System that is already utilized. In the message sent, it will read that this “snow day is an E-Learning day.”

What about 2-hour late starts and when school closes early? Will those days also be an E-Learning day?

No. In the event of a two-hour late start or early dismissal, an E-Learning day will not be expected.

What if a student has a pre-arranged absence?

The student would be expected to make up the learning activities and assignments just as if it were any other absence from school.

Will the school building be closed on an E-Learning day for students as it is on a regular snow day?

Yes. The school district building will be closed to students and activities on E-Learning days.



Minneota Public Schools

E-Learning Day

What is E-Learning?

An E-learning day is used in place of a school day that has been canceled due to inclement weather. An E-Learning day means that students will attend school virtually and in a synchronous fashion.

Attendance - Students are expected to attend each class, each E-Learning day in a synchronous format. This means that classes are “LIVE” each hour. Students will follow a modified high school schedule and report for class digitally. E-Learning is not optional. It’s as important as attending school in a traditional sense. Teachers will be taking daily/hourly attendance and the office will be calling parents (for unexcused absences, just like in a traditional sense). Students who are absent from class will be subject to disciplinary action per the student handbook. Truant students will be reported to the County, just like in a traditional sense. Per the direction of the Minnesota Department of Education, attendance must be taken each day.

- High school students will not have to report anywhere online during study hall.
- High school students who have online college classes will not have to report anywhere during those hours.
- Classes will be 30 minutes long. 5-minutes of transition time (from one Google Meet/Zoom meeting to another) will take place between each class period.
- All classes will take place on E-Learning Days!



High School Hourly Schedule for E-Learning Days:

MHS Teacher E-Learning Prep Time: 7:45 AM - 9:55 AM

1st Hour - 9:55 AM-10:25 AM

2nd Hour- 10:30 AM - 11:00 AM

3rd Hour- 11:05 AM- 11:35 AM

4th Hour- 11:40 AM- 12:10 PM

LUNCH- 12:10 PM- 12:40 PM

5th Hour- 12:40 PM- 1:10 PM

6th Hour- 1:15 PM- 1:45 PM

7th Hour- 1:50 PM- 2:20 PM

MHS Teacher Office Hours - 2:20 PM - 3:20 PM

MHS Teacher Office Hours

Teachers are available to answer questions via email or via chat in Google Classroom.

Why is the Minnesota School District preparing for the use of E-Learning days?-

Historically, winter weather in southwest Minnesota can be persistent and disruptive. Neighboring school districts have experienced a loss of an entire school week due to winter storms and their aftermath. Now, in the 2024-2025 school year, it seems that with the resources available and, if prepared carefully, we can mitigate the disruptiveness our winter weather can have on student learning. Providing students and teachers more opportunities for learning and the ability to provide learning without disruption during snow days is consistent with our district's focus on student achievement. Additionally, an E-Learning day reinforces 21st-century job and post-secondary educational opportunities for working and learning remotely.

The state allows us to have five E-Learning Days. E-Learning Days count as a day of instruction and don't have to be made up.



Parent Expectations

- Reinforce to your student that this is “school”, and it’s not optional to attend school on an E-Learning day.
- Check your e-mail regularly; make sure you have a valid e-mail address on file.

Student Expectations

- Students need to self-advocate and reach out to teachers if they need help.

- Students need to check their MPS e-mail regularly.
- Students need to avoid procrastination and stay self-motivated.
- Students need to keep their cameras on and stay engaged in the “on-screen” lesson.

Anticipated Frequently Asked Questions

How will we be notified that a “snow day” is an E-Learning day?

The school will communicate with all parents and staff through the SchoolMessenger System that is already utilized. In the message sent, it will read that this “snow day is an E-Learning day.”

What about 2-hour late starts and when school closes early? Will those days also be an E-Learning day?

No. In the event of a two-hour late start or early dismissal, an E-Learning day will not be expected.

What if a student has a pre-arranged absence?

The student would be expected to make up the learning activities and assignments just as if it were any other absence from school.

Will the school building be closed on an E-Learning day for students as it is on a regular snow day?

Yes. The school district building will be closed to students and activities on E-Learning days.



Minneota Public School District Policy 213

Adopted: March 18, 2010

Revised: April December 2024
2023

213 SCHOOL BOARD COMMITTEES

I. PURPOSE

The purpose of this policy is to provide for the structure and the operation of committees or subcommittees of the school board.

II. GENERAL STATEMENT OF POLICY

- A. It is the policy of the school board to designate school board committees or subcommittees when it is determined that a committee process facilitates the mission of the school board.
- B. The school board has determined that certain permanent standing committees, as described in this policy, do facilitate the operation of the school board and the school district.
- C. A school board committee or subcommittee will be formed by school board resolution which shall outline the duties and purpose of the committee or subcommittee.
- D. A committee or subcommittee is advisory in nature and has only such authority as specified by the school board.
- E. The school board will receive reports or recommendations from a committee or subcommittee for consideration. The school board, however, retains the right and has the duty to make all final decisions related to such reports or recommendations.
- F. The school board also may establish such ad hoc committees for specific purposes as it deems appropriate.
- G. The school board reserves the right to limit, create or abolish any standing or ad hoc committee as it deems appropriate.
- H. A committee of the school board shall not appoint a subcommittee of that committee without approval of the school board.

III. APPOINTMENT OF COMMITTEES

- A. The school board hereby appoints the following standing committees:
1. Community Education
 2. Negotiations/Personnel
 3. Food Service
 4. Building & Grounds and LTFM [Long-Term Facilities Maintenance]
 5. Continuing Education
 6. Q-Comp and Staff Development
 7. MSHSL [Minnesota State High School League]
 8. Technology
 9. MSBA [Minnesota School Boards Association] Legislative Liaison
 10. Transportation
 11. Finance
 12. Policies & Procedures
 - ~~13. School Improvement and World's Best Workforce~~
 13. MRVED [Minnesota River Valley Education District]
 14. Marketing and Communications
- B. The school board will establish, by resolution, for each standing or ad hoc committee the number of members, the term and the charge or mission of each such committee.
- C. The school board chair shall appoint the members of each standing or ad hoc committee and designate the chair thereof.

IV. PROCEDURES FOR SCHOOL BOARD COMMITTEES

- A. All meetings of committees or subcommittees shall be open to the public in compliance with the Open Meeting Law, and notice shall be given as prescribed by law.
- B. A committee or subcommittee shall act only within the guidelines and mission established for that committee or subcommittee by the school board.
- C. Actions of a committee or subcommittee shall be by majority vote and be consistent with the governing rules of the school board.
- D. The committee or subcommittee shall designate a secretary who will record the minutes of actions of the school board committee.
- E. The power of a committee or subcommittee of the school board is advisory only and is limited to making recommendations to the school board.
- F. A committee or subcommittee of the school board shall, when appropriate, clarify in any dealings with the public that its powers are only advisory to the school board.

Legal References: Minn. Stat. Ch. 13D (Open Meeting Law)

Cross References: MSBA/MASA Model Policy 201 (Legal Status of the School Board)
MSBA/MASA Model Policy 203 (Operation of the School Board –
Governing Rules)
MSBA School Law Bulletin “C” (Minnesota’s Open Meeting Law)



Minneota Public School District Policy 427

Adopted: August 2017

Revised: ~~Sept~~December 2024

427 WORKLOAD LIMITS FOR CERTAIN SPECIAL EDUCATION TEACHERS

I. PURPOSE

The purpose of this policy is to establish general parameters for determining the workload limits of special education staff who provide services to children with disabilities receiving direct special education services 60 percent or less of the instructional day.

II. DEFINITIONS

A. Special Education Staff; Special Education Teacher

“Special education staff” and “special education teacher” both mean a teacher employed by the school district who is licensed under the rules of the Minnesota Professional Educator Licensing and Standards Board to instruct children with specific disabling conditions.

B. Direct Services

“Direct services” means special education services provided by a special education teacher or a related service professional when the services are related to instruction, including cooperative teaching.

C. Indirect Services

“Indirect services” means special education services provided by a special education teacher or a related service professional which include ongoing progress reviews; cooperative planning; consultation; demonstration teaching; modification and adaptation of the environment, curriculum, materials, or equipment; and direct contact with children with disabilities to monitor and observe.

D. Workload

“Workload” means a special education teacher’s total number of minutes required for all due process responsibilities, including direct and indirect services, evaluation and reevaluation time, management of individualized education programs (IEPs), travel time, parental contact, and other services required in the IEPs.

III. GENERAL STATEMENT OF POLICY

- A. Workload limits for special education teachers shall be determined by the appropriate special education administrator, in consultation with the building principal and the superintendent.
- B. In determining workload limits for special education staff, the school district shall take into consideration the following factors: student contact minutes, evaluation and reevaluation time, indirect services, management of IEPs, travel time, and other services required in the IEPs of eligible students.

IV. COLLECTIVE BARGAINING AGREEMENT UNAFFECTED

This policy shall not be construed as a reopening of negotiations between the school district and the special education teachers' exclusive representative, nor shall it be construed to alter or limit in any way the managerial rights or other authority of the school district set forth in the Public Employment Labor Relations Act or in the collective bargaining agreement between the school district and the special education teachers' exclusive representative.

Legal References: Minn. Stat. § 179A.07, Subd. 1 (Inherent Managerial Policy)
Minn. Rule 3525.0210, Subps. 14, 27, 44, and 49 (Definitions)
Minn. Rule 3525.2340, Subp. 4.B. (Case Loads for School-Age Educational Service Alternatives)

Cross References: MSBA/MASA Model Policy 508 (Extended School Year for Certain Students with Individualized Education Programs)
MSBA/MASA Model Policy 608 (Instructional Services – Special Education)



Minneota Public School District

Policy 520

Adopted: August 15, 2017

Revised: March/December
2024

520 STUDENT SURVEYS

I. PURPOSE

Occasionally, the school district utilizes surveys to obtain student opinions and information about students. The purpose of this policy is to establish the parameters of information that may be sought in student surveys.

II. GENERAL STATEMENT OF POLICY

Student surveys may be conducted as determined necessary by the school district. Surveys, analyses, and evaluations conducted as part of any program funded through the U.S. Department of Education must comply with 20 United States Code section 1232h.

III. STUDENT SURVEYS IN GENERAL

- A. Student surveys will be conducted anonymously and in an indiscernible fashion. No mechanism will be used for identifying the participating student in any way. No attempt will be made in any way to identify a student survey participant. No requirement that the student return the survey shall exist, and no record of the student's returning a survey will be maintained.
- B. The superintendent may choose not to approve any survey that seeks probing personal and/or sensitive information that could result in identifying the survey participant, or is discriminatory in nature based on age, race, color, sex, disability, religion, or national origin.
- C. Surveys containing questions pertaining to the student's or the student's parent(s) or guardian(s) personal beliefs or practices in sex, family life, morality, and religion will not be administered to any student unless the parent or guardian of the student is notified in writing that such survey is to be administered and the parent or guardian of the student gives written permission for the student to participate or has the opportunity to opt out of the survey depending upon how the survey is funded. Any and all documents containing the written permission of a parent for a student to participate in a survey will be maintained by the school district in a file separate from the survey responses.

- D. Although the survey is conducted anonymously, potential exists for personally identifiable information to be provided in response thereto. To the extent that personally identifiable information of a student is contained in his or her responses to a survey, the school district will take appropriate steps to ensure the data is protected in accordance with Minnesota Statutes chapter 13 (Minnesota Government Data Practices Act), 20 United States Code section 1232g (Family Educational Rights and Privacy Act) and 34 Code of Federal Regulations Part 99.
- E. The school district must not impose an academic or other penalty on a student who opts out of participating in a student survey.

IV. STUDENT SURVEYS CONDUCTED AS PART OF DEPARTMENT OF EDUCATION PROGRAM

- A. All instructional materials, including teacher's manuals, films, tapes, or other supplementary material which will be used in connection with any survey, analysis, or evaluation as part of any program funded in whole or in part by the U.S. Department of Education, shall be available for inspection by the parents or guardians of the students.
- B. No student shall be required, as part of any program funded in whole or in part by the U.S. Department of Education, without the prior consent of the student (if the student is an adult or emancipated minor), or, in the case of an unemancipated minor, without the prior written consent of the parent, to submit to a survey that reveals information concerning:
 - 1. political affiliations or beliefs of the student or the student's parent;
 - 2. mental and psychological problems of the student or the student's family;
 - 3. sex behavior or attitudes;
 - 4. illegal, antisocial, self-incriminating, or demeaning behavior;
 - 5. critical appraisals of other individuals with whom respondents have close family relationships;
 - 6. legally recognized privileged or analogous relationships, such as those of lawyers, physicians, and ministers;
 - 7. religious practices, affiliations, or beliefs of the student or the student's parent; or
 - 8. income (other than that required by law to determine eligibility for participation in a program or for receiving financial assistance under such program).

C. A school district that receives funds under any program funded by the U.S. Department of Education shall develop local policies consistent with Sections IV.A. and IV.B., above, concerning student privacy, parental access to information, and administration of certain physical examinations to minors.

1. The following policies are to be adopted in consultation with parents:

- a. The right of a parent to inspect, on request, a survey, including an evaluation, created by a third party before the survey is administered or distributed by a school to a student, including procedures for granting a parent's request for reasonable access to such survey within a reasonable period of time after the request is received.

“Parent” means a legal guardian or other person acting *in loco parentis* (in place of a parent), such as a grandparent or stepparent with whom the child lives, or a person who is legally responsible for the welfare of the child.

- b. Arrangements to protect student privacy in the event of the administration or distribution of a survey, including an evaluation, to a student which contains one or more of the items listed in Section IV.B., above, including the right of a parent of a student to inspect, on request, any such survey.

- c. The right of a parent of a student to inspect, on request, any instructional material used as part of the educational curriculum for the student and procedures for granting a request by a parent for such access within a reasonable period of time after the request is received.

“Instructional material” means instructional content that is provided to a student, regardless of format, including printed or representational materials, audio-visual materials, and materials in electronic or digital formats (i.e., materials accessible through the Internet). The term does not include academic tests or academic assessments.

- d. The administration of physical examinations or screenings that the school district may administer to a student. This provision does not apply to a survey administered to a student in accordance with the Individuals with Disabilities Education Act (20 United States Code section 1400, *et seq.*).

- e. The collection, disclosure, or use of personal information collected from students for the purpose of marketing or for selling that information (or otherwise providing the information to others for that purpose), including arrangements to protect student privacy that are provided by the school district in the event of such collection, disclosure, or use.

- (1) “Personal information” means individually identifiable information including a student or parent’s first and last name; a home or other physical address (including street name and the name of the city or town); a telephone number; or a Social Security identification number.
- (2) This provision does not apply to the collection, disclosure, or use of personal information collected from students for the exclusive purpose of developing, evaluating, or providing educational products or services for, or to, students or educational institutions, such as:
 - (a) college or other post-secondary education recruitment or military;
 - (b) book clubs, magazines, and programs providing access to low cost literary products;
 - (c) curriculum and instructional materials used by elementary and secondary schools;
 - (d) tests and assessments used by elementary schools and secondary schools to provide cognitive, evaluative, diagnostic, clinical, aptitude, or achievement information about students, or to generate other statistically useful data for the purpose of securing such tests and assessments and the subsequent analysis and public release of the aggregate data from such tests and assessments;
 - (e) the sale by students of products or services to raise funds for school-related or education-related activities; and
 - (f) student recognition programs.
- (3) The right of a parent to inspect, on request, any instrument used in the collection of information, as described in Section IV.C.1., Subparagraph e., above, before the instrument is administered or distributed to a student and procedures for granting a request by a parent for reasonable access to such an instrument within a reasonable period of time after the request is received.

2. The policies adopted under Section IV.C., Subparagraph 1., above, shall provide for reasonable notice of the adoption or continued use of such policies directly to parents of students enrolled in or served by the school district.

- a. The notice will be provided at least annually, at the beginning of the school year, and within a reasonable period of time after any substantive change in a policy.
- b. The notice will provide parents with an opportunity to opt out of participation in the following activities:
 - (1) Activities involving the collection, disclosure, or use of personal information collected from students for the purpose of marketing or for selling that information, or otherwise providing that information to others for that purpose.
 - (2) The administration of any third-party survey (non-Department of Education funded) containing one or more of the items contained in Section IV.B., above.
 - (3) Any nonemergency, invasive physical examination or screening that is required as a condition of attendance, administered by the school and scheduled by the school in advance, and not necessary to protect the immediate health and safety of the student or other students.

“Invasive physical examination” means any medical examination that involves the exposure of private body parts, or act during such examination that includes incision, insertion, or injection into the body, but does not include a hearing, vision, or scoliosis screening.
- c. The notice will advise students of the specific or approximate dates during the school year when the activities in Section IV.C.2., Subparagraph b., above, are scheduled, or expected to be scheduled.
- d. The notice provisions shall not be construed to preempt applicable provisions of state law that require parental notification and do not apply to any physical examination or screening that is permitted or required by applicable state law, including physical examinations or screenings that are permitted without parental notification.

V. NOTICE

- A. The school district must give parents and students notice of this policy at the beginning of each school year and after making substantive changes to this policy.
- B. The school district must inform parents at the beginning of the school year if the district or school has identified specific or approximate dates for administering surveys and give parents reasonable notice of planned surveys scheduled after the start of the school year. The school district must give parents direct, timely notice

when their students are scheduled to participate in a student survey by United States mail, e-mail, or another direct form of communication.

- C. The school district must give parents the opportunity to review the survey and to opt their students out of participating in the survey.

Legal References: Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
Minn. Stat. § 121A.065 (District Surveys to Collect Student Information;
Parent Notice and Opportunity for Opting Out)
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act) 20 U.S.C.
§ 1232h (Protection of Pupil Rights)
34 C.F.R. § 99 (Family Educational Rights and Privacy Act Regulations)
Gonzaga University v. Doe, 536 U.S. 273 (2002)
C.N. v. Ridgewood Bd. of Educ., 430 F.3d. 159 (3rd Cir. 2005)
Fields v. Palmdale School Dist., 427 F.3d. 1197 (9th Cir. 2005)

Cross References: MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil
Records)
MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination)
MSBA/MASA Model Policy 522 (Title IX Sex Nondiscrimination,
Grievance Procedure and Process)

PUBLIC NOTICE

Independent School District No. 414 gives notice to parents of students currently in attendance in the school district, eligible students currently in attendance in the school district, and students currently in attendance in the school district of their rights regarding the conduct of surveys, collection and use of information for marketing purposes, and certain physical examinations.

1. Parents, eligible students, and students are hereby informed that they have the following rights:
 - A. All instructional materials, including teacher's manuals, films, tapes, or other supplementary material which will be used in connection with any survey, analysis, or evaluation as part of any program funded in whole or in part by the U.S. Department of Education, shall be available for inspection by parents or guardians of students.
 - B. No student shall be required, as part of any program funded in whole or in part by the U.S. Department of Education, without the prior consent of the student (if the student is an adult or emancipated minor), or in the case of an unemancipated minor, without the prior written consent of the parent, to submit to a survey that reveals information concerning:
 - 1) political affiliations or beliefs of the student or the student's parent;
 - 2) mental and psychological problems of the student or the student's family;
 - 3) sex behavior or attitudes;
 - 4) illegal, antisocial, self-incriminating, or demeaning behavior;
 - 5) critical appraisals of other individuals with whom respondents have close family relationships;
 - 6) legally recognized privileged or analogous relationships, such as those of lawyers, physicians, and ministers;
 - 7) religious practices, affiliations, or beliefs of the student or the student's parent; or
 - 8) income (other than that required by law to determine eligibility for participation in a program or for receiving financial assistance under such program).
 - C. A parent, on behalf of a student or an eligible student, has the right to receive notice and an opportunity to opt the student out of participating in:
 - 1) Activities involving the collection, disclosure, or use of personal information collected from students for the purpose of marketing or for selling that information, or otherwise providing that information to others for that purpose.
 - 2) The administration of any third-party survey (non-Department of Education funded) containing one or more of the items contained in Paragraph 1.b., above.
 - 3) Any nonemergency, invasive physical examination or screening that is required as a condition of attendance, administered by the school or its agent, and not necessary to protect the immediate health and safety of a student, except for hearing, vision, or scoliosis screenings, or any physical examination or screening permitted or required under state law.
 - D. This notice does not preempt applicable state law that may require parental notification.

- E. The school district has developed and adopted a policy, in consultation with parents, regarding these rights, as well as arrangements to protect student privacy in the administration of protected surveys and the collection, disclosure, or use of personal information for marketing, sales, or other distribution purposes.
- F. The school district will directly notify parents and eligible students of these policies at least annually at the start of each school year and after any substantive changes.
- G. The school district will directly notify parents and eligible students, at least annually at the start of each school year or, if scheduled thereafter, parents will be provided with reasonable notice of the specific or approximate dates of the following activities and provide an opportunity to opt a student out of participating in:
 - 1) Collection, disclosure, or use of personal information for marketing, sales, or other distribution.
 - 2) Administration of any protected information survey not funded in whole or in part by the U.S. Department of Education.
 - 3) Any nonemergency, invasive physical examination or screening as described above.

Parents/eligible students who believe their rights have been violated may file a complaint with:

Family Policy Compliance Office
U.S. Department of Education
400 Maryland Avenue SW
Washington, DC 20202-5920

INDEPENDENT SCHOOL DISTRICT NO. 414, MINNEOTA, MINNESOTA

Date: _____

Ryan Runia, School Board Chair

PPRA NOTICE AND CONSENT/OPT-OUT FOR SPECIFIC ACTIVITIES

The Protection of Pupil Rights Amendment (PPRA), 20 U.S.C. § 1232h, requires Minneota Public Schools to notify you and obtain consent or allow you to opt your child out of participating in certain school activities. These activities include a student survey, analysis, or evaluation that concerns one or more of the following eight areas (“protected information surveys”):

1. Political affiliations or beliefs of the student or the student’s parent;
2. Mental and psychological problems of the student or the student’s family;
3. Sex behavior or attitudes;
4. Illegal, antisocial, self-incriminating, or demeaning behavior;
5. Critical appraisals of other individuals with whom respondents have close family relationships;
6. Legally recognized privileged or analogous relationships, such as those of lawyers, physicians, and ministers;
7. Religious practices, affiliations, or beliefs of the student or the student’s parent; or
8. Income, other than as required by law to determine program eligibility.

This requirement also applies to the collection, disclosure, or use of student information for marketing purposes (“marketing surveys”) and certain physical examinations and screenings.

Following is a schedule of activities requiring parental notification and consent or opt-out for the upcoming school year. (Please note that this notice and consent/opt-out transfers from parents to any student who is 18 or older or an emancipated minor under state law.

Date:

Grades: [see sample activity notices attached]

Activity:

Summary:

Consent or Opt-out: [or both depending on situation]

If you wish to review any survey instrument or instructional material used in connection with any protected information or marketing survey, please submit a request to Minneota Public Schools, 504 North Monroe, Minneota, MN 56264. A school administrator will notify you of the time and place where you may review these materials. You have the right to review a survey and/or instructional materials before the survey is administered to a student.

I [parent’s name] give my consent for [child’s name] to take [survey] on [date] .

Parent’s signature

Please return this form no later than [insert date] to [name of school official and mailing address].

EXAMPLES OF ACTIVITIES

Date: On or about October 15, 2010
Grades: Five and Six
Activity: ABC Survey of At-Risk Behaviors
Summary: This is an anonymous survey that asks students questions about behaviors such as drug and alcohol use, sexual conduct, violence, and other at-risk behaviors. The survey also asks questions of a demographic nature concerning family make-up, the relationship between parent and children, and use of alcohol and drugs at home.

Consent [for U.S. Department of Education funded, protected information surveys only]: A parent must sign and return the attached consent form no later than **[insert return date]** so that your child may participate in this survey.

Opt-out [for any non-U.S. Department of Education funded protected information survey]: Contact **[school official]** at **[telephone number, email, address, etc.]** no later than **[date]** if you do not want your child to participate in this activity.

Date: November 22-24, 2010
Grades: One through Six
Activity: Flu Shots
Summary: The County Department of Public Health Services will administer flu shots for influenza types A and B.

Opt-out: Contact **[school official]** at **[telephone number, email, address, etc.]** no later than **[date]** if you do not want your child to participate in this activity.

Below is an example dealing with the collection, use, and distribution of personal information for student-based commercial services.

[Limited to personal information designated as “directory information”]

Date: 2010-2011 School Year
Grades: Nine through Twelve
Activity: Student-Based Commercial Services
Summary: **[School]** collects, or allows businesses to collect, use, and disclose personal information on students, including names, addresses, and telephone listings. These businesses provide student-based products and services, such as computer equipment, sports clothing, school jewelry, and entertainment products.

Opt-out: Contact Scott Monson at 507-872-6532 or scott.monson@minneotaschools.org no later than **[date]** if you do not want your child to participate in this activity.



Minneota Public School District Policy 530

Adopted: November 2022

Revised: December 2024

530 IMMUNIZATION REQUIREMENTS

I. PURPOSE

The purpose of this policy is to require that all students receive the proper immunizations as mandated by law to ensure the health and safety of all students.

II. GENERAL STATEMENT OF POLICY

All students are required to provide proof of immunization, or appropriate documentation exempting the student from such immunization, and such other data necessary to ensure that the student is free from any communicable diseases, as a condition of enrollment.

III. STUDENT IMMUNIZATION REQUIREMENTS

- A. No student may be enrolled or remain enrolled, on a full-time, part-time, or shared-time basis, in any elementary or secondary school within the school district until the student or the student's parent or guardian has submitted to the designated school district administrator the required proof of immunization. Prior to the student's first date of attendance, the student or the student's parent or guardian shall provide to the designated school district administrator one of the following statements:
 1. a statement from a physician, advanced practice registered nurse, physician assistant, or a public clinic which provides immunizations (hereinafter "medical statement"), affirming that the student received the immunizations required by law, consistent with medically acceptable standards; or
 2. a medical statement affirming that the student received the primary schedule of immunizations required by law and has commenced a schedule of the remaining required immunizations, indicating the month and year each immunization was administered, consistent with medically accepted standards.
- B. The statement of a parent or guardian of a student or an emancipated student may be substituted for the medical statement. If such a statement is substituted, this

statement must indicate the month and year each immunization was administered. Upon request, the designated school district administrator will provide information to the parent or guardian of a student or an emancipated student of the dosages required for each vaccine according to the age of the student.

- C. The parent or guardian of persons receiving instruction in a home school shall submit one of the statements set forth in Section III.A. or III.B., above, or a statement of immunization set forth in Section IV., below, to the superintendent of the school district by October 1 of the first year of their homeschooling in Minnesota and the grade 7 year.
- D. When there is evidence of the presence of a communicable disease, or when required by any state or federal agency and/or state or federal law, students and/or their parents or guardians may be required to submit such other health care data as is necessary to ensure that the student has received any necessary immunizations and/or is free of any communicable diseases. No student may be enrolled or remain enrolled in any elementary or secondary school within the school district until the student or the student's parent or guardian has submitted the required data.
- E. The school district may allow a student transferring into a school a maximum of 30 days to submit a statement specified in Section III.A. or III.B., above, or Section IV., below. Students who do not provide the appropriate proof of immunization or the required documentation related to an applicable exemption of the student from the required immunization within the specified time frames shall be excluded from school until such time as the appropriate proof of immunization or exemption documentation has been provided.
- F. If a person who is not a Minnesota resident enrolls in a school district online learning course or program that delivers instruction to the person only by computer and does not provide any teacher or instructor contact time or require classroom attendance, the person is not subject to the immunization, statement, and other requirements of this policy.

IV. EXEMPTIONS FROM IMMUNIZATION REQUIREMENTS

Students will be exempt from the foregoing immunization requirements under the following circumstances:

- A. The parent or guardian of a minor student or an emancipated student submits a physician's signed medical statement affirming that the immunization of the student is contraindicated for medical reasons or that laboratory confirmation of the presence of adequate immunity exists; or
- B. The parent or guardian of a minor student or an emancipated student submits his or her notarized statement stating the student has not been immunized because of the conscientiously held beliefs of the parent, guardian, or student.

V. NOTICE OF IMMUNIZATION REQUIREMENTS

- A. The school district will develop and implement a procedure to:
1. notify parents and students of the immunization and exemption requirements by use of a form approved by the Department of Health;
 2. notify parents and students of the consequence for failure to provide required documentation regarding immunizations;
 3. review student health records to determine whether the required information has been provided; and
 4. make reasonable arrangements to send a student home when the immunization requirements have not been met and advise the student and/or the student's parent or guardian of the conditions for re-enrollment.
- B. The notice provided shall contain written information describing the exemptions from immunization as permitted by law. The notice shall be in a font size at least equal to the font size and style as the immunization requirements and on the same page as the immunization requirements.

VI. IMMUNIZATION RECORDS

- A. The school district will maintain a file containing the immunization records for each student in attendance at the school district for at least five years after the student attains the age of majority.
- B. Upon request, the school district may exchange immunization data with persons or agencies providing services on behalf of the student. Immunization data is private student data and disclosure of such data shall be governed by Policy 515 Protection and Privacy of Pupil Records.
- C. The designated school district administrator will assist a student and/or the student's parent or guardian in the transfer of the student's immunization file to the student's new school within 30 days of the student's transfer.
- D. Upon request of a public or private post-secondary educational institution, the designated school district administrator will assist in the transfer of the student's immunization file to the post-secondary educational institution.

VII. OTHER

Within 60 days of the commencement of each new school term, the school district will forward a report to the Commissioner of the Department of Education stating the number of students attending each school in the school district, including the number of students receiving instruction in a home school, the number of students who have not been

immunized, and the number of students who received an exemption. The school district will forward a copy of all exemption statements received by the school district to the Commissioner of the Department of Health.

- Legal References:** Minn. Stat. § 13.32 (Educational Data)
Minn. Stat. § 121A.15 (Health Standards; Immunizations; School Children)
Minn. Stat. § 121A.17 (School Board Responsibilities)
Minn. Stat. § 144.29 (Health Records; Children of School Age)
Minn. Stat. § 144.3351 (Immunization Data)
Minn. Stat. § 144.441 (Tuberculosis Screening in Schools)
Minn. Stat. § 144.442 (Testing in Schools)
Minn. Rules Parts 4604.0100-4604.1020 (Immunization) *McCarthy v. Ozark Sch. Dist.*, 359 F.3d 1029 (8th Cir. 2004)
Op. Atty. Gen. 169-W (July 23, 1980)
Op. Atty. Gen. 169-W (Jan. 17, 1968)

- Cross References:** MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)

[TO BE PLACED ON SCHOOL DISTRICT STATIONERY]

[date]

[Parent(s)]

[Address]

RE: IMMUNIZATIONS

Dear Parent:

As you know, school begins on [date]. Before your child, [name of child], can be enrolled, however, we must receive proof that he/she has received immunization against a number of diseases as required by state law or is excepted therefrom. To date, we have no immunization records for your child nor a claim of exception.

Please complete the enclosed form verifying that [name of child] has received the required immunizations, consistent with medically acceptable standards and return the form to [name of school official], *before school begins*. By state law, we cannot allow [name of child] to stay in school longer than thirty days unless we have received proof that he/she has had the required immunizations or is excepted therefrom.

If you cannot submit a statement from a physician or public clinic regarding your elementary or secondary school child, you may submit your own statement on the enclosed form detailing the precise dosages given for each required immunization and the month and year each immunization was given. If you elect to submit your own statement in lieu of one from a health care provider, please contact [name of school official] at [telephone number] to determine the precise vaccinations required for your child, as the requirements vary according to the child's age.

If you are claiming an exception for medical reasons that an immunization is contraindicated or because of your conscientiously held beliefs, you must either submit a statement from a physician stating the immunization is contraindicated or you must submit a notarized statement, signed by you as the parent/guardian, or if the student is an emancipated person, by the emancipated person, stating that the student has not been immunized because of conscientiously held beliefs. The enclosed form may be used for this purpose.

If we do not receive proof of immunization or exception by [date], your child will be sent home from school and discharged from enrollment. It will then be necessary for you to re-enroll the child after immunization requirements have been met before the child can return to school. If you have any questions, please contact [name of school official] at [telephone number].

Thank you for your cooperation.

Very truly yours,

[School District Official]

[TO BE PLACED ON SCHOOL DISTRICT STATIONERY]

[date]

[Parent(s)]

[Address]

RE: IMMUNIZATIONS

Dear Parent:

As you know, school began today. To date, we have no immunization records for your child nor any record of a request for an exception. In order for your child, [name of child], to remain enrolled, we must receive proof that he/she has received immunization against a number of diseases as required by state law or that he/she qualifies for one of the statutory exceptions. By this letter, we wish to verify that our records concerning your child are accurate and complete.

Please submit a statement on the enclosed form to [name of school official] from a physician or a public clinic verifying that [name of child] has received the required immunizations, consistent with medically acceptable standards. By state law, we cannot allow [name of child] to stay in school unless we have received proof that he/she has had the required immunizations or has satisfied one of the statutorily recognized exceptions.

If you cannot submit a statement from a physician or public clinic regarding your elementary or secondary school child, you may submit your own statement on the enclosed form detailing the precise dosages given for each required immunization and the month and year each immunization was given. If you elect to submit your own statement in lieu of one from a health care provider, please contact [name of school official] at [telephone number] to determine the precise vaccinations required for your child, as the requirements vary according to the child's age.

If you are claiming an exception for medical reasons that an immunization is contraindicated or because of your conscientiously held beliefs, you must either submit a statement from a physician stating the immunization is contraindicated or you must submit a notarized statement, signed by you as the parent/guardian, or if the student is an emancipated person by the emancipated person, stating that the student has not been immunized because of conscientiously held beliefs. The enclosed form may be used for this purpose.

If you have already submitted a statement to us, please indicate how the statement was submitted (i.e. hand-delivered, mailed), when it was delivered and to whom. It may be necessary for you to obtain a duplicate statement if the original cannot be found. If additional time to obtain a duplicate is required, please do indicate in your response.

If we do not receive proof of immunization or exception by [ten school days], your child will be sent home from school and discharged from enrollment. It will then be necessary for you to re-enroll the child after immunization requirements have been met before the child can return to school. If you have any questions, please contact [name of school official] at [telephone number].

Thank you for your cooperation.

Very truly yours,

[School District Official]

[TO BE PLACED ON SCHOOL DISTRICT STATIONERY]

[date]

[Parent(s)]
[Address]

RE: NON-ENROLLMENT FOR LACK OF IMMUNIZATION PROOF

Dear Parent:

We are sending your child, [name of child], home today because we have not yet received proof that he or she has received appropriate immunizations or is excepted therefrom. Minnesota law does not allow us to enroll an elementary or secondary school student without proof that the student has received the required immunizations or is excepted therefrom.

As we advised earlier, State law and School District policy allow for a thirty-day grace period and a ten-day due process period during which your child may attend school. Those grace periods have now expired.

[Name of child] may re-enroll as soon as we have received appropriate proof of immunizations. If you have any questions about the proof or the immunizations required, please contact [name of school official] at [telephone number] as soon as possible.

We look forward to having [name of child] back in school soon.

Very truly yours,

[School District Official]

DISTRICT NOTES:

Previous notices sent on _____ by _____

Phone contacts on _____ by _____

_____ by _____

_____ by _____



Minneota Public School District Policy 533

Adopted: September 2006

Revised: ~~Sept~~December 2024~~3~~

533 WELLNESS

I. PURPOSE

The purpose of this policy is to set forth methods that promote student wellness, ~~prevent~~prevent, and reduce childhood obesity, and assure that school meals and other food and beverages sold and otherwise made available on the school campus during the school day are consistent with applicable minimum local, state, and federal standards.

II. GENERAL STATEMENT OF POLICY

- A. The school board recognizes that nutrition promotion and education, physical activity, and other school-based activities that promote student wellness are essential components of the educational process and that good health fosters student attendance and learning.
- B. The school environment should promote students' health, well-being, and ability to learn by encouraging healthy eating and physical activity.
- C. The school district encourages the involvement of parents, students, representatives of the school food authority, teachers, school health professionals, the school board, school administrators, and the general public in the development, implementation, and periodic review and updating of the school district's wellness policy.
- D. Children need access to healthy foods and opportunities to be physically active in order to grow, learn, and thrive.
- E. All students in grades K-12 will have opportunities, support, and encouragement to be physically active on a regular basis.
- F. Qualified food service personnel will provide students with access to a variety of affordable, nutritious, and appealing foods that meet the health and nutrition needs of students; try to accommodate the religious, ethnic, and cultural diversity of the student body in meal planning; and will provide clean, safe, and pleasant settings and adequate time for students to eat.

III. GUIDELINES

A. Nutrition Education and Promotion

1. The school district will encourage and support healthy eating by students and engage in nutrition promotion that is:
 - a. offered as part of a comprehensive program designed to provide students with the knowledge and skills necessary to promote and protect their health;
 - b. part of health education classes as well as classroom instruction in subjects such as math, science, language arts, social sciences, and elective subjects, where appropriate; and
 - c. enjoyable, developmentally appropriate, culturally relevant, and includes participatory activities, such as contests, promotions, taste testing, and field trips.
2. The school district will encourage all students to make age appropriate, healthy selections of foods and beverages, including encouraging healthy snack alternatives at functions such as classroom parties, classroom snacks and food incentives.
3. Schools will not withhold food or beverages as punishment.
4. The school district will allow marketing and advertising of only those food and beverages that meet the Smart Snacks in School nutrition standards.

B. Physical Activity

1. Students need opportunities for physical activity and to fully embrace regular physical activity as a personal behavior. Toward that end, health education will reinforce the knowledge and self-management skills needed to maintain a healthy lifestyle and reduce sedentary activities such as watching television;
2. Opportunities for physical activity will be incorporated into other subject lessons, where appropriate; and
3. Classroom teachers will provide short physical activity breaks between lessons or classes, as appropriate.

C. Communications with Parents

1. The school district recognizes that parents and guardians have a primary and fundamental role in promoting and protecting their children's health and well-being.

2. The school district will support parents' efforts to provide a healthy diet and daily physical activity for their children.
3. The school district encourages parents to pack healthy lunches and snacks and refrain from including beverages and foods without nutritional value.
4. The school district will provide information about physical education and other school-based physical activity opportunities and will support parents' efforts to provide their children with opportunities to be physically active outside of school.

IV. STANDARDS AND NUTRITION GUIDELINES

A. School Meals

1. The school district will provide healthy and safe school meal programs that comply with all applicable federal, state, and local laws, rules, and regulations.
2. Food service personnel will provide students with access to a variety of affordable, nutritious, and appealing foods that meet the health and nutrition needs of students.
3. Food service personnel will try to accommodate the religious, ethnic, and cultural diversity of the student body in meal planning.
4. Food service personnel will provide clean, safe, and pleasant settings and adequate time for students to eat.
5. Food service personnel will take every measure to ensure that student access to foods and beverages meets or exceeds all applicable federal, state, and local laws, rules, and regulations and that reimbursable school meals meet USDA nutrition standards.
6. Food service personnel shall adhere to all applicable federal, state, and local food safety and security guidelines.
7. The school district will make every effort to eliminate any social stigma attached to, and prevent the overt identification of, students who are eligible for free and reduced-price school meals.
8. The school district will provide students access to hand washing or hand sanitizing before they eat meals or snacks.
9. The school district will make every effort to provide students with sufficient time to eat after sitting down for school meals and will schedule meal periods at appropriate times during the school day.

10. The school district will discourage tutoring, club, or organizational meetings or activities during mealtimes unless students may eat during such activities.

B. School Food Service Program/Personnel

1. The school district shall designate an appropriate person to be responsible for the school district's food service program, whose duties shall include the creation of nutrition guidelines and procedures for the selection of foods and beverages made available on campus to ensure food and beverage choices are consistent with current USDA guidelines.
2. As part of the school district's responsibility to operate a food service program, the school district will provide continuing professional development for all food service personnel in schools.

C. Competitive Foods and Beverages

1. All foods and beverages sold on school grounds to students, outside of reimbursable meals, are considered "competitive foods." Competitive foods include items sold a la carte in the cafeteria, from vending machines, school stores, and for in-school fundraisers.
2. All competitive foods will meet the USDA Smart Snacks in School (Smart Snacks) nutrition standards and any applicable state nutrition standards, at a minimum. Smart Snacks aim to improve student health and well-being, increase consumption of healthful foods during the school day, and create an environment that reinforces the development of healthy eating habits.
3. Before and Aftercare (child care) programs must also comply with the school district's nutrition standards unless they are reimbursable under USDA school meals program, in which case they must comply with all applicable USDA standards.

D. Other Foods and Beverages Made Available to Students

1. Student wellness will be a consideration for all foods offered, but not sold, to students on the school campus, including those foods provided through:
 - a. Celebrations and parties. The school district will provide a list of healthy party ideas to parents and teachers, including non-food celebration ideas.
 - b. Classroom snacks brought by parents. The school district will provide to parents a list of suggested foods and beverages that meet Smart Snacks nutrition standards.

2. Rewards and incentives. Schools will not use foods or beverages as rewards for academic performance or good behavior (unless this practice is allowed by a student's individual education plan or behavior intervention plan) and will not withhold food or beverages as punishment.
3. Fundraising. The school district will make available to parents and teachers a list of suggested healthy fundraising ideas.

E. Food and Beverage Marketing in Schools

1. School-based marketing will be consistent with nutrition education and health promotion.
2. Schools will restrict food and beverages marketing to the promotion of only those foods and beverages that meet the Smart Snacks nutrition standards.

V. WELLNESS LEADERSHIP AND COMMUNITY INVOLVEMENT

A. Wellness Coordinator

1. The superintendent will designate a school district official to oversee the school district's wellness-related activities (Wellness Coordinator). The Wellness Coordinator will ensure that each school implements the policy.
2. The principal of each school, or a designated school official, will ensure compliance within the school and will report to the Wellness Coordinator regarding compliance matters upon request.

B. Public Involvement

1. The Wellness Coordinator will permit parents, students, representatives of the school food authority, teachers of physical education, school health professionals, the school board, school administrators, and the general public to participate in the development, implementation, and periodic review and update of the wellness policy.
2. The Wellness Coordinator will hold meetings, from time to time, for the purpose of discussing the development, implementation, and periodic review and update of the wellness policy. All meeting dates and times will be posted on the school district's website and will be open to the public.

IV. POLICY IMPLEMENTATION AND MONITORING

A. Implementation and Publication

1. After approval by the school board, the wellness policy will be implemented throughout the school district and available on the school website under policies.
2. School food service staff, at the school or district level, will ensure compliance within the school's food service areas and will report to the food service program administrator, the building principal, or the superintendent's designee, as appropriate. Food service staff will participate in a triennial assessment to review compliance with this policy.

B. Annual Reporting

The Wellness Coordinator will annually inform the public about the content and implementation of the wellness policy and make the policy and any updates to the policy available to the public.

C. Triennial Assessment

1. At least once every three years, the school district will evaluate compliance with the wellness policy to assess the implementation of the policy and create a report that includes the following information:
 - a. the extent to which schools under the jurisdiction of the school district are in compliance with the wellness policy;
 - b. the extent to which the school district's wellness policy compares to model local wellness policies; and
 - c. a description of the progress made in attaining the goals of the school district's wellness policy.
2. The Wellness Coordinator will be responsible for conducting the triennial assessment.
3. The triennial assessment report shall be posted on the school district's website or otherwise made available to the public.

D. Recordkeeping

The school district will retain records to document compliance with the requirements of the wellness policy. The records to be retained include, but are not limited to:

1. The school district's written wellness policy.

2. Documentation demonstrating compliance with community involvement requirements, including requirements to make the local school wellness policy and triennial assessments available to the public.
3. Documentation of the triennial assessment of the local school wellness policy for each school under the school district's jurisdiction efforts to review and update the wellness policy (including an indication of who is involved in the update and methods the school district uses to make stakeholders aware of their ability to participate on the Wellness Committee).

Legal References: Minn. Stat. § 121A.215 (Local School District Wellness Policy; Website)
42 U.S.C. § 1751 *et seq.* (Healthy and Hunger-Free Kids Act)
42 U.S.C. § 1771 *et seq.* (Child Nutrition Act)
42 U.S.C. § 1758b (Local Wellness Policy)
7 U.S.C. § 5341 (Establishment of Dietary Guidelines)
7 C.F.R. § 210.10 (School Lunch Program Regulations)
7 C.F.R. § 220.8 (School Breakfast Program Regulations)

Local Resources: Minnesota Department of Education, www.education.state.mn.us
Minnesota Department of Health, www.health.state.mn.us
County Health Departments
Action for Healthy Kids Minnesota, www.actionforhealthykids.org
United States Department of Agriculture, www.fns.usda.gov



Minneota Public School District Policy 612.1

Adopted: March 18, 2013

Revised: AprilDecember 2024~~3~~

612.1 DEVELOPMENT OF PARENT AND FAMILY ENGAGEMENT POLICIES FOR TITLE I PROGRAMS

I. PURPOSE

The purpose of this policy is to encourage and facilitate involvement by parents of students participating in Title I in the educational programs and experiences of students. The policy shall provide the framework for organized, systematic, ongoing, informed, and timely parental involvement in relation to decisions about the Title I services within the school district. The involvement of parents by the school district shall be directed toward both public and private school children whose parents are school district residents or whose children attend school within the boundaries of the school district.

II. GENERAL STATEMENT OF POLICY

- A. The policy of the school district is to plan and implement, with meaningful consultation with parents of participating children, programs, activities, and procedures for the engagement of parents and families in its Title I programs.
- B. The policy of the school district is to fully comply with 20 United States Code section 6318 which requires the school district to develop jointly with, agree upon with, and distribute to parents of children participating in Title I programs written parent and family engagement policies.

III. DEVELOPMENT OF DISTRICT LEVEL POLICY

The school board will direct the administration to develop jointly with, agree upon with, and distribute to parents and family members of participating children a written parent and family engagement policy that will be incorporated into the school district's Title I plan. The policy will establish the expectations for meaningful parent and family involvement and describe how the school district will:

- A. Involve parents and family members in the joint development of the school district's Title I plan and the development of support and improvement plans;
- B. Provide the coordination, technical assistance, and other support necessary to assist and build the capacity in planning and implementing effective parent and family

involvement activities to improve student academic achievement and school performance, which may include meaningful consultation with employers, business leaders, and philanthropic organizations, or individuals with expertise in effectively engaging parents and family members in education;

- C. Coordinate and integrate parent and family engagement strategies with similar strategies, to the extent feasible and appropriate, with other relevant federal, state, and local laws and programs;
- D. Conduct, with the meaningful involvement of parents and family members, an annual evaluation of the content and effectiveness of the parent and family engagement policy in improving the academic quality, including identifying barriers to greater participation by parents in parental involvement activities (with particular attention to parents who are economically disadvantaged, disabled, have limited English proficiency, have limited literacy, or who are of a racial or ethnic minority background); the needs of parents and family members to assist with the learning of their children, including engaging with school personnel and teachers; and strategies to support successful school and family interactions;
- E. Use the findings of such evaluations to design evidence-based strategies for more effective parental involvement and to revise, if necessary, the district-level and school-level and family engagement policies; and
- F. Involve parents in the activities of the schools, which may include establishing a parent advisory board comprised of a sufficient number and representative group of parents or family members served by the school district to adequately represent the needs of the population served by the school district for the purposes of developing, revising, and reviewing the parent and family engagement policy.

IV. DEVELOPMENT OF SCHOOL LEVEL POLICY

The school board will direct the administration to develop (or amend an existing parental involvement policy) jointly with, and distribute to, parents and family members of participating children a written parent and family engagement policy, agreed upon by such parents and families, that shall describe the means for carrying out the federal requirements of parent and family engagement. Parents shall be notified of the policy in an understandable and uniform format and, to the extent practicable, provided in a language the parents can understand. Such policy shall be made available to the local community and updated periodically to meet the changing needs of parents and the school.

- A. The policy will describe the means by which a Title I program will:
 - 1. Convene an annual meeting, at a convenient time, to which all parents of participating children shall be invited and encouraged to attend, to inform parents of their school's participation in Title I programs, and to explain to parents of participating children the program, its requirements, and their right to be involved;

2. Offer a flexible number of meetings, such as meetings in the morning or evening, and may provide with Title I funds transportation, child care, or home visits, as such services relate to parental involvement;
 3. Involve parents in an organized, ongoing, and timely way in the planning, review, and improvement of the parental involvement programs, including the planning, review, and improvement of the school parent and family engagement policy and the joint development of the school-wide program plan, except that if a school has in place a process for involving parents in the joint planning and design of the school's programs, the school may use that process, if such process includes an adequate representation of parents of participating children;
 4. Provide parents of participating children with: timely information about Title I programs; a description and explanation of the curriculum in use at the school, the forms of academic assessment used to measure student progress, and the achievement levels of the challenging state academic standards; if requested by parents, opportunities for regular meetings to formulate suggestions and to participate, as appropriate, in decisions relating to the education of their children, and respond to any such suggestions as soon as practicably possible; and
 5. If the school-wide program plan is not satisfactory to the parents of participating children, submit any parent's comments on the plan when it is submitted to the school district.
- B. As a component of this policy, the school shall jointly develop with parents a school/parent compact which outlines how parents, staff, and students will share the responsibility for improved student academic achievement and the means by which the school and parents will build and develop a partnership to help children achieve the state's high standards. The compact shall:
1. Describe the school's responsibility to provide high-quality curriculum and instruction in a supportive and effective learning environment that enables participating students to meet state student academic achievement standards;
 2. Describe the ways each parent will be responsible for supporting his or her child's learning by volunteering in his or her child's classroom and participating, as appropriate, in decisions relating to his or her child's education and use of extracurricular time.
 3. Address the importance of communication between teachers and parents on an on-going basis through the use of:
 - a. Annual parent-teacher conferences to discuss the compact and the child's achievement;

- b. Frequent progress reports to the parents; and
 - c. Reasonable access to staff, opportunities to volunteer, participate in the child's class, and observe in the child's classroom.
 - d. Ensuring regular two-way, meaningful communication between family members and school staff and, to the extent practicable, in a language that family members can understand.
- C. To ensure effective involvement of parents and to support a partnership among the school, parents, and community to improve student academic achievement, the policy will describe how the school and the school district will:
- 1. Provide assistance to participating parents in understanding such topics as the state's academic content standards and state academic achievement standards, state and local academic assessments, Title I requirements, and how to monitor a child's progress and work with educators to improve the achievement of their children;
 - 2. Provide materials and training to assist parents in working with their children to improve their children's achievement, such as literacy training and using technology, as appropriate, to foster parental involvement;
 - 3. Educate school staff, with the assistance of parents, in the value and utility of contributions of parents and in how to reach out to, communicate with, and work with parents as equal partners, implement and coordinate parent programs, and build ties between parents and school;
 - 4. Coordinate and integrate parental involvement programs and activities with other federal, state, and local programs, including public preschool programs, and conduct other activities, such as parent resource centers, that encourage and support parents in more fully participating in the education of their children to the extent feasible and appropriate;
 - 5. Ensure, to the extent practicable, that information about school and parent meetings, programs, and activities is sent to the parents of participating children in a format and, to the extent practicable, in a language the parents can understand; and
 - 6. Provide such other reasonable support for parental involvement activities as requested by parents.
- D. The policy will also describe the process to be taken if the school district and school choose to:
- 1. Involve parents in the development of training for school staff to improve the effectiveness of such training;

2. Provide necessary literacy training with funds received under Title I programs if all other funding has been exhausted;
 3. Pay reasonable and necessary expenses associated with parental involvement activities, including transportation and child care costs, to enable parents to participate in school-related meetings and training sessions;
 4. Train parents to enhance the involvement of other parents;
 5. Arrange meetings at a variety of times or conduct in-home conferences between teachers or other educators, who work directly with participating children, and parents who are unable to attend such conferences at school in order to maximize parental involvement and participation in school-related activities;
 6. Adopt and implement model approaches to improving parental involvement;
 7. Develop appropriate roles for community-based organizations and business in parental involvement activities; and
 8. Establish a district-wide parent advisory council to provide advice on all matters related to parental involvement in Title I programs.
- E. To carry out the requirements of parent and family engagement, the school district and schools, to the extent practicable, will provide opportunities for the informed participation of parents and family members (including parents and family members who have limited English proficiency, parents and family members with disabilities, and parents and family members of migratory children), including providing information and school reports in a format and, to the extent practicable, in a language that is understandable by the parents.
- F. The school district and schools shall inform parents and parent organizations of the existence of family engagement in education programs.

The policies will be updated periodically to meet the changing needs of parents and the school.

Legal References: 20 U.S.C. § 6318 (Parent and Family Engagement)

Cross References: None



Minneota Public School District Policy 801

Adopted: 1995

Revised: ~~March~~ December
2024

801 EQUAL ACCESS TO SCHOOL FACILITIES

I. PURPOSE

The purpose of this policy is to implement the Equal Access Act by granting equal access to secondary school facilities for students who wish to conduct a meeting for religious, political, or philosophical purposes during noninstructional time.

II. GENERAL STATEMENT OF POLICY

- A. The policy of the school district is not to deny equal access or a fair opportunity to, or to discriminate against, any students who wish to conduct a meeting, on the basis of the religious, political, philosophical, or other content of the speech at such meetings.
- B. The school board has created a limited open forum for students enrolled in secondary schools during which noncurriculum-related student groups shall have equal access and a fair opportunity to conduct meetings during noninstructional time.
- C. Student use of facilities under this policy does not imply school district sponsorship, approval, or advocacy of the content of the expression at such meetings.
- D. The school district retains its authority to maintain order and discipline on school premises, to protect the well-being of students and faculty, and to assure that attendance of students at meetings is voluntary.
- E. In adopting and implementing this equal access policy, the school district will NOT:
 - 1. influence the form or content of any prayer or other religious activity;
 - 2. require any person to participate in prayer or other religious activity;
 - 3. expend public funds beyond the incidental cost of providing the space for student-initiated meetings;
 - 4. compel any school agent or employee to attend a school meeting if the content of the speech at the meeting is contrary to the beliefs of the agent or employee;

5. sanction meetings that are otherwise unlawful;
6. limit the rights of groups of students based on the size of the group;
7. abridge the constitutional rights of any person.

III. DEFINITIONS

- A. “Limited open forum” means that the school grants an offering to or opportunity for one or more noncurriculum related student groups to meet on school premises during noninstructional time.
- B. “Meeting” includes activities of student groups which are permitted under a limited open forum and are not directly related to the school curriculum. Distribution of literature does not constitute a meeting protected by the Equal Access Act.
- C. “Noninstructional time” means time set aside by the school before actual classroom instruction begins or after actual classroom instruction ends, including such other periods that occur during the school day when no classroom instruction takes place.
- D. “Sponsorship” includes the act of promoting, leading, or participating in a meeting. The assignment of a school employee for custodial, observation, or maintenance of order and discipline purposes does not constitute sponsorship of the meeting.
- E. “Secondary school” means any school with enrollment of pupils ordinarily in grades 7 through 12 or any portion thereof.

IV. FAIR OPPORTUNITY CRITERIA

Schools in this school district shall uniformly provide that:

- A. A meeting held pursuant to this policy is voluntary and student-initiated;
- B. There is no sponsorship of the meeting by the school or its agents or employees;
- C. Employees or agents of the school are present at religious meetings only in a nonparticipatory capacity;
- D. The meeting does not materially and substantially interfere with the orderly conduct of educational activities within the school; and
- E. Nonschool persons may not direct, control, or regularly attend activities of student groups.

V. PROCEDURES

- A. Any student who wishes to initiate a meeting under this policy shall apply to the principal of the building at least 48 hours in advance of the time of the activity or meeting. The student must agree to the following:

1. All activities or meetings must comply with existing policies, regulations, and procedures that govern operation of school-sponsored activities.
 2. The activities or meetings are voluntary and student-initiated. The principal may require assurances of this fact.
- B. Student groups meeting under this policy must comply with the following rules:
1. Those attending must not engage in any activity that is illegal, dangerous, or which materially and substantially interferes with the orderly conduct of the educational activities of the school. Such activities shall be grounds for discipline of an individual student and grounds for a particular group to be denied access.
 2. The groups may not use the school name, school mascot name, school emblems, the school district name, or any name that might imply school or district sponsorship or affiliation in any activity, including fundraising and community involvement.
 3. The groups must comply with school policies, regulations and procedures governing school-sponsored activities.
- C. Students applying for use of school facilities under this policy must provide the following information to the principal: time and date of meeting, estimated number of students in attendance, and special equipment needs.
- D. The building principal has responsibility to:
1. Keep a log of application information.
 2. Find and assign a suitable room for the meeting or activity. The number of students in attendance will be limited to the safe capacity of the meeting space.
 3. Note the condition of the facilities and equipment before and after use.
 4. Assure proper supervision. Assignment of staff to be present in a supervisory capacity does not constitute school district sponsorship of the meeting or activity.
 5. Assure that the meeting or activity does not interfere with the school's regular instructional activities.
- E. The school district shall not expend public funds for the benefit of students meeting pursuant to this policy beyond the incidental cost of providing space. The school district will provide no additional or special transportation.

- F. Nonschool persons may not direct, conduct, control, or regularly attend meetings and activities held pursuant to this policy.
- G. School district employees or agents may not promote, lead, participate in, or otherwise sponsor meetings or activities held pursuant to this policy.
- H. A copy of this policy and procedures shall be made available to each student who initiates a request to use school facilities.

Legal References: 20 U.S.C. §§ 4071-74 (Equal Access Act)
20 U.S.C. § 7905 (Boy Scouts of America Equal Access Act)
Board of Educ. of Westside Community Schools v. Mergens, 496 U.S. 226 (1990)
Good News Club v. Milford Central School, 533 U.S. 98 (2001)
Child Evangelism Fellowship of Minnesota v. Special Sch. Dist. 1, 690 F.3d 996 (8th Cir. 2012)
Child Evangelism Fellowship of Minnesota v. Elk River Area School Dist. 728, 599 F.Supp. 2d 1136 (D. Minn. 2009)

Cross References: MSBA/MASA Model Policy 902 (Use of School District Facilities and Equipment)

Independent School District No. 414
Application for Use of Facilities Form - Equal Access Act Meeting

Statement of Policy

It is school district policy to grant equal access to school facilities for students who wish to conduct a meeting for religious, political, or philosophical discussion during noninstructional time, pursuant to the Equal Access Act.

Provision of school facilities does not constitute school district sponsorship of such meeting, and the views expressed therein may or may not reflect those of the school administration, staff, or board of education and are neither approved nor disapproved by them.

Name of student initiating request: _____

Organization (if applicable): _____

School: _____

Grade: _____

Home Room: _____

Date of Meeting: _____

Time: _____

Estimated number to attend: _____

Special Equipment needs: _____

(School District Use Only)

Room assigned: _____

Condition of Facilities: _____

Staff (if any) assigned to supervise: _____

Notes: _____

RESOLUTION FOR ACCEPTANCE OF GIFTS/DONATIONS/GRANTS

Member _____ introduced the following resolution and moved its adoption:

WHEREAS the below noted party(ies) has generously offered to donate to the School District.

WHEREAS the conditions on this gift are noted [or “Whereas no conditions are placed on this gift” if applicable].

Donation From Donation – Purpose/For Value Date

From Whom	For Whom/What/Purpose	Amount	Date
UFP Industries Inc.	Escape Room and Meal for Volleyball Players at the State Tournament	Unknown	11/8/2024

THEREFORE, BE IT RESOLVED by the Minneota Public School Board of Education to gratefully accept these donation(s) or grant(s).

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

The following members voted yes:

The following members voted no:

The motion carried/failed.

The foregoing resolution was approved this 19th day of November, 2024.

Ryan Runia, Clerk