



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

SCHOOL BOARD Regular Meeting

Monday, November 25, 2024

6:00 PM

MEETING AGENDA

*The mission of Eden Prairie Schools is to inspire each student to learn continuously so they are empowered
To reach personal fulfillment and contribute purposefully to our ever-changing world.*

1. Convene: 6:00 PM (Roll Call)

Call to Order - Steven Bartz, Abby Libsack, Kim Ross, Charles "CJ" Strehl, Dennis Stubbs

Board Chair, Aaron Casper, will join the meeting remotely from 28800 County Hwy F, Blue River, WI 53518, and Board Member Debjyoti "DD" Dwivedy will join also the meeting remotely from 401 MLC/USA, MMC-SWA, Unit 61276, APO AE 09309

2. Pledge of Allegiance

3. Agenda Review and Approval (Action)

Approval of the agenda for the Monday, November 25, 2024 School Board of Independent School District 272, Eden Prairie Schools.

Motion _____ **Seconded** _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Abby Libsack | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

4. Approval of Previous Minutes (Action)

Approval of the UNOFFICIAL Minutes of the School Board Regular Business Meeting on October 28, 2024, Special Meeting and Workshop Notes on November 12, 2024.

Motion _____ **Seconded** _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Abby Libsack | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

- | | |
|--|----|
| A. October 28, 2024 Regular Business Meeting | 8 |
| B. November 12, 2024 Special Meeting | 13 |
| C. November 12, 2024 Workshop Notes | 14 |

5. Spotlight on Success 6:05 PM (Information)

- A. TASSEL Program

6. Public Comment: 6:25 PM

7. Announcements 6:35 PM (Information)

8. Board Education & Required Reporting: 6:40 PM (Information)

- A. Fiscal Year 2023-24 Audited Financial Presentation Information

- | | |
|---|----|
| 1) FY 2023-24 Executive Summary - Annual Financial Audit | 15 |
| 2) Audited Financial Presentation | 16 |
| 3) Annual Comprehensive Financial Report (See Appendix "A") | |
| 4) Management Report (See Appendix "A") | |
| 5) Special Purpose Audit Reports (See Appendix "A") | |

B. Levy for Learning - <i>Presentation Uploaded</i>	27
C. World's Best Workforce Report	42
D. FY 2023-24 Achievement Integration Summary Report	49

9. Board Work **7:50 PM** (Action)

A. Decision Preparation

- | | |
|---|----|
| 1) School Board Mid-Year Treasurer's Report | 56 |
|---|----|

B. Required Board Action

C. Policy Monitoring (Action)

- | | |
|---|----|
| 1) Executive Limitations - EL 2.9 Communication and Support to the School Board - <i>The Superintendent shall not</i> cause or allow the School Board to be uninformed or unsupported in its work. (Action) | 57 |
|---|----|

OI Motion _____ Seconded _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Abby Libsack | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

Evidence Motion _____ Seconded _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Abby Libsack | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

- a. EL 2.9.1 *The Superintendent shall not*: Neglect to submit monitoring reports required by the School Board in a timely, accurate, and understandable fashion.

OI Motion _____ Seconded _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Abby Libsack | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

Evidence Motion _____ Seconded _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Abby Libsack | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

- b. EL 2.9.2 *The Superintendent shall not*: Be untimely in reporting any actual or anticipated noncompliance with any policy of the School Board.

OI Motion _____ Seconded _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Abby Libsack | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

Evidence Motion _____ Seconded _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Abby Libsack | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

- c. EL 2.9.3 *The Superintendent shall not*: Neglect to submit unbiased information required by the School Board or let the School Board be unaware of relevant trends.

OI Motion _____ Seconded _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Abby Libsack | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

Evidence Motion _____ Seconded _____

- | | | | |
|-------------------|--------------|------------------|--------------|
| 1. Abby Libsack | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
4. Debjyoti Dwivedy Yes___ No___

d. EL 2.9.4 *The Superintendent shall not:* Let the School Board be unaware of any significant incidental information it requires, including district press releases, anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.

OI Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
4. Debjyoti Dwivedy Yes___ No___

e. EL 2.9.5 *The Superintendent shall not:* Fail to advise the School Board if, in the Superintendent's opinion, the School Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of School Board behavior that is detrimental to the working relationship between the School Board and the Superintendent.

OI Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
4. Debjyoti Dwivedy Yes___ No___

f. EL 2.9.6 *The Superintendent shall not:* Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and incidental

OI Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
4. Debjyoti Dwivedy Yes___ No___

g. EL 2.9.7 *The Superintendent shall not:* Provide a mechanism for official School Board, officer, or committee communications that is ineffective.

OI Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
4. Debjyoti Dwivedy Yes___ No___

h. EL 2.9.8 *The Superintendent shall not:* Communicate with individual School Board members in addressing official School Board business except when responding to officers or committees duly charged by the School Board.

OI Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

i. EL 2.9.9 *The Superintendent shall not:* Neglect to supply for the School Board's consent agenda, along with applicable supporting information, all decisions delegated to the Superintendent yet required by law, regulation, or contract to be School Board-approved.

OI Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

j. EL 2.9.10 *The Superintendent shall not:* Allow the School Board to be unaware of potential consequences to the district posed by pending legislation or regulation.

OI Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

k. EL 2.9.11 *The Superintendent shall not:* Send letters or surveys under the School Board's name or on behalf of the School Board without School Board approval.

OI Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

2) EL 2.2 Treatment of Students - *The Superintendent shall not cause or allow* an educational environment that is unsafe, unwelcoming, inequitable, disrespectful, unnecessarily intrusive, or that otherwise inhibits the effective learning needs of each student.

84

OI Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

a. EL 2.2.1 *The Superintendent shall not:* Allow students to be unprotected against violence or harassment.

Evidence Motion _____ Seconded _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

3) EL 2.3 Treatment of Parents - *The Superintendent shall not allow a culture or district practice that fails to proactively engage parents of district students in a respectful partnership that supports the successful education of their child.*

90

OI Motion _____ Seconded _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ Seconded _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

a. EL 2.3.1 *The Superintendent shall not:* Impede the flow of timely, adequate, and easily accessible information about the district in general and their child, in particular.

OI Motion _____ Seconded _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ Seconded _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

b. EL 2.3.2 *The Superintendent shall not:* Allow an environment where concerns or inquiries directed to the Superintendent are not acknowledged and subsequently handled by the district in a timely, respectful manner.

OI Motion _____ Seconded _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ Seconded _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

c. EL 2.3.3 *The Superintendent shall not:* Set school policies or make major decisions without appropriate input and representation from district parents.

OI Motion _____ Seconded _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

Evidence Motion _____ Seconded _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

D. Record of Board Self-Evaluation (Action)

1) 2023-24 Record of Board Policy Monitoring - Governance Policies (GP's) (Action)

113

Motion _____ Seconded _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

2) 2023-24 Record of Board Policy Monitoring - Executive Limitations (EL's) **(Action)** 119

Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

3) 2023-24 Record of Board Policy Monitoring - Ends (1.1 - 1.6) **(No Updates)** 120

10. Superintendent Consent Agenda 8:30 PM (Action)

Management items the Board would not act upon in Policy Governance, but require Board approval from outside entities.

Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

A. Monthly Reports

1) Resolution of Acceptance of Donations 122

2) Human Resources Report 123

3) Business Services Reports

a. Board Business 126

b. Financial Report - Monthly Revenue/Expenditure Report 127

11. Superintendent's Incidental Information Report 8:35 PM (Information)

Incidental Information is considered as "nice to know" information regarding district business. Monitoring and decision-making information are handled elsewhere on the agenda. These items are not open for debate, but rather for awareness and understanding. (Supports EL 2.9 in general and 2.9.6 specifically)

A. 100 Year Report - **Presentation Uploaded** 128

12. Board Action on Committee Reports & Minutes 8:45 PM (Action)

A. Board Development Committee

1) New Director Orientation 145

Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

B. Community Linkage Committee (Action)

1) November 7, 2024 Meeting Minutes 164

Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

2) **DRAFT - January 2025 Inspiring News (It Takes All of Us) (Action)** 167

Motion _____ **Seconded** _____

1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___
 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
 4. Debjyoti Dwivedy Yes___ No___

C. Negotiations Committee

D. Policy Committee

1) Summary of Edits to EL and Ends Policy Monitoring Process	168
2) Revision to Board's ENDS Policy Monitoring	169
Motion _____ Seconded _____ 1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___ 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___ 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___ 4. Debjyoti Dwivedy Yes___ No___	
3) Revision to Board's EL (Executive Limitation) Policy Monitoring	176
Motion _____ Seconded _____ 1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___ 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___ 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___ 4. Debjyoti Dwivedy Yes___ No___	
13. Other Board Updates (AMSD, BRIGHTWORKS, ISD 287, MSHSL) 9:05 PM (Information)	
A. AMSD (Association of Metropolitan School) - <i>Abby Libsack/Kim Ross</i>	
B. BrightWorks - <i>Dennis Stubbs</i>	
C. ISD 287 (Intermediate School District 287) - <i>Kim Ross</i>	
D. MSHSL (Minnesota State High School League) - <i>Dennis Stubbs</i>	
14. Board Work Plan 9:15 PM (Action)	
A. Work Plan Changes Document (Action)	
Motion _____ Seconded _____ 1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___ 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___ 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___ 4. Debjyoti Dwivedy Yes___ No___	
B. 2024-25 Board Annual Work Plan (Information)	
15. Adjournment (Action)	
Motion _____ Seconded _____ to adjourn at _____ PM.	
1. Abby Libsack Yes___ No___ 5. Kim Ross Yes___ No___	
2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___	
3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___	
4. Debjyoti Dwivedy Yes___ No___	
16. Appendix "A" - Fiscal Year 2023-24 Audited Financial Presentation Information (Item #8A)	
A. Annual Comprehensive Financial Report	193
B. Management Report	361
C. Special Purpose Audit Reports	385

INDEPENDENT SCHOOL DISTRICT 272 ~ EDEN PRAIRIE SCHOOLS
UNOFFICIAL MINUTES OF THE OCTOBER 28, 2024
SCHOOL BOARD MEETING

A Regular Meeting of the Independent School District 272, Eden Prairie Schools, was held on October 28, 2024, in the Eden Prairie District Administrative Offices, 8100 School Road, Eden Prairie, MN 55344.

1. Convene: 6:00 PM (Roll Call)

Call to Order: Steve Bartz, Aaron Casper, Debjyoti "DD" Dwivedy, Abby Libsack, Kim Ross, Charles "CJ" Strehl, Dennis Stubbs

2. Pledge of Allegiance

3. Agenda Review and Approval – Motion by A. Libsack, **Seconded** by D. Stubbs to approve the agenda for the Monday, October 28, 2024, meeting of the School Board of Independent School District 272, Eden Prairie Schools – Passed Unanimously

4. Approval of Previous Minutes – Motion by D. Stubbs, **Seconded** by S. Bartz to approve the UNOFFICIAL Minutes of the School Board Regular Business Meetings on September 23, 2024, and the Workshop notes on October 14, 2024 – Passed Unanimously

5. Spotlight on Success – Eagle Zone/EPIC

6. Public Comment – (2) – Electric School Buses; School Safety

7. Announcements

- First, it was so fun to see our community come together at our Citywide Celebration on September 28th! From the parade to the performances, to the GIVE Gathering – it was truly a celebration of all the great work that has happened on behalf of each of our students throughout the past 100 years of Eden Prairie Schools. And I'm really excited to see us carry that tradition of excellence into the future. Thank you to all of the students and families who attended or participated, our community partners who supported it, and all the staff who worked so hard to make it the awesome event that it was.
- **Congratulations:** Our EPHS girls tennis team went to state for the first time in over 20 years! What an achievement. The team was crowned Section 2AA champions after earning a close 4-to-3 victory over Minnetonka in the section tournament earlier this month. It was a hard-fought battle at the state tournament, and we couldn't be more proud of them for their incredible season this year.
- We are so proud of our seven EPHS students who were selected to the Minnesota Music Educators Association's All-State program!
Congratulations to trumpet players Annika Rice and Koto Kazama, bass clarinetist Arya Mehta, cellist Arun Wahlquist, violinist Claire Lee, bass player Alexandra Wahl, and soprano, Abi Swanson. They will perform alongside the 621 other All-State musicians at Orchestra Hall in February. This is a big honor for these talented young musicians!
- Recently, our Executive Director of Community Education Dr. Shawn Hoffman-Bram was selected by the Minnesota Community Education Association as a 2024 Community Educator of Excellence Award winner! The award recognizes the contributions and dedication of community education professionals from across the state. Dr. Hoffman-Bram was honored in Duluth for the award at the MCEA fall conference this past Thursday, and it was awesome to see her work recognized. **Congratulations**, Dr. Hoffman-Bram – very well deserved!
- The EPHS DECA club raised more than \$10,000 for College Possible Minnesota at their annual Powderpuff game for charity on Saturday, October 12th! The nonprofit aids students who face financial obstacles in their transition to college. Great work, DECA!
- Earlier this month, the Civics in ACTION Capstone class at EPHS pre-registered more than 50 of their peers to vote through their registration drive. They're doing a great job living out our Inspired to Vote motto: that safe, respectful, and responsible voting reflects the values we teach our students every day. Well done!
 - On Wednesday, October 16th, more than 700 EPHS students attended the College and Career Expo in the school's main gym. The expo is

Thank you to the 42 local and national business and collegiate partners who participated this year and thank you to the Chamber for their partnership in making this event a success every year!

- Speaking of partnerships, we've loved seeing the ways our community partners have engaged in student learning through the first couple months of the school year. Coding and Robotics students at CMS were wowed when drone creative services company Pictures Over Stillwater showed them how their learning about drones in class could translate to careers. Mary Beech, a Master Gardener intern at the U of M and grandma to a Forest Hills first grader, had fourth grade students at Forest Hills buzzing when she showed them how to build bee houses. We are so proud of our community partners taking an active role in educating our students, and we look forward to seeing more of it throughout the school year.
- You may have noticed a new rain garden at Round Lake Park, you can thank EPHS student Maxwell Amundson. He collaborated with the City of Eden Prairie to create it for his Eagle Scout project! The garden will help manage rainwater runoff and prevent erosion. Helping hands included fellow EP students and Boy Scouts Myles Rocco, Hans Syvertsen, Mason Weber, and Bennett Wimmer. If the results of the project are approved by regional scout leaders, Maxwell will earn the top rank of Eagle Scout! Nice job, Maxwell – our fingers are crossed for you!
- This month is National Principals Month, so **Congratulations** to all of our Principals and Associate Principals. We can't thank them enough for their commitment and hard work they put into meeting the needs of our students, families, and staff daily. The role of principal is not easy, but they spend countless unseen hours preparing, reflecting, and solving issues that arise in an effort to ensure every member of their school community is safe and supported. EPS principals, thank you for taking the time to ensure voices are heard and valued and for fostering an environment where students make a conscious choice to be safe, responsible, and kind.

8. Board Work

- A. Decision Preparation
- B. Required Board Action
- C. Policy Monitoring

1) Executive Limitations (EL's)

- a. EL 2.4 - Treatment of Staff - The Superintendent shall not cause or allow a work environment that is unsafe, unwelcoming, inequitable, disrespectful, unclear or that otherwise inhibits effective staff performance.

OI Motion by K. Ross, **Seconded** by A. Casper that the interpretation for the over-arching Global Constraint of EL 2.4 is reasonable – Passed 6-1: Yes – DS, KR, DD, AC, AL, SB; No: 1 (CJ)

Evidence Motion by S. Bartz, **Seconded** by A. Casper to accept the Superintendent's assertion of compliance with the over-arching Global Constraint of EL 2.4 – Passed 6-1: Yes – DS, KR, DD, AC, AL, SB; No: 1 (CJ)

- (1) EL 2.4.1 *The Superintendent shall not:* Allow staff to work without a written job description.

OI Motion by S. Bartz, **Seconded** by K. Ross, the OI's for EL 2.4.1 through EL 2.4.5 are reasonable – Passed Unanimously

Evidence Motion by S. Bartz, **Seconded** by D. Stubbs to accept the Superintendent's assertion of compliance with EL 2.4.1 through EL 2.4.5 – Passed Unanimously

- b. EL 2.8 - Compensation and Benefits - *With respect to employment, compensation, and benefits to employees, consultants, and contract workers, the Superintendent shall not cause or allow jeopardy to financial integrity or to public image.*

OI Motion by S. Bartz, **Seconded** by K. Ross, that the over-arching Global Constraint for EL 2.8, the OI is reasonable – Passed Unanimously

Evidence Motion by K. Ross, **Seconded** by A. Casper to accept the Superintendent's assertion that EL 2.8 is in compliance – Passed Unanimously

- (1) EL 2.8.1 - *The Superintendent shall not:* Promise or imply permanent or guaranteed employment.

(2) EL 2.8.2 - *The Superintendent shall not:* Establish current compensation and benefits that deviate materially from the geographical or professional market for the skills employed. Further, compensation and benefits must not deviate from School Board-established parameters.

OI Motion by K. Ross, **Seconded** by A. Libsack to find that the interpretation of EL 2.8.1 and EL 2.8.2 are reasonable – Passed Unanimously

Evidence Motion by S. Bartz, **Seconded** by D. Stubbs to accept the Superintendent's assertion of compliance with EL 2.8.1 and EL 2.8.2 – Passed Unanimously

2) Governance Process (GP's)

a. GP 4.0 - Global Governance Commitment: *The purpose of the School Board on behalf of owners, defined as Eden Prairie taxpayers and residents, is to ensure that the Eden Prairie Public School district:*

Motion by K. Ross, **Seconded** by D. Stubbs, that Board behavior is compliant in GP 4.0 and its child policies – Passed Unanimously.

b. 4.1 - Governing Style: *The School Board will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of School Board and Superintendent roles, (e) collective rather than individual decisions, and (f) the future rather than the past.*

Motion by S. Bartz, **Seconded** by A. Casper that the Board is in compliance with GP 4.1 and all its child policies – Passed Unanimously

c. GP 4.2 - School Board Job Product: *Specific job outputs of the School Board, as an informed agent of the owners, are those that assure appropriate district performance. Accordingly, the School Board has direct responsibility to:*

Motion by K. Ross, **Seconded** by A. Casper that Board is in compliance with GP 4.2 and all its child policies – Passed Unanimously

d. GP 4.3 - Annual Work Plan: *The School Board will follow an annual work plan that schedules time to a) maintain purposeful and ongoing linkage with owners, b) review and refine its Ends policies c) review and refine its Executive Limitations policies, d) monitor all written policies and e) continually improve School Board performance through School Board development and education.*

Motion by S. Bartz, **Seconded** by A. Casper that the Board is in compliance with GP 4.3 and all of its child policies – Passed Unanimously

e. GP 4.9 - Governance Investment: *Because poor governance costs more than learning to govern well, the School Board will invest in its governance capacity.*

Motion by K. Ross, **Seconded** by D. Stubbs, that the Board's behavior is in compliance with GP 4.9 and all its child policies – Passed Unanimously

D. Record of Board Self-Evaluation

1) 2023-24 Record of Board Policy Monitoring - Board Management Delegation Policies (BMD's) & Governance Policies (GP's)

Motion by K. Ross, **Seconded** by A. Casper to accept the BMD & GP Policy Monitoring as presented – Passed Unanimously

2) 2023-24 Record of Board Policy Monitoring - Executive Limitations (EL's)

Motion by S. Bartz, **Seconded** by A. Casper to approve the Record of Board Monitoring EL's as presented – Passed Unanimously

3) 2023-24 Record of Board Policy Monitoring - Ends 1.1 - 1.6

Motion by A. Casper, **Seconded** by K. Ross that the Board accepts the Board's 2023-24 Record of Policy Monitoring for Ends 1.1 through 1.6 as presented – Passed Unanimously

9. Superintendent Consent Agenda

Motion by A. Casper, **Seconded** by A. Libsack to accept the Consent Agenda as presented – Passed Unanimously

A. Monthly Reports

- 1) Resolution of Acceptance of Donations
- 2) Human Resources Report
- 3) Business Services Reports

- a. Board Business
- b. Financial Report - Monthly Revenue/Expenditure Report

B. MSHSL Form A

10. **Superintendent's Incidental Information Report**

- A. Enrollment Report as of October 1, 2024 - *Presentation Uploaded*

11. **Board Action on Committee Reports & Minutes**

- A. Board Development Committee
- B. Community Linkage Committee
- C. Negotiations Committee
- D. Policy Committee

1) Update to GP 4.8 – Per K. Ross email

- a. ~~A School Board-level committee is created by a majority vote of the School Board to assist in the completion of School Board business. Each committee submits a yearly plan of action to the Board, submits minutes of meetings in a timely manner, and reports progress during Board business meetings. The only School Board committees are those that are set forth in this policy.~~

A School Board-level committee is created by a majority vote of the School Board to assist in the completion of School Board business. The community linkage and board development committees submit a yearly plan of action to the Board. The policy and negotiations committees act as needed by the board and do not submit yearly plans. Each committee submits minutes of meetings in a timely manner, and reports progress during Board business meetings. The only School Board committees are those that are set forth in this policy.

Motion by K. Ross, **Seconded** by D. Dwivedy to accept changes noted above in “red” as referenced in email from K. Ross – Passed Unanimously

12. **Other Board Updates (AMSD, BRIGHTWORKS, ISD 287, MSHSL)**

- A. AMSD (Association of Metropolitan Schools) - Abby Libsack updated Board
- B. BrightWorks (formerly ECSU) - Dennis Stubbs – No updates
- C. ISD 287 (Intermediate School District 287) - Kim Ross updated the Board
- D. MSHSL (Minnesota State High School League) - Dennis Stubbs – No updates

13. **Board Work Plan**

- A. Work Plan "Change" Document

Motion by K. Ross, **Seconded** by A. Casper to accept the Work Plan document as presented and Amended – Passed Unanimously

Eden Prairie School Board
2023–24 WORK PLAN CHANGES
“Proposed” Changes
October 28, 2024

Date of Meeting/Workshop	Changes Requested
Monday, October 28, 2024	
Tuesday, November 12, 2024 – Special Business Meeting (<i>Canvass Elections</i>)	
Tuesday, November 12, 2024 – Workshop	- ADD: <i>Board Assessment of Culture & Climate relative to Treatment of Students & Treatment of Staff</i>
Monday, November 25, 2024	- ADD: <i>Levy for Learning (Board Education)</i>
Monday, December 9, 2024	
Monday, January 6, 2025 (6:00 p.m.) Annual Org. Meeting	
Monday, January 6, 2025 (6:30 p.m.) – Workshop	

Monday, January 27, 2025	
Monday, February 10, 2025 – Workshop	-
Monday, February 24, 2025	
Monday, March 10, 2025 – Workshop	
Monday, March 24, 2025	
Monday, April 14, 2025 – Workshop	
Monday, April 28, 2025	
Monday, May 12, 2025 – Workshop	
Tuesday , May 27, 2025	
Monday, June 9, 2025 – Workshop	
Monday, June 23, 2025	
Placeholder – General Board Work	
Placeholder – Policy Review	
Policy GP 4.8 – School Board Committee Structure – Referred to the Policy Committee for Review – Changes approved under Policy Committee	

B. 2024-25 Board Annual Work Plan

14. **Adjournment – Motion** by A. Casper, **Seconded** by S. Bartz to adjourn at 8:10 PM – Passed Unanimously

Abby Libsack – Board Clerk

INDEPENDENT SCHOOL DISTRICT 272 ~ EDEN PRAIRIE SCHOOLS
UNOFFICIAL MINUTES OF THE NOVEMBER 12, 2024
SPECIAL SCHOOL BOARD MEETING

A Special Meeting of the Independent School District 272, Eden Prairie Schools, was held on November 12, 2024, in the Eden Prairie District Administrative Offices, 8100 School Road, Eden Prairie, MN 55344.

1. CONVENE - 6:00 PM (School Board Members Roll Call)

Present: Steve Bartz, Aaron Casper, Abby Libsack, Kim Ross, Charles "CJ" Strehl, Dennis Stubbs

Not Present: Board Member Debjyoti "DD" Dwivedy

Present: Superintendent Josh Swanson

2. Agenda Review and Approval – Motion A. Casper, **Seconded by S. Bartz to approve the agenda for the Tuesday, November 12, 2024, Special Meeting of the School Board of Independent School District 272, Eden Prairie Schools – Passed Unanimously**

3. Board Work

A. Required Board Action

1) Resolution Approving Canvassing of Elections - *Roll Call*

Motion by A. Libsack, **Seconded** by S. Bartz, to approve and adopt the *RESOLUTION* AUTHORIZING ISSUANCE OF CERTIFICATES OF ELECTION AND DIRECTING THE SCHOOL DISTRICT CLERK TO PERFORM OTHER ELECTION RELATED DUTIES as presented: Yes – 6, SB, DS, CS, KR, AL, AC; No – 0; Passed Unanimously

2) Resolution Authorizing Issuance of Certificates of Election - *Roll Call*

Motion by A. Libsack, **Seconded** by A. Casper, to approve and adopt the *RESOLUTION* CANVASSING RETURNS OF VOTES OF SCHOOL DISTRICT GENERAL AND SPECIAL ELECTIONS as presented: Yes – 6, SB, DS, CS, KR, AL, AC; No – 0; Passed Unanimously

4. Adjournment

Motion by S. Bartz, **Seconded** by A. Casper to adjourn at 6:03 PM – Passed Unanimously

Abby Libsack – Board Clerk

School Board Workshop Notes- Tuesday, November 12, 2024

1. CONVENE – 6:04pm

School Board Members Present: Steve Bartz, Abby Libsack, Kim Ross,
Charles "CJ" Strehl, Aaron Casper, Dennis Stubbs; Absent: Debjyoti "DD" Dwivedy

2. Discussion of Board Assessment of Culture and Climate Relative to EL 2.2 (*Treatment of Students*) & EL 2.3 (*Treatment of Parents*)

3. Review School Board Treasurer's Mid-Year Report- CJ Strehl

4. Community Linkage Committee

- a. January 2025 Topics for Inspiring News
- b. *It Takes All of Us*

5. Work Plan "Change" Document Discussion

6. School Board Annual Work Plan – 2024-25

7. Adjourned at 7:09pm



Abby Libsack, Board Clerk

November 25, 2024

To: Dr. Josh Swanson
From: Business Office
Re: FY23-24 Annual Financial Audit

We are pleased to present the year-end financial results for the fiscal year 2024. There are three documents included in this package: Management Report, Special Purpose Audit Report, and the Annual Comprehensive Financial Report. The financial reports will be available on the district website for the community following this board meeting.

The District hired Malloy Montague Karnowski Radosevich & Co., P.A. (MMKR), an independent audit firm, to conduct the financial audit. The auditors have issued a clean, unmodified opinion on the audit report, the highest opinion they can provide, indicating the financial statements are fairly stated. The auditors identified one finding, which you can find on page 10 of the Special Purpose Audit Report.

The Annual Financial Statement contains the Management's Discussion and Analysis (pages 5-16) which provides a narrative overview and analysis of the financial activities during the fiscal year. The Management Report is designed to communicate information relevant to the financing of public education in Minnesota and to provide comments resulting from the audit process.

This presentation also doubles as our year-end financial report to the school board. The general fund finished with an unassigned fund balance of \$21,124,976 which represents 15.2% of our annual expenditures and an increase of \$4,034,712 from the prior year.

Here are some important takeaways from the audit presentation:

- The District utilized all remaining COVID-19 Federal Relief and Education Stabilization funds in fiscal year 2023-24.
- The Food Service fund continued to grow by \$124,265 during fiscal year 2023-24
- The Community Education fund recognized an increase to fund balance of \$728,664, despite slightly reduced participation levels.
- The Self-Funded Medical fund recognized an \$86,108 decrease in fund balance. The fund remains strong with a fund balance as a percentage of expenditures of 58.6%.
- The Other Post-Employment Benefits (OPEB) trust ended fiscal year 2023-24 with a fund balance of \$15,700,351, which is 1.64 times that of the District's estimated OPEB Liability.

We are pleased with the year-end results in all funds across the district and continue to meet our financial targets as expected. The updated 5-year financial projection will be presented to the board in January 2025 and will reflect these audited financial numbers.

INDEPENDENT SCHOOL DISTRICT NO. 272 EDEN PRAIRIE, MINNESOTA

Audit Report for Year Ended June 30, 2024

AUDITOR'S ROLE



OPINION ON FINANCIAL STATEMENTS

- DISTRICT AUDIT
- SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

INTERNAL CONTROLS AND COMPLIANCE

- FINANCIAL STATEMENT AUDIT
- FEDERAL "SINGLE AUDIT"
- STATE LAWS AND REGULATIONS

AUDIT RESULTS



DISTRICT FINANCIAL AUDIT

- Unmodified Opinions on Basic Financial Statements
- Implementation of GASB Guidance on Group Assets

18

INTERNAL CONTROL AND COMPLIANCE – FINANCIAL AUDIT

- No material weaknesses or instances of noncompliance reported in the current year.

AUDIT RESULTS (CONTINUED)



MN LEGAL COMPLIANCE

- One instance of noncompliance
 - 2024-001 Payment of Invoices

19

SINGLE AUDIT of FEDERAL AWARDS

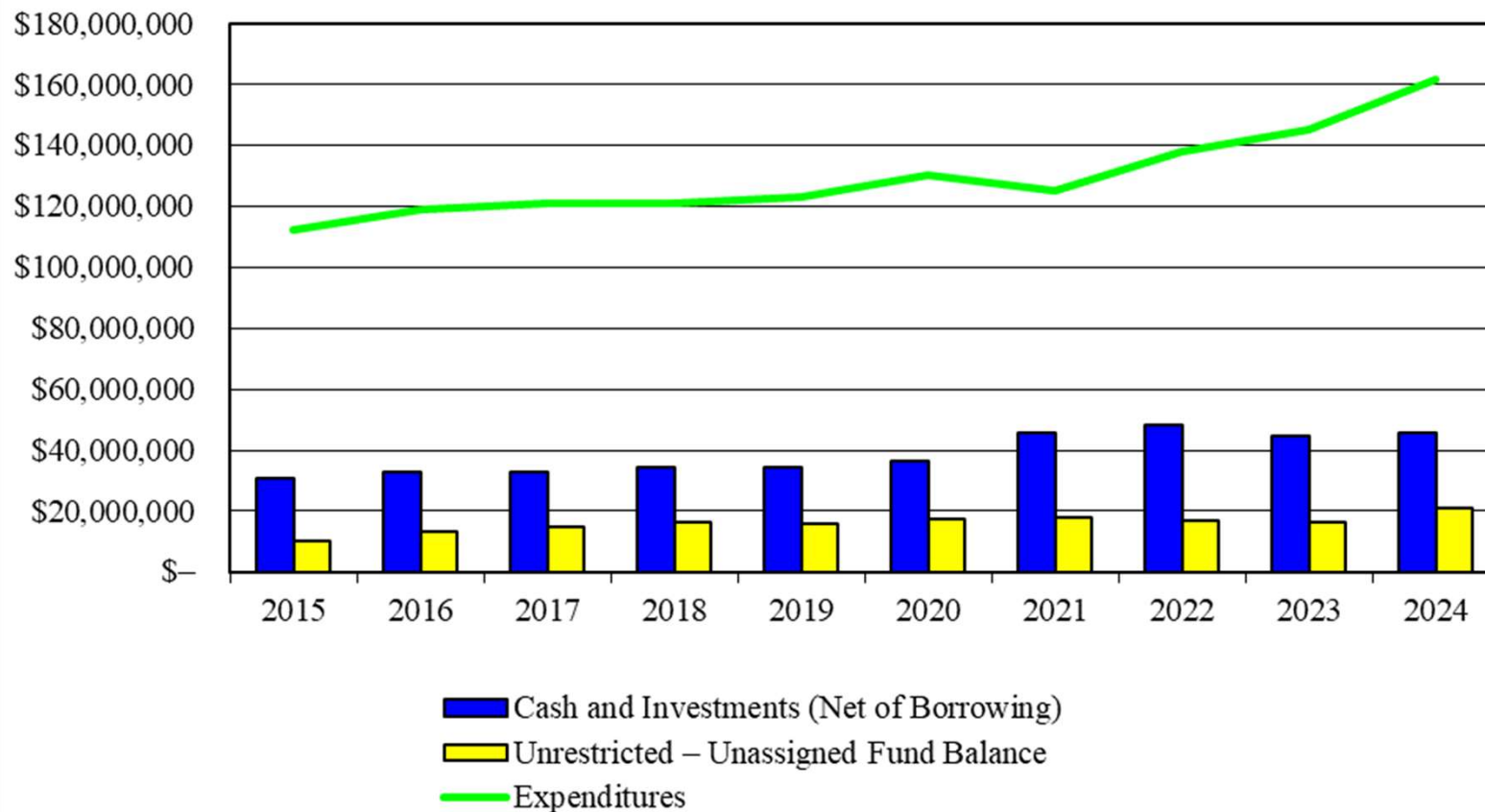
- Clean opinion on SEFA
- No material weaknesses or instances of noncompliance reported in the current year.

GENERAL FUND

FINANCIAL POSITION – TREND ANALYSIS



General Fund Financial Position
Year Ended June 30,



GENERAL FUND

FINANCIAL POSITION – TREND ANALYSIS

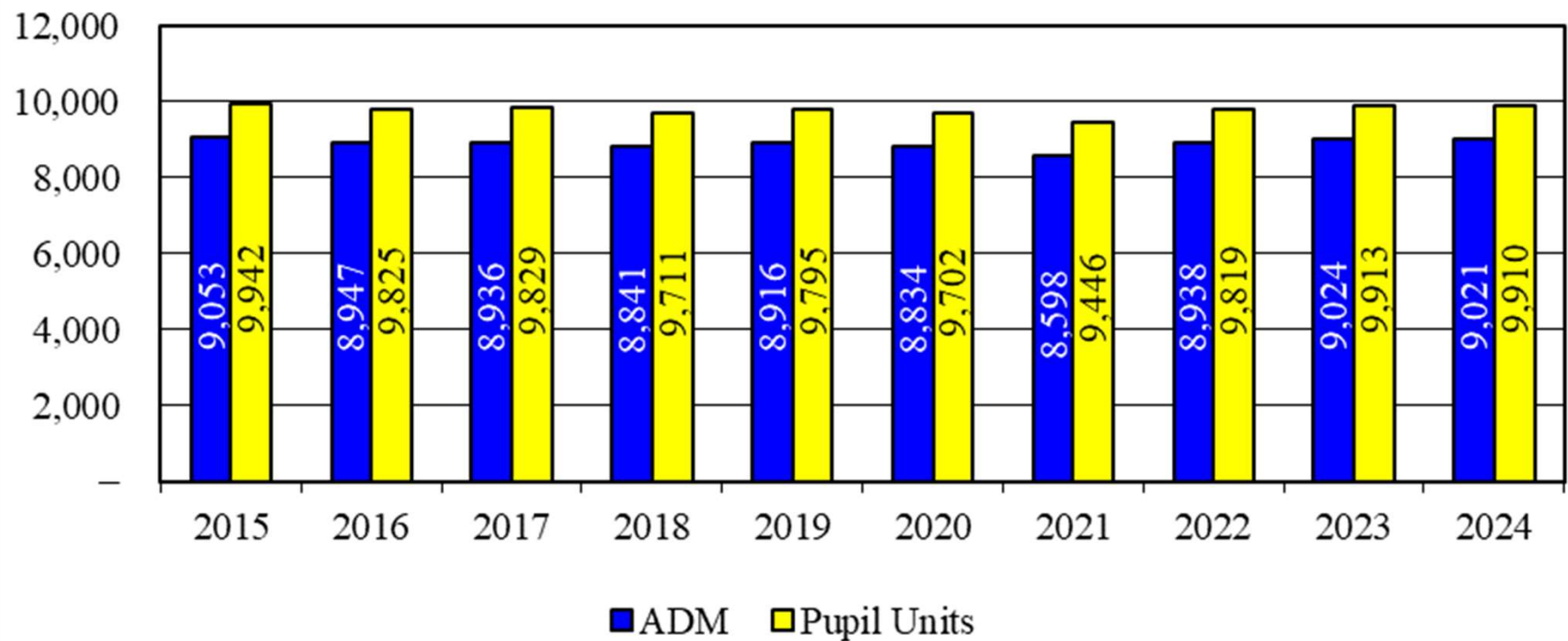
	June 30,				
	2020	2021	2022	2023	2024
Nonspendable fund balances	\$ 507,235	\$ 686,319	\$ 599,973	\$ 835,657	\$ 141,541
Restricted fund balances (1)	1,461,779	2,198,592	3,220,180	3,935,241	3,488,399
Unrestricted fund balances					
Assigned	4,320,382	11,053,757	9,997,353	8,539,904	7,091,244
Unassigned	17,207,918	17,811,019	17,040,479	16,254,607	20,758,487
Total fund balance	\$ 23,497,314	\$ 31,749,687	\$ 30,857,985	\$ 29,565,409	\$ 31,479,671
Total expenditures	\$ 130,053,168	\$ 125,297,301	\$ 137,728,612	\$ 145,288,313	\$ 161,571,006
Unrestricted fund balances as a percentage of expenditures	16.6%	23.0%	19.6%	17.1%	17.2%
Unassigned fund balances as a percentage of expenditures	13.2%	14.2%	12.4%	11.2%	12.8%

(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.

ADJUSTED ADM PUPIL UNITS SERVED



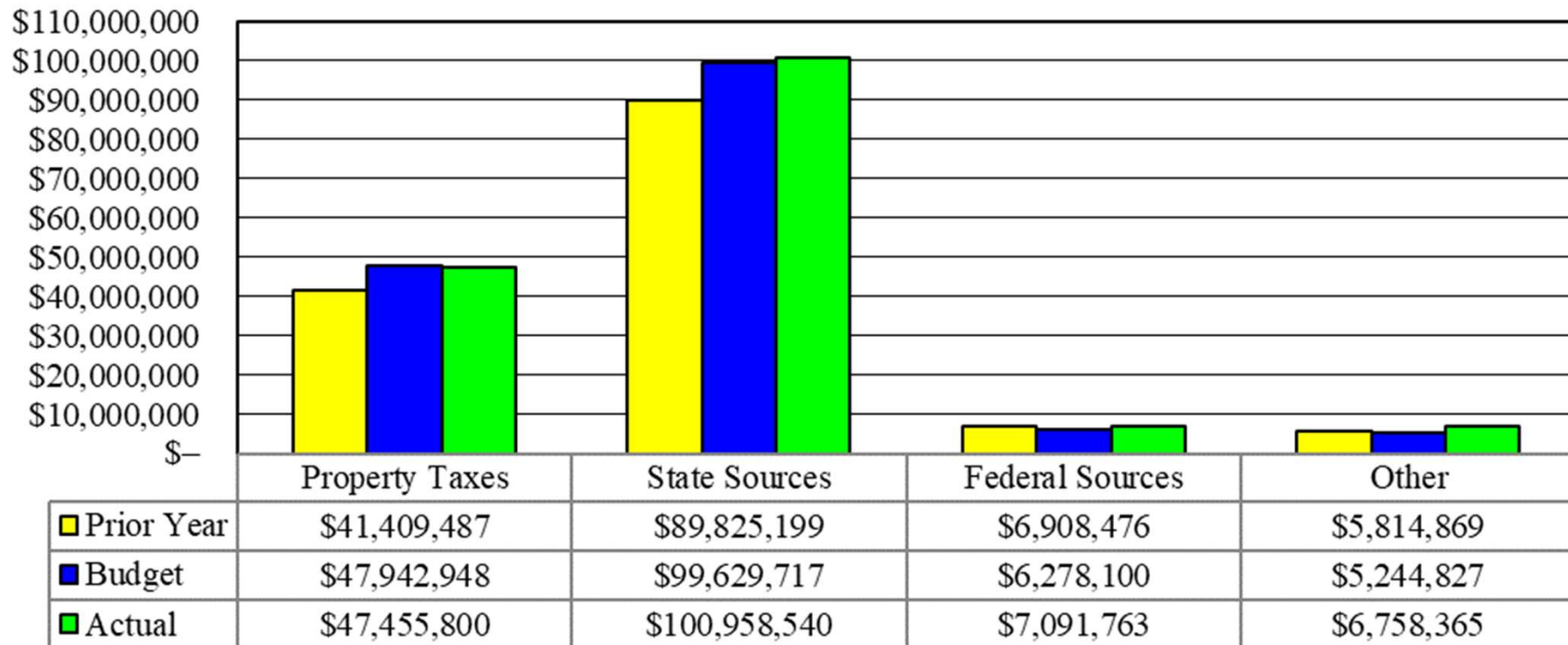
Adjusted ADM and Pupil Units Served



GENERAL FUND REVENUE



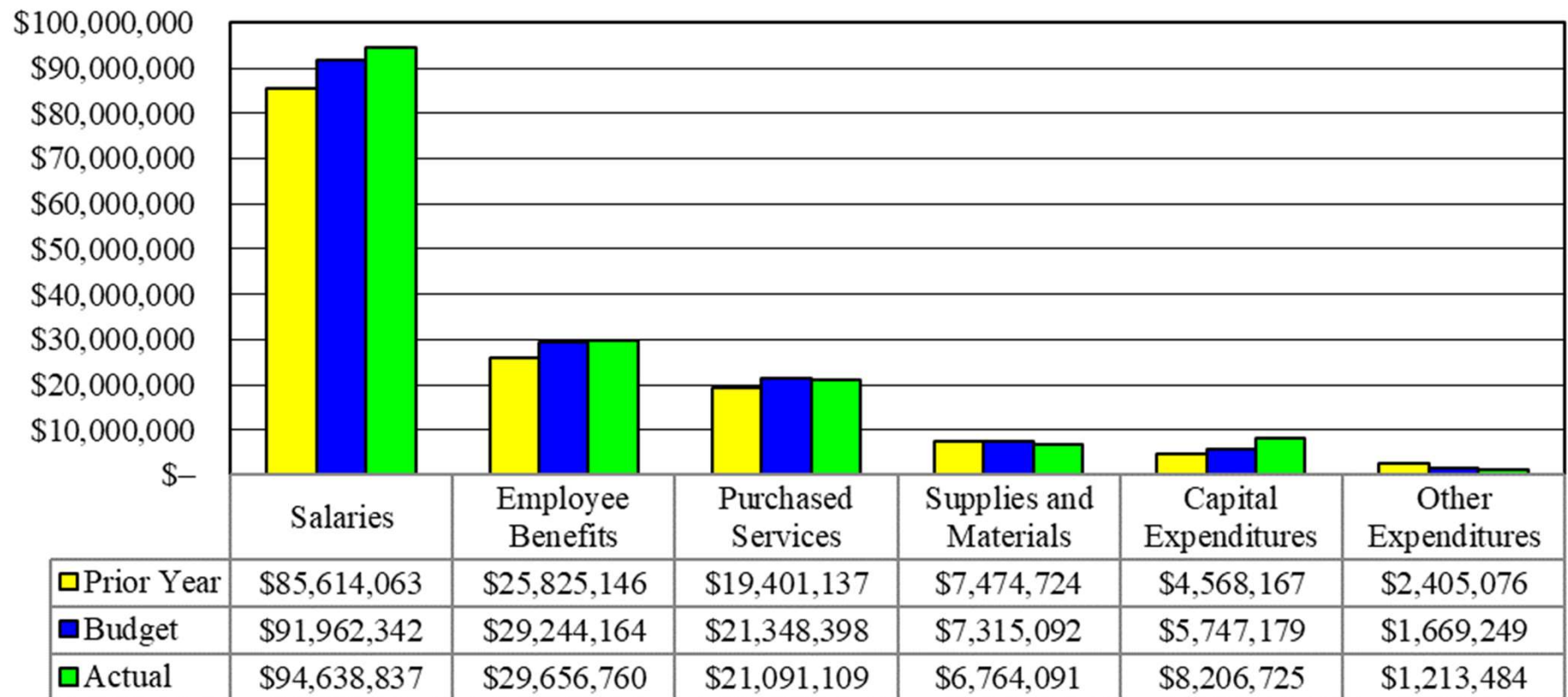
General Fund Revenue



GENERAL FUND EXPENDITURES



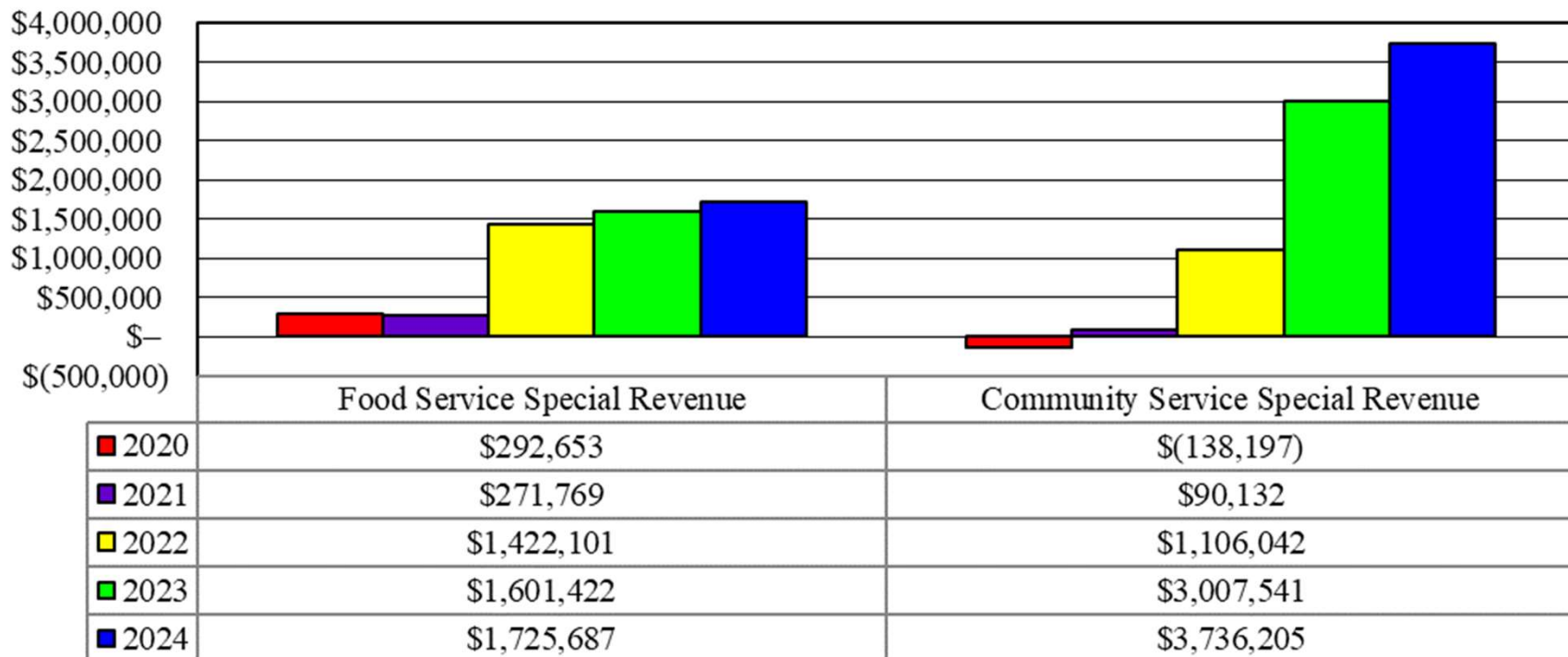
General Fund Expenditures



OTHER GOVERNMENTAL FUNDS



Other Operating Funds
Total Fund Balances



DISTRICT-WIDE

STATEMENT OF NET POSITION

	June 30,		
	2024	2023	Change
Net position – governmental activities			
Total fund balances – governmental funds	\$ 51,702,602	\$ 49,061,748	\$ 2,640,854
OPEB asset, net of deferments	4,853,209	4,192,217	660,992
Total capital assets, net of depreciation	151,633,859	136,921,722	14,712,137
Bonds, certificates, finance purchases and unamortized premiums/discount	(117,933,614)	(110,275,867)	(7,657,747)
Pension liability, net of deferments	(86,400,781)	(95,130,041)	8,729,260
Other adjustments	7,022,865	7,317,145	(294,280)
Total net position – governmental activities	<u>\$ 10,878,140</u>	<u>\$ (7,913,076)</u>	<u>\$ 18,791,216</u>
Net position			
Net investment in capital assets	\$ 46,484,146	\$ 41,081,927	\$ 5,402,219
Restricted	15,917,698	15,260,907	656,791
Unrestricted	<u>(51,523,704)</u>	<u>(64,255,910)</u>	<u>12,732,206</u>
Total net position	<u>\$ 10,878,140</u>	<u>\$ (7,913,076)</u>	<u>\$ 18,791,216</u>

Levy for Learning

November 2024



EDEN PRAIRIE SCHOOLS



MN Legislature must set funding for Minnesota Public Schools

Minnesota Constitution ARTICLE XIII: MISCELLANEOUS SUBJECTS

Section 1 "UNIFORM SYSTEM OF PUBLIC SCHOOLS. The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature²⁸ shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state."





State of Minnesota Regulates:

State Sets:

- Formulas which determine revenue; most revenue is based on specified amounts per pupil
- Maximum authorized property tax levy
 - Districts can levy less BUT NOT more than amount authorized by state, unless approved by voters
- State also authorizes school board to submit referendums for operating and capital needs to voters for approval

29

As a Result, Funding is Highly Regulated



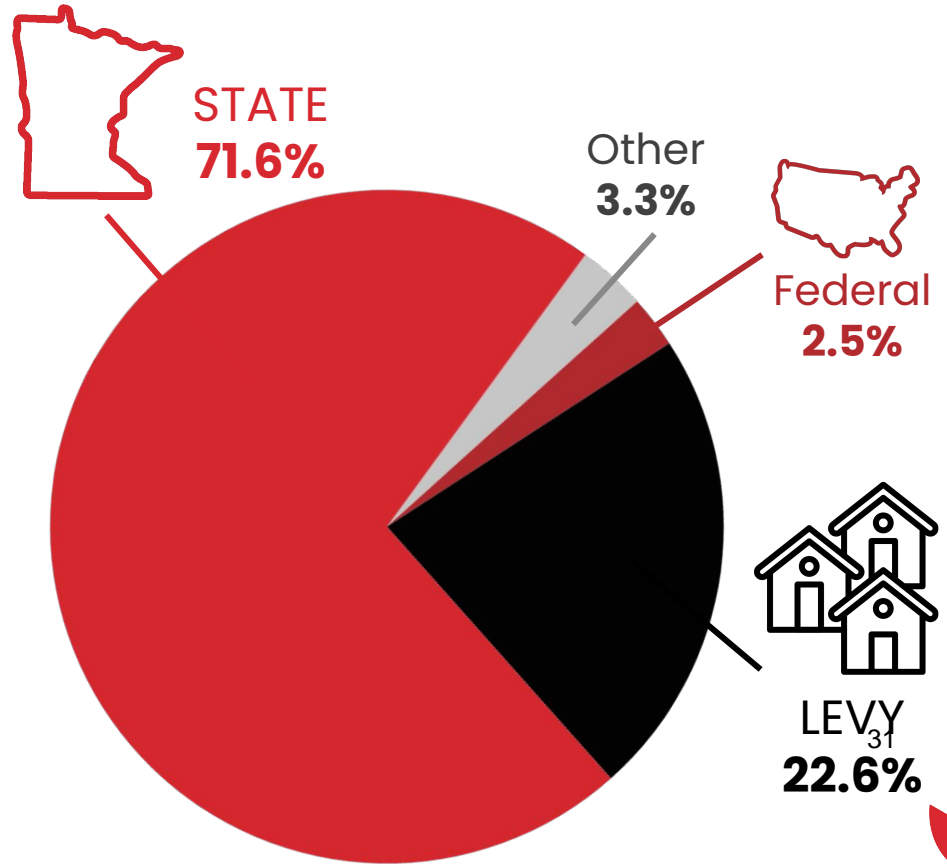
State of Minnesota Regulates:

- Each school district may levy taxes in over 40 different categories
- “Levy limits” (maximum levy amounts) for each category are set by
 - State law
 - Voter approval
- Minnesota Department of Education (MDE) calculates detailed levy limits for each district

Minnesota's Education Funding Model

Revenue Sources:

1. State Sources
2. Local Property Taxes
3. Federal Sources
4. Other Local Sources



Property Taxes Funds Education

Three Funds Rely on Local Property Taxes:

1

**General Fund
Levy**



2

**Community
Education Levy**



3

**Debt Service
Levy**





General Fund Levy

Drivers of the General Fund Levy:

- Enrollment
- Referendum Market Value (RMV)
- Net Tax Capacity (NTC)





Community Education Levy

Four Components of the Levy:

1. Adult Basic Education
2. Early Childhood Family Education & Home Visiting
3. School Age Care
4. Community Education





Debt Service Levy

Two Components of the Levy

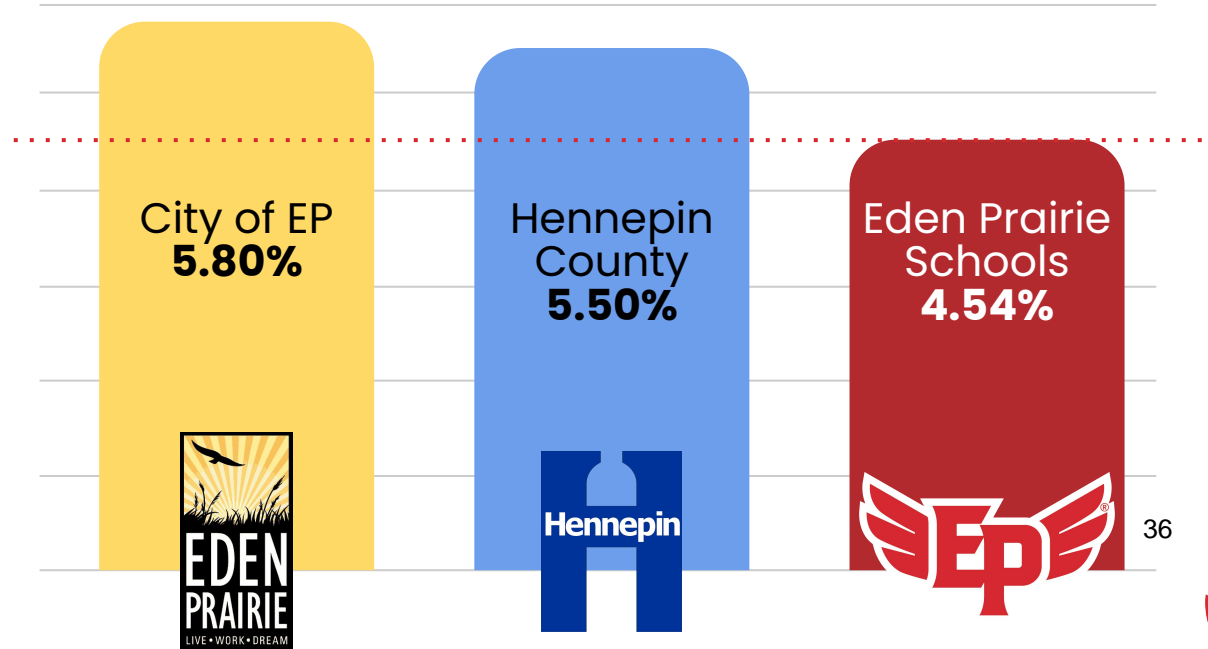
1. Voter Approved Debt Principal & Interest Levy
2. Facilities Maintenance Bond Principal & Interest Levy

All Debt Service has been previously approved by the School Board.



Tax Levy Comparisons

Local Taxing Jurisdictions Proposed Levies





2024 Payable 2025 Tax Levy

- **September 6:** Dept. of Education prepared and distributed first draft of levy limit worksheets setting maximum authorized levy
- **September 23:** School board approved proposed levy amounts at the maximum
- **Mid-November:** County mails “Proposed Property Tax Statements” to all property owners
- **December 9:** Public hearing conducted called Truth in Taxation
- **December 9:** Following hearing school board will certify final actual levy amounts



Property Taxes School Revenue Impact

Property Value vs. Inflation

- Property Valuation increases do not change the amount of revenue the District receives

Exception – Voter Approved Capital Project Levy

- Voter Approved Operating Referendum with an Inflationary Factor helps offset inflationary expenses

Promises made, promises extended

The 2014 operating levy promised to **avoid reductions to programs and services for at least five years**. Fiscal Year 23 was **year nine**.

We renewed a 5 year promise supported by the community that began in FY24 and are now in year 2 of the 5 year promise.

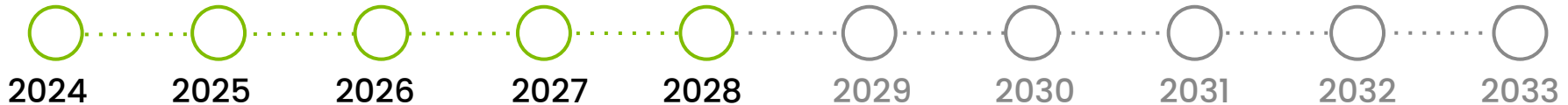
Promise made



Promise kept

Promise continued

Promise made



Promise extended



Fiscal Stability

The property tax levy is integral to fiscal stability:

- Reliable Revenue Projection
- Operating Referendum
- Future Credit Ratings



Questions?



EDEN PRAIRIE SCHOOLS

23-24 Comprehensive Achievement and Civic Readiness

formerly World's Best Workforce (WBWF)



EDEN PRAIRIE SCHOOLS
Inspiring each student every day™

Comprehensive Achievement and Civic Readiness

1

All children are ready for school.

2

All racial and economic achievement gaps between students are closed.

3

All students are ready for career and college.

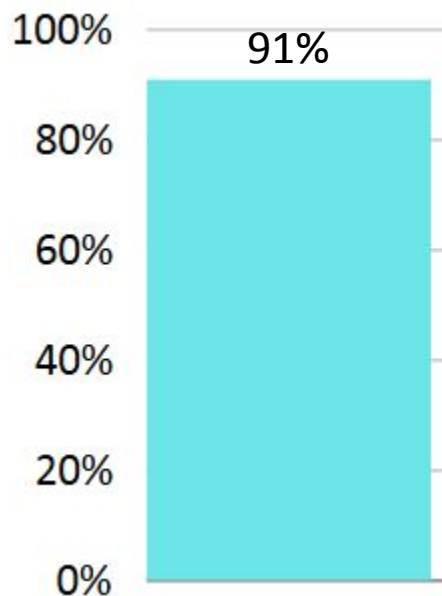
4

All students graduate from high school.

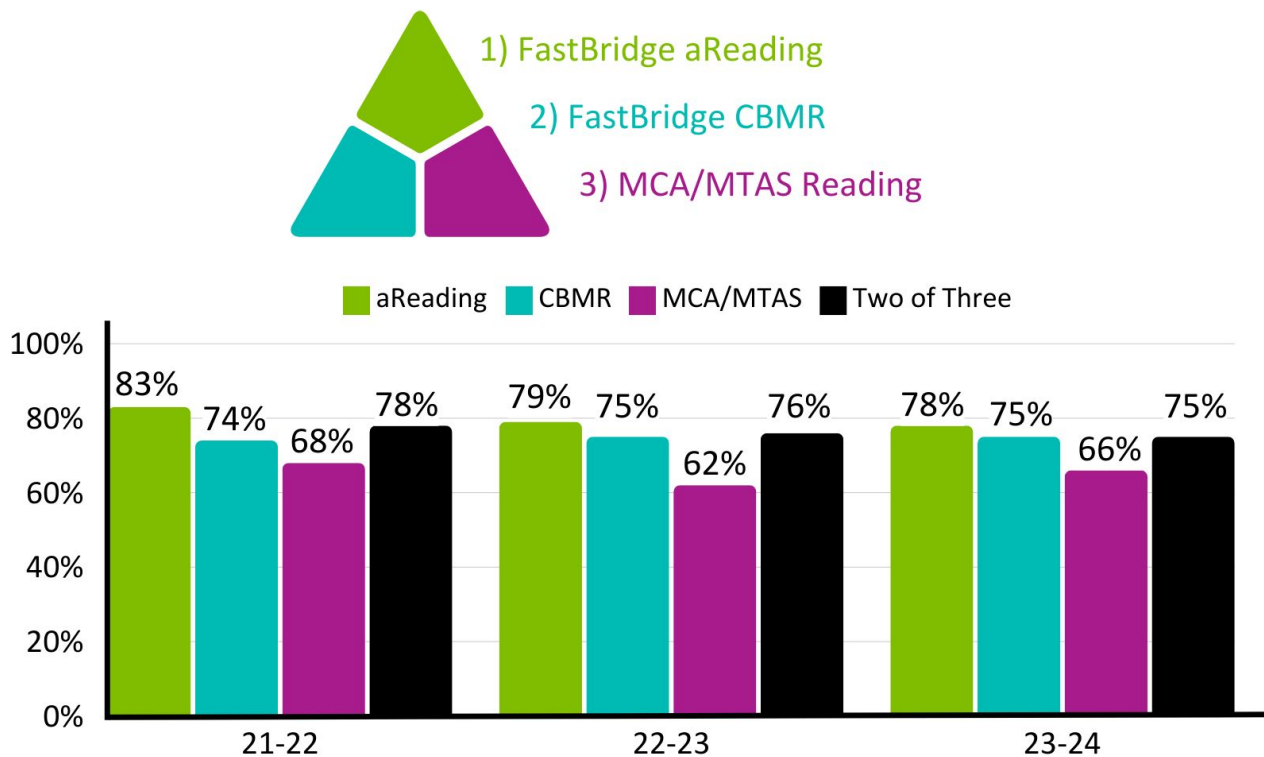
1

All children are ready for school.

Goal: 90% of students enrolled in PreK will meet or exceed widely held expectations for Social-Emotional objectives as measured by the Teaching Strategies GOLD dimension.



Goal: 80% of 3rd graders will meet the standards in least two of three reading assessments:

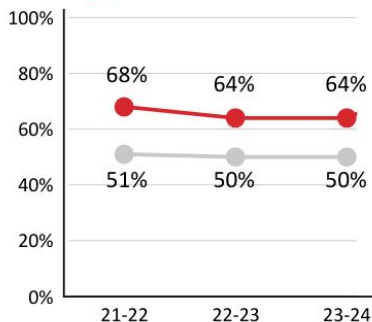


Goal: On the MCA & MTAS assessments for grades 3-12

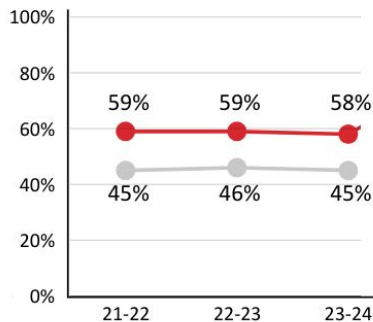
- *66% of students will be at or above proficiency in reading*
- *60% of students will be at or above proficiency in math*
- *51% of students will be at or above proficiency in science*

Overall

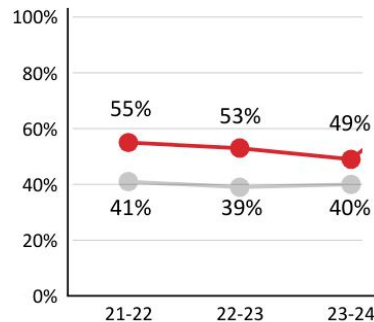
Reading



Math

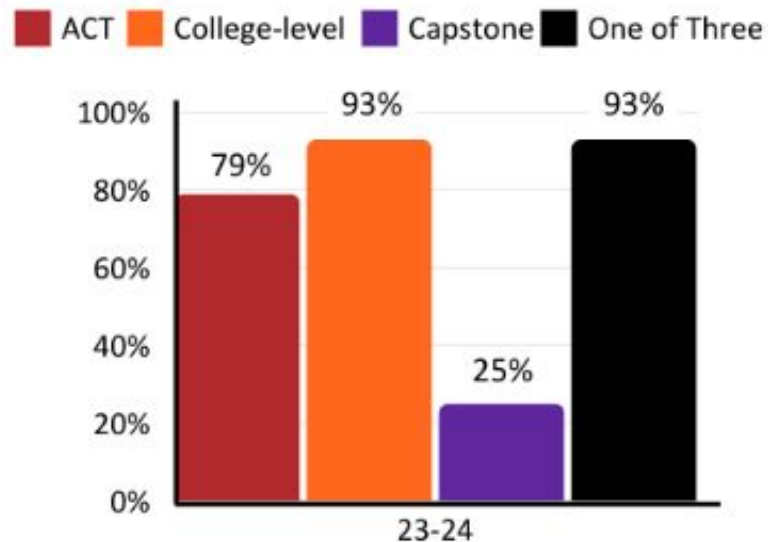
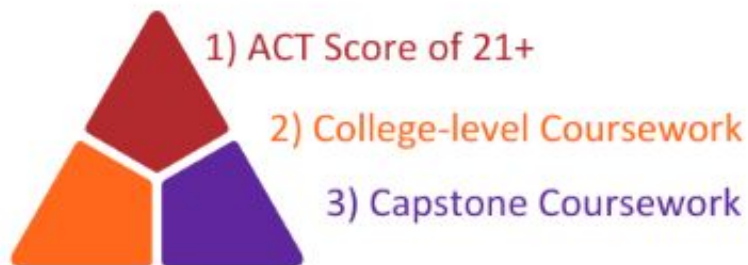


Science



■ EP ■ MN

Goal: 75% of 12th grade students met two of three criteria for college and career readiness.



Goal: 95% of EPHS students will graduate in 4 years.

EPHS 4-Year and 7-Year Overall Graduation Rate					
	2020	2021	2022	2023	2024 Preliminary
4-Year	95%	94%	94%	94%	94%
7-Year	96%	96%	98%	98%	n/a

EPHS 4-Year Graduation Rate by Student Group					
	2020	2021	2022	2023	2024 Preliminary
Overall	95%	94%	94%	94%	94%
Asian	100%	95%	99%	98%	96%
Black or Afr. Am.	88%	90%	90%	90%	94%
Hispanic/Latino	83%	82%	90%	90%	84%
Two or more races	97%	100%	93%	94%	94%
White	97%	95%	95%	96%	95%
ML	74%	75%	79%	84%	82%
SpEd	68%	71%	69%	70%	62%
FRP	85%	87%	87%	88%	91%

Note: American Indian or Alaska Native and Native Hawaiian or Other Pacific Islander groups have fewer than 10 students and are not shown to protect student confidentiality.

23-24 Comprehensive Achievement and Civic Readiness

formerly World's Best Workforce (WBWF)



EDEN PRAIRIE SCHOOLS
Inspiring each student every day™

Comprehensive Achievement and Civic Readiness

1

All children are ready for school.

2

All racial and economic achievement gaps between students are closed.

3

All students are ready for career and college.

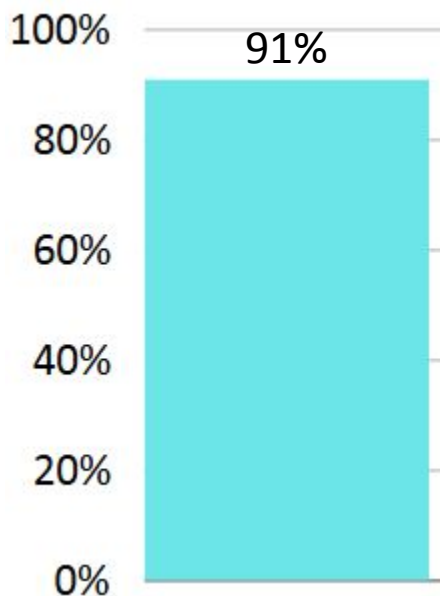
4

All students graduate from high school.

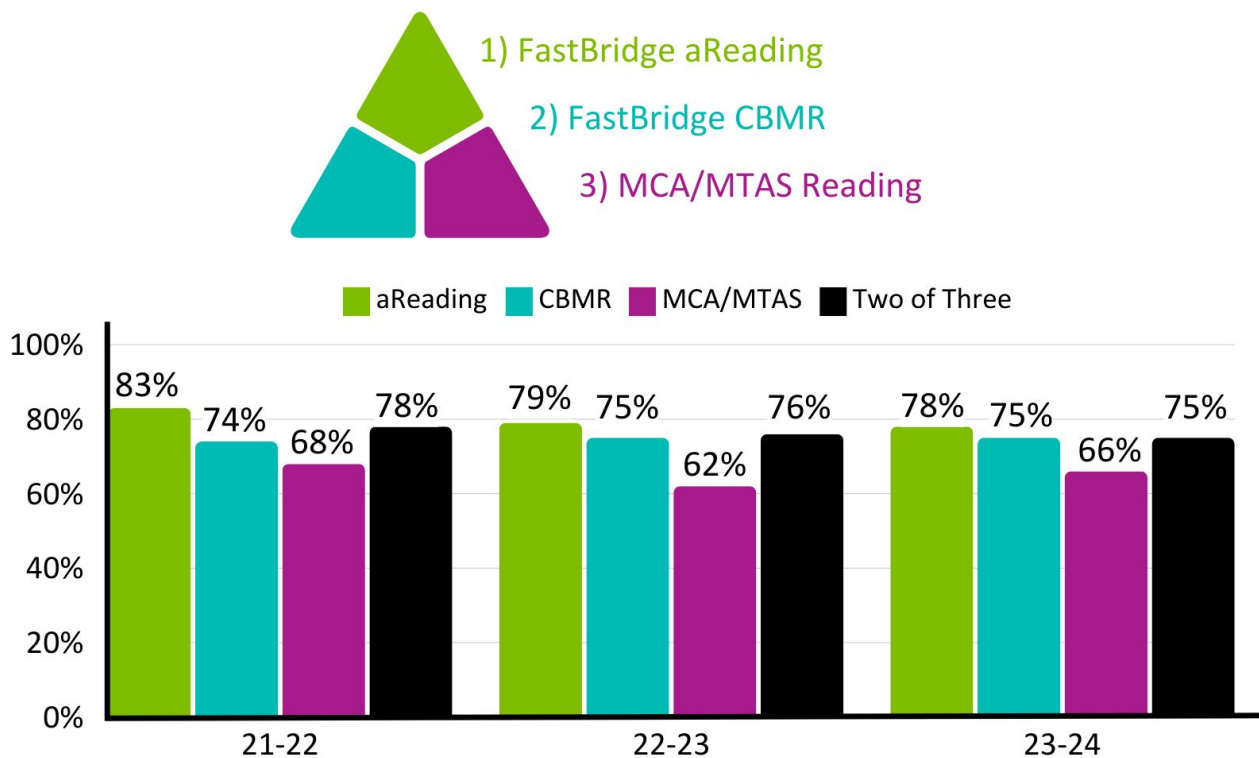
1

All children are ready for school.

Goal: 90% of students enrolled in PreK will meet or exceed widely held expectations for Social-Emotional objectives as measured by the Teaching Strategies GOLD dimension.



Goal: 80% of 3rd graders will meet the standards in least two of three reading assessments:

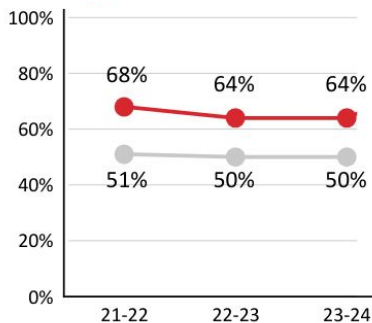


Goal: On the MCA & MTAS assessments for grades 3-12

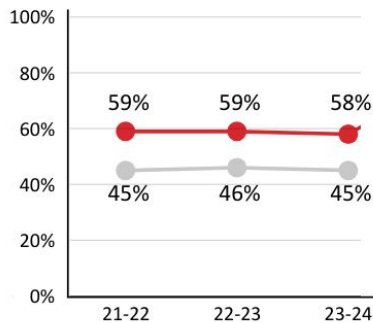
- *66% of students will be at or above proficiency in reading*
- *60% of students will be at or above proficiency in math*
- *51% of students will be at or above proficiency in science*

Overall

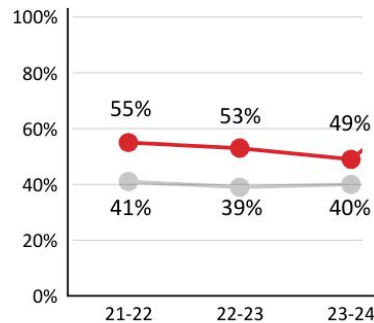
Reading



Math

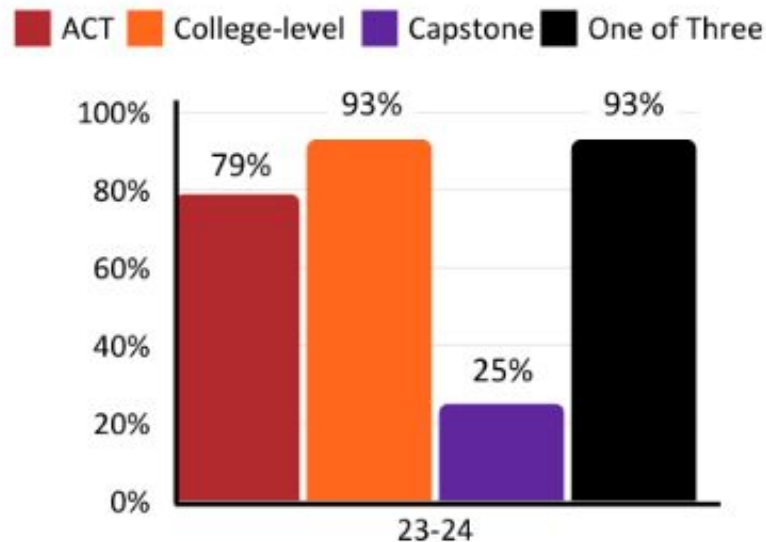


Science



■ EP ■ MN

Goal: 75% of 12th grade students met two of three criteria for college and career readiness.



Goal: 95% of EPHS students will graduate in 4 years.

EPHS 4-Year and 7-Year Overall Graduation Rate					
	2020	2021	2022	2023	2024 Preliminary
4-Year	95%	94%	94%	94%	94%
7-Year	96%	96%	98%	98%	n/a

EPHS 4-Year Graduation Rate by Student Group					
	2020	2021	2022	2023	2024 Preliminary
Overall	95%	94%	94%	94%	94%
Asian	100%	95%	99%	98%	96%
Black or Afr. Am.	88%	90%	90%	90%	94%
Hispanic/Latino	83%	82%	90%	90%	84%
Two or more races	97%	100%	93%	94%	94%
White	97%	95%	95%	96%	95%
ML	74%	75%	79%	84%	82%
SpEd	68%	71%	69%	70%	62%
FRP	85%	87%	87%	88%	91%

Note: American Indian or Alaska Native and Native Hawaiian or Other Pacific Islander groups have fewer than 10 students and are not shown to protect student confidentiality.

Updated School Board Treasurer's Report

Chargeback (Printing)		Fiscal Year								2024-2025 Proposal & Actuals	
Description	Account Numbers	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	FY24 Proposed Budget	2024 Actuals Final	Final Approved 2024-2025	Budget (4+8)- Through Oct 2024	Comments	
Board Member Compensation	01005010000000109	35,006.66	35,900.00	35,987.50	\$ 36,300.00	36,300.00	\$ 36,300.00	37,150.00	37,150.00	\$6,600 (\$7000 new) Board Chair, \$5,700 (\$6000 new) Vice Chair, \$4,800 (\$5000 new)- 5 Directors (propose increase next year 2024-25) approx. 5.1% (2.55% in this budget)	
FICA (Fed Ins Contrib Act)	01005010000000210	1,918.53	1,497.08	1,686.67	\$ 1,837.68	2,000.00	\$ 2,125.92	2,175.88	2,175.88	Aligned with approx half of 4.6% increase (2.35%)	
PERA (Pub Emp Ret Assoc)	01005010000000214	1,125.08	1,007.56	860.00	\$ 757.56	800.00	\$ 525.12	537.46	537.46	Aligned with approx half of 4.6% increase (2.35%)	
Service Fees/Consulting	01005010000000305	15,717.73	2,680.05	26,891.85	\$ 9,686.75	14,000.00	\$ 2,613.60	6,200.00	5,400.00	\$3000 board minutes publishing costs (trending towards \$200/publish), \$500 for other announcements in newspapers, \$2500 misc training needs, \$200 for election misc.	
Postage	01005010000000329	14.35	16.50	-	\$ -	-	\$ -	-	-	No need to add a budget here, postage costs now run through the district wide budget in the General Fund	
Travel/Conferences	01005010000000366	1,687.52	4,945.00	2,485.00	\$ 2,810.25	2,500.00	\$ 780.50	2,600.00	2,950.00	Assume new member training (2- \$700)), 3&4 training for (2- \$450), 2 officer trainings as needed (2-\$125), misc traning/conferences (\$700), \$200 travel misc	
Chargeback (Printing)	01005010000000398	70.00	1,307.02	852.88	\$ -	1,550.00	\$ 2,197.14	2,700.00	2,700.00	Increase due to reinstatement of printing charges at higher levels than historical (driven by color printing) & Forums	
General Supplies	01005010000000401	545.21	749.35	715.79	\$ 400.12	525.00	\$ -	200.00	200.00	\$0 in 2023 and 2024 YTD, reduced to reflect zero spend	
Food	01005010000000490	11.24	316.17	1,071.15	\$ 111.38	750.00	\$ -	700.00	700.00	Enusre funding for student engagement Events (\$600) and candidate forums (\$50*2)	
Memberships/Dues	01005010000000820	16,547.00	16,545.00	17,127.00	17,103.00	18,250.00	\$ 17,371.00	17,735.00	18,186.00	2024 plus approx. 2.0% inflation, (\$14,500 MSBA Membership, \$800 MSBA Policy Services, \$2,435 Board Book Subscription)	
Totals		\$ 72,643.32	\$ 64,963.73	\$ 87,677.84	\$ 69,006.74	\$ 76,675.00	\$ 61,913.28	\$ 69,998.34	\$ 69,999.34	Summary	
										Slight increase from workshop draft to represent potential tax step-up of increase in stipend.	
										Slight increase from workshop draft to represent potential tax step-up of increase in stipend.	
										Policy Governance Training closer to \$1000 vs \$2500. Will reduce exposure here to \$2000 to allow board \$1000 for additional training needs in 2025.Slightly lower printing costs (\$225/month vs \$250/month)	
										One extra new member to board +350 for Level 1-2 Training	
										MSBA membership, Policy Services and Board Book Subscrubscption all higher than planned.	
										Questions:	
										- Director Compensation- Recommend budget for higher 2024-2025. Reevaluate January 2025.	
										- Budget includes \$700 for community events (Food 4 thoughts and Candidate Forums)	
										- Do we want to send Chair to National SB Conference/share EP Success/BPs?	



EL 2.9 Communication and Support to the School Board

Policy Quadrant: Executive Limitations

- Monitoring Time Frame: ~~July 2022–June 2023~~ July 2023–June 2024
- Date of School Board Monitoring: ~~November 27, 2023~~ November 24, 2024

Board Policy Monitoring Motions:

- Operational Interpretation is/is not reasonable
- Board does/does not accept the Superintendent’s assertion of compliance/non-compliance

57

Global Constraint:

The Superintendent shall not cause or allow the School Board to be uninformed or unsupported in its work.

OPERATIONAL INTERPRETATION:

I interpret this policy to mean that I am ultimately responsible for arranging the logistical, informational and organizational systems necessary for the School Board to be an effective governing body with the support of the Superintendent’s Cabinet and Office Staff.

I believe the Board’s subsequent policies 2.9.1 – 2.9.11 succinctly cover all areas of further interpretation of this global (“parent level”) policy leaving no other areas of concern to be addressed in this interpretation.



JUSTIFICATION:

This was developed through reflection and a study of operational interpretations of similar organizations that approached it in a similar fashion.

MEASUREMENT PLAN:

The superintendent is in compliance with EL 2.9 if the Board finds the organization to be in compliance with policies 2.9.1 – 2.9.11.

EVIDENCE:

Evidence of compliance is demonstrated by supporting data presented throughout EL Policies 2.9.1–2.9.11.

58

STATEMENT OF ASSERTION:

EL 2.9 is reasonable and in compliance.

BOARD NOTES:



2.9.1

Further, the Superintendent shall not: Neglect to submit monitoring reports required by the School Board in a timely, accurate, and understandable fashion and with reasonably available disaggregated data.

OPERATIONAL INTERPRETATION:

Our governance process dictates that the superintendent periodically report on whether the organization has (1) avoided conditions the Board has indicated as unacceptable, and (2) achieved certain end results. This policy requires that those reports, defined by Policy Governance as internal monitoring reports for Executive Limitation and Ends policies, be submitted with the following qualities:

1. **Timeliness** – Timely information is information that is available when it is needed. I interpret this to mean that the reports will be made available to the Board twelve (12) days prior to the Board meeting at which the report will be monitored.
2. **Accuracy** – Accurate information provides a reliable and valid representation of reality. I interpret this to mean that all data provided will be fact-based and known to be true to the best of our ability.
3. **Understandable** – I interpret this to mean that the actual reports must be:
 - a. Presented in a standardized format that clearly delineates each element of the report (Operational Interpretation, Justification, Measurement, Data, Statement of Compliance);
 - b. Free of unnecessary material not directly related to demonstrating compliance with the policy interpretation;
 - c. Carefully designed to express vast quantities of data that can be assimilated and absorbed by the reader quickly.

59

JUSTIFICATION:

My interpretation of monitoring reports is guided by our understanding of the Policy Governance model as learned during joint training sessions, documentation reviewed, and shared experience since 2013.

My interpretation of timeliness being twelve (12) days prior to monitoring.

My interpretation of accuracy and understandable is guided by our joint understanding of the Policy Governance model.



MEASUREMENT PLAN:

Compliance with this policy will be demonstrated by:

1. Compliance is achieved when at least 90% of all reports are submitted no less than twelve (12) days before monitoring.
2. The operational interpretations, justifications and data provided are timely, accurate, and provide credibility to my assertions of compliance.
3. The format and content is not unnecessarily complicated as demonstrated by final board action on the report.

EVIDENCE:

1. 100% of Monitoring reports have been submitted twelve or more days prior to monitoring. (Table 1)
2. The following tables and board action for each monitoring report from July 2020 – June 2021 demonstrate alignment of my justifications, interpretations, and assertions as reasonable or credible as determined by the board. (Table 2) 60
3. The board was able to read, understand, and determine reasonableness and compliance on the executive limitations and Ends evidenced in the table below. (Table 2)

Table 1

Ends/Executive Limitations	Date Submitted	12 Days (Y/N)
Ends 1.1	October 12, 2023	Yes
Ends 1.2	October 12, 2023	Yes
Ends 1.3	October 12, 2023	Yes
Ends 1.1	June 15, 2023 June 13, 2024	Yes
End 1.2	June 15, 2023 June 13, 2024	Yes
End 1.3	June 15, 2023 June 13, 2024	Yes
End 1.4	June 15, 2023 June 13, 2024	Yes



End 1.5	June 15, 2023 June 13, 2024	Yes
End 1.6	June 15, 2023 June 13, 2024	Yes
EL 2.0	December 1, 2022 November 30, 2023	Yes
EL 2.1	August 17, 2023 August 15, 2024	Yes
EL 2.2	August 17, 2023 August 15, 2024	Yes
EL 2.3	September 14, 2023 September 12, 2024	Yes
EL 2.4	October 13, 2022 October 12, 2023	Yes
EL 2.5	December 1, 2022 November 30, 2023	Yes
EL 2.6	September 14, 2023 September 12, 2024	Yes
EL 2.7	August 17, 2023 August 15, 2024	Yes
EL 2.8	October 13, 2022 October 12, 2023	Yes
EL 2.9	November 16, 2022 November 16, 2023	Yes

Table 2



Eden Prairie Schools • Superintendent Monitoring Report



Record of Board Policy Monitoring

ENDS

Monitoring 2023-2024 School Year Data: July 1, 2023 – June 30, 2024

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our Ends and ELs.

Policy	School Year	<ul style="list-style-type: none">Operational Interpretation is/is not reasonable.The Evidence does/does not support the Operational Interpretation or supports the Operational Interpretation with exception.		<ul style="list-style-type: none">Accept/does not accept the Superintendent's assertion that the evidence demonstrates expected progress OR accept the Superintendent's assertion that the evidence does not demonstrate expected progress.		Date to bring back the district's plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							

1.1 Each student graduates and is academically prepared to progress to multiple opportunities after high school.	2022-23	Yes 6/26/23	Yes 6/26/23	Yes 10/23/23	Yes 10/23/23		Yes
	2023-24	OI – Yes Measurement - Yes 6/24/24	OI – Yes Measurement - Yes 6/24/24				Yes
1.2 Each student is reading at grade level by the end of third grade.	2022-23	Yes 6/26/23	Yes 6/26/23	No 10/23/23	No 10/23/23		Yes
	2023-24	OI – Yes Measurement - Yes 6/24/24	OI – Yes Measurement - Yes 6/24/24				Yes
1.3 Each student achieves individual growth and proficiency expectations annually in, but not limited to, Language Arts, Math, and Science.	2022-23	Yes 6/26/23	Yes 6/26/23	No 10/23/23	No 10/23/23		Yes
	2023-24	OI – Yes Measurement - Yes 6/24/24	OI – Yes Measurement - Yes 6/24/24				Yes

School Board Meeting – August 26, 2024

END's 1.1 – 1.6 Monitoring | Page 1



Eden Prairie Schools • Superintendent Monitoring Report



Record of Board Policy Monitoring

ENDS

Monitoring 2023-2024 School Year Data: July 1, 2023 – June 30, 2024

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our Ends and ELs.

Policy	School Year	<ul style="list-style-type: none">Operational Interpretation is/is not reasonable.The Evidence does/does not support the Operational Interpretation or supports the Operational Interpretation with exception.		<ul style="list-style-type: none">Accept/does not accept the Superintendent's assertion that the evidence demonstrates expected progress OR accept the Superintendent's assertion that the evidence does not demonstrate expected progress.		Date to bring back the district's plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							

1.4 Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements.	2022-23	Yes 6/26/23	Yes 6/26/23	Yes 10/23/23	Yes 10/23/23		Yes
	2023-24	OI – Yes Measurement - Yes 6/24/24	OI – Yes Measurement - Yes 6/24/24				Yes
1.5 Each student has the 21 st century skills needed to succeed in the global economy.	2022-23	Yes 6/26/23	Yes 6/26/23	No 10/23/23	No 10/23/23		Yes
	2023-24	OI – Yes Measurement - Yes 6/24/24	OI – Yes Measurement - Yes 6/24/24				Yes
1.6 Each student has the knowledge that citizens and residents of the United States need to contribute positively to society.	2022-23	Yes 6/26/23	Yes 6/26/23	Yes 10/23/23	Yes 10/23/23		Yes
	2023-2024	OI – Yes Measurement - Yes 6/24/24	OI – Yes Measurement - No 6/24/24				Yes



Eden Prairie Schools • Superintendent Monitoring Report



Record of Board Policy Monitoring Executive Limitations

Monitoring 2022-2023 School Year Data : July 1, 2022 – June 30, 2023

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our ELs.

Policy	Date	Operational Interpretation – is/is not Reasonable?		Evidence – Board does/does not accept the Superintendent’s assertion of compliance/non-compliance		Date to re-monitor if either the OI is “Not Reasonable” or if Board “does not” accept Superintendent’s assertion of “Compliance”	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
EXECUTIVE LIMITATIONS							
EL 2.0 Global Executive Constraint	12/11/23	Yes	Yes	Yes	Yes		Yes
EL 2.1 Emergency Superintendent Succession	08/28/23	Yes	Yes	Yes	Yes		Yes
EL 2.2 Treatment of Students	08/28/23	Yes	Yes	Yes	Yes		Yes
EL 2.3 Treatment of Parents	09/25/23	Yes	Yes	Yes	Yes		Yes
EL 2.4 Treatment of Staff	10/23/23	Yes	Yes	Yes	Yes		Yes
EL 2.5 Financial Planning and Budgeting	12/11/23	Yes	Yes	Yes	Yes		Yes
EL 2.6 Financial Management and Operations	09/25/23	Yes	Yes	Yes	Yes		Yes
EL 2.7 Asset Protection	08/28/23	Yes	Yes	Yes	Yes		Yes
EL 2.8 Compensation and Benefits	10/23/23	Yes	Yes	Yes	Yes		Yes
EL 2.9 Communication and Support to the School Board	11/27/23	Yes	Yes	Yes	Yes		Yes

64



STATEMENT OF ASSERTION:

EL 2.9.1 is reasonable and in compliance.

BOARD NOTES:

2.9.2

Further, the Superintendent shall not: Be untimely in reporting any actual or anticipated noncompliance with any policy of the School Board.

65

OPERATIONAL INTERPRETATION:

I interpret this policy to mean that it is my responsibility to inform the Board if the organization swings significantly out of compliance or is likely to go out of compliance with any Executive Limitation or Ends policy independent of the timing for internal monitoring reports. In other words, I will not wait until a monitoring report is due to inform the Board of a compliance issue but will alert the Board as soon as is prudent and possible.

I interpret “any policy” to include Executive Limitation and Ends policies.

JUSTIFICATION:

I submit this as a reasonable interpretation on the merit of its common sense approach. In a crisis, I must first “secure the situation” and then communicate. Therefore, alerting the Board at my first possible convenience is a logical approach.



MEASUREMENT PLAN:

1. Compliance will be measured using three (3) benchmarks:
 - a. Administration's timely notification to the Board of any unanticipated non-compliance with any Board policy prior to the scheduled date of monitoring report review.
 - b. Administration's adherence to the Monitoring Schedule per the Board Work Plan.
 - c. The Board's request for additional monitoring.

EVIDENCE:

1. There were no instances of:
 - a. Unanticipated non-compliance with any Board policy prior to the scheduled date of monitoring report review.
 - b. See evidence presented for EL 2.9.1.
 - c. See evidence presented for EL 2.9.1.

66

STATEMENT OF ASSERTION:

EL 2.9.2 is reasonable and in compliance.

BOARD NOTES:



2.9.3

Further, the Superintendent shall not: Neglect to submit unbiased information required by the School Board or let the School Board be unaware of relevant trends.

OPERATIONAL INTERPRETATION:

I interpret “unbiased information required by the School Board” to be data that:

1. Seeks to provide facts, multiple perspectives, and the positive and/or negative consequences of any proposed action when the School Board requests such information for their deliberations (e.g. considering a new EL or Ends policy;
2. Neither promotes nor suppresses the true nature or logical outcomes that may result from the review of said data

“Relevant trends” are interpreted as information that provides the School Board with key insights into emerging educational trends that might better inform the Board as they approach their governance responsibilities.

67

JUSTIFICATION:

The reasonableness of this interpretation is based on my past experience supporting School Board process and an awareness of the key issues facing the School Board and organization.

MEASUREMENT PLAN:

Compliance shall be evidenced by:

1. The operational interpretations, justifications and data provided are timely, accurate, and provide credibility to my assertions of compliance as evidenced by final board action on the report.
2. The Superintendent shall provide “Incidental Information” reports at the monthly business meetings; and
3. Assist the Board and Board Development Committee as they develop future focused workshop topics.



EVIDENCE:

1. See evidence for 2.9.1
2. See evidence for 2.9.4
3. Future focused topics presented during the monitoring period:
 - a. Tassel Move
 - b. Purchasing Space
 - c. Five Year Forecast
 - d. Preliminary Enrollment Report
 - e. Preliminary Financial Report
 - f. Digital Citizenship
 - g. Administration Proposals for FY 2023-24 Workshops
 - h. Tax Levy
 - i. Preliminary Financial Report
 - j. Preliminary Enrollment Report
 - k. Setting Stage for Fiscal Year 2024-25 Budget Guidelines
 - l. 5-Year Financial Projections: Revenue & Expense
 - m. 5-Year Financial Forecast and Legislative Impacts to Financial and Program Stability
 - n. PBIS: Culture, Climate and Sense of Belonging
 - o. Artificial Intelligence Working Group Report
 - p. Capital Budget Outlay
 - q. New Property Update
 - r. General Fund Budget Q&A
 - s. Morris Leatherman Community and Parent Survey
 - t. Negotiations Strategy
 - ~~u. Finance Overview~~
 - ~~v. Demographic Study Report~~
 - ~~w. Technology Use and Screen Time: Overview of Digital Practices and Digital Citizenship~~
 - ~~x. Preliminary Enrollment Report~~
 - ~~y. Preliminary Financial Report~~
 - ~~z. Pathways and Capstones~~
 - ~~aa. Enrollment Retention and Capture Rate~~



~~bb. Parent and Community Scientific Survey Results~~
~~cc. Workshop Proposals and Future Work~~
~~dd. Budget Guidelines Development~~
~~ee. Panorama Survey Tools~~
~~ff. Positive Behavior Interventions and Supports~~
~~gg. Tax Levy Information~~
~~hh. 5 Year Financial Forecasts~~
~~ii. Sustainability~~
~~jj. Key Measurement Tools & Definitions~~
~~kk. School Calendar Updates on Development and Multifaith Religious Calendar~~
~~ll. Safety and Security Updates~~
~~mm. Strategic Planning Process and Overview of 2023-2028 Plan~~
~~nn. Negotiations Strategy~~
~~oo. Capital Outlay~~
~~pp. Budget Assumptions~~
~~qq. General Fund Q&A Session~~

STATEMENT OF ASSERTION:

EL 2.9.3 is reasonable and in compliance.

BOARD NOTES:



2.9.4

Further, the Superintendent shall not: Let the School Board be unaware of any significant incidental information it requires, including district press releases, anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.

OPERATIONAL INTERPRETATION:

I interpret this policy to mean that I must inform the School Board of:

1. Incidental Information is interpreted as information that is significant to the organization but not information considered by the School Board to be educational or monitoring in nature. I think of it as “nice to know” items. Examples of this might range from the retirement of a staff member to an update on management’s strategic planning process.
2. A threatened or pending lawsuit will be interpreted as a situation where the District has been notified in writing that an individual or group has retained legal representation for purposes of legally challenging the District.
3. Material internal or external changes are interpreted to be situations or decisions that a reasonable person would consider to have a significant impact on the district. Examples might include potential changes in state funding, organizational restructuring⁷⁰ or process changes, etc.
4. The Superintendent is responsible for determining whether the change rises to the level of School Board notification. When in doubt, the Superintendent will consult with the School Board Chair to determine whether an issue is worthy of School Board notification and the proper course of notification.

JUSTIFICATION:

The reasonableness of this interpretation is based on my past experience supporting the School Board process.

MEASUREMENT PLAN:

Compliance shall be evidenced by:



1. The Superintendent shall provide “Incidental Information” reports at their monthly business meeting through superintendent, staff, or site and department level reports and spotlights.
 2. The School Board’s comparison of my notifications of any real or threatened lawsuits against actuals during the period being monitored.
 3. The Superintendent adequately informed the Board of material changes during the period being monitored.
-

EVIDENCE:

1. In addition to incidental and other reports identified in EL 2.9.3
 - a. New Website Update/Website Launch
 - b. Naming of Aeronautics Lab
 - c. Strategic Core Planning - Implementation of Strategy
 - d. Community (Alumni) Magazine
 - e. Summary Report for World’s Best Workforce
 - f. Academic Vision Process & Planning
 - g. Inspired Journey & Pathways Update
 - h. Safety and Security Updates
 - i. 100 Year Campaign Updates
 - j. Meal Pricing
 - k. ~~World's Best Workforce~~
 - l. ~~Achievement Integration~~
 - m. ~~American Indian Education Resolution~~
 - n. ~~School Meal Price Changes~~
 - o. ~~Tassel Programming~~
 - p. ~~EP Online Programming~~
 - q. ~~Inspire Choice Implementation Pilots~~
 - r. ~~Truth in Taxation~~
 - s. ~~Power of Academic Language with Students~~
 - t. ~~Amplifying Voice Through Student Led Conferences~~
 - u. ~~The Use of Virtual Reality~~
 - v. ~~Literacy in Spanish~~

71



~~w. Service Learning~~

~~x. 100 Years of Inspiring EACH~~

2. The Superintendent notified the Board as needed during the period being monitored.
3. The Superintendent notified the Board as needed during the period being monitored.

STATEMENT OF ASSERTION:

EL 2.9.4 is reasonable and in compliance.

BOARD NOTES:

2.9.5

Further, the Superintendent shall not: Fail to advise the School Board if, in the Superintendent's opinion, the School Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of School Board behavior that is detrimental to the working relationship between the School Board and the Superintendent.

72

OPERATIONAL INTERPRETATION:

The Superintendent, while subordinate to the School Board, is empowered to manage the business of the District (otherwise known as the Means) unless specifically directed to do otherwise via the Executive Limitations policies. This policy directs me to advise the School Board if the School Board attempts to guide or influence any management function not specifically entrusted to the School Board. The Policy Governance model will only be successful if both the School Board and Superintendent adhere to its policies and tenants.

There is an inherent risk for the Superintendent in advising the School Board it is out of compliance. The Superintendent should be confident that any alleged violation of this policy can be brought forth without fear of retaliation or retribution from the School Board or one of its members.



JUSTIFICATION:

In order for Policy Governance to function effectively, both the Superintendent and School Board must understand their roles and practice good governance.

MEASUREMENT PLAN:

Compliance is measured by instances when the Superintendent is compelled to notify the School Board Chair and Vice Chair that one or more School Board members allegedly violated this policy. The Chair and Vice Chair will inform the School Board of any unresolved issues.

73

EVIDENCE:

The Superintendent notified the Board Chair and Vice Chair as needed and appropriate during the period being monitored. During the monitoring period, the Board made no determinations that a violation of this policy has occurred.

STATEMENT OF ASSERTION:

EL 2.9.5 is reasonable and in compliance.

BOARD NOTES:



2.9.6

Further, the Superintendent shall not: Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and incidental.

OPERATIONAL INTERPRETATION:

1. Information that is unnecessarily complex and/or lengthy is characterized by a reporting style that provides more information than is required, or contains irrelevant information that hinders effective Board deliberation and decision-making.
2. Information provided to the School Board using the principles of Policy Governance should conform and be labeled per the three types indicated in this policy.
3. The following defines the three types of information:
 - a. Monitoring information. This category includes internal monitoring reports, external monitoring reports (e.g. annual audit), and data and interpretations collected for direct inspections.
 - b. Decision Preparation. This category is composed of information the School Board requests or the Superintendent proactively supplies (see 2.9.3) to support the School Board in its work.
 - c. Incidental Information. This information covers the gamut...from the “nice to know” events that occur in an organization to updates on management processes. Its purpose is to inform the School Board and is not presented for discussion or input.

74

JUSTIFICATION:

The interpretations for the types of information were provided during School Board training.



MEASUREMENT PLAN:

1. Compliance regarding complexity or length of the information format is measured by compliance with EL 2.9.1.
2. The appropriate placement, discussion, and action (if appropriate) of informational items on the board business meeting and workshop agendas each month.

EVIDENCE:

1. See evidence presented for EL 2.9.1.
2. Evidence of compliance is demonstrated by Board action to approve meeting agendas during the period being monitored.

STATEMENT OF ASSERTION:

75

EL 2.9.6 is reasonable and in compliance.

BOARD NOTES:

2.9.7

Further, the Superintendent shall not: Provide a mechanism for official School Board, officer, or committee communications that is ineffective.



OPERATIONAL INTERPRETATION:

1. An ineffective communication mechanism is interpreted as:
 - a. Inefficient in reaching School Board members in a timely manner
 - b. Unproductive in assisting School Board members in carrying out their duties
 - c. Unsuccessful in clearly relaying the desired information and resulting actions for official School Board, officer, or committee communications are those defined as those mechanisms that provide timely, accurate, and understandable information that assists School Board members in carrying out their duties.

Therefore, I interpret this policy to mean that I must provide the School Board a system for connecting effectively to the organization and to necessary governing information (e.g. School Board meeting materials, past documents).

JUSTIFICATION:

The operational interpretation is justified by the School Board's own selection of BoardBook and MS Outlook as technology solutions and the District website as the repository for official public documents.⁷⁶

MEASUREMENT PLAN:

Compliance will be measured by the School Board's use of BoardBook, MS Outlook, and the District website and feedback regarding their user experience.

EVIDENCE:

The Board has continued to use BoardBook, MS Outlook, and the District website as its main communication and information solutions.



STATEMENT OF ASSERTION:

EL 2.9.7 is reasonable and in compliance.

BOARD NOTES:

2.9.8

Further, the Superintendent shall not: Communicate with individual School Board members in addressing official School Board business except when responding to officers or committees duly charged by the School Board.

OPERATIONAL INTERPRETATION:

Elected members of the School Board have binding authority only when acting as a School Board legally in session except where specific authority is provided to School Board members or officers individually. Generally, the School Board is not bound by an action or statement on the part of an individual School Board member unless the action is specifically directed or authorized by the School Board.

JUSTIFICATION:

Minnesota Law provides for the specific powers and function of elected School Board members.

Minnesota Statute §123.33 School Board Powers

Minnesota Statute §123.34 School District Officers

Minnesota Statute §123.35 General Powers

BMD 3.1.2 provides guidance and instruction outlining the authority that an individual School Board member can exert upon the Superintendent.



MEASUREMENT PLAN:

Compliance is measured by the number of instances when the Superintendent is compelled to report to the School Board Chair and Vice Chair, School Board member non-compliance of BMD 3.1.1. The Chair and Vice Chair will inform the School Board of any unresolved issues.

EVIDENCE:

The Superintendent notified the Board Chair and Vice Chair as needed and appropriate during the period being monitored. During the monitoring period, the Board made no determinations that a violation of this policy has occurred.

78

STATEMENT OF ASSERTION:

EL 2.9.8 is reasonable and in compliance.

BOARD NOTES:

2.9.9

Further, the Superintendent shall not: Neglect to supply for the School Board's consent agenda, along with applicable supporting information, all decisions delegated to the Superintendent yet required by law, regulation, or contract to be School Board-approved.

OPERATIONAL INTERPRETATION:



I interpret this policy to mean that the new School Board agenda template developed through our current governance process transition will include one “consent agenda” area and that I am responsible for bringing any items onto the agenda in this section. Items listed will include reference as to the reason School Board approval is required and any governance policies the item might reference. I interpret “consent agenda” items differently from “Required School Board Decision” items on the agenda template. “Required School Board Decisions” are items requiring School Board approval AND their deliberative involvement.

JUSTIFICATION:

My interpretation of this policy is based on the Policy Governance model.

MEASUREMENT PLAN:

Compliance with this policy shall be evidenced by the proper identification and placement of the items described in this policy on School Board agendas during the period being monitored. ⁷⁹

EVIDENCE:

Evidence of compliance is demonstrated by Board action to approve meeting agendas during the period being monitored.

STATEMENT OF ASSERTION:

EL 2.9.9 is reasonable and in compliance.



BOARD NOTES:

2.9.10

Further, the Superintendent shall not: Allow the School Board to be unaware of potential consequences to the district posed by pending legislation or regulation.

OPERATIONAL INTERPRETATION:

I interpret this policy to mean that potential consequences of pending or realized legislation can be positive or negative and are the result of actions of the state and/or federal government. Pending legislation are those items that are introduced to the legislature in the form of new bills or modification to existing legislation. Regulations are the interpretation of enacted legislation by government entities charged with the responsibility of operationalizing approved legislation.

Legislation and regulations are imposed upon the District as a political entity. The District is a political entity that is responsible to the State of Minnesota and the Federal government, and therefore is required to conform to and implement either direct legislation or the interpretation of legislation by government agencies. Pending legislation and resulting changes to expectations or established practices at the local level need to be communicated to the Board of Education. 80

Therefore, my job related to this policy is to make sure the School Board is made aware of legislative impact to this district. I will normally use my "Incidental Report" to make the School Board aware of such situations unless the legislation causes the organization to go out of compliance. In such cases, the School Board may be informed via an Out of Compliance Email Alert.

JUSTIFICATION:

I consider my interpretation to be justified based on a common understanding of public education regulation and legislation.



MEASUREMENT PLAN:

Compliance with this policy is evidenced by the multiple means by which the Board is kept apprised of proposed state and federal legislation or regulation, as well as inquiries from individual board members seeking further understanding or clarification of pending legislation.

EVIDENCE:

The Board is copied in on email updates from AMSD and MSBA on a regular basis. The Superintendent also forwards or provides a summary of additional information from MDE, MDH, MASA and AASA as needed and appropriate.

81

STATEMENT OF ASSERTION:

EL 2.9.10 is reasonable and in compliance.

BOARD NOTES:

2.9.11

Further, the Superintendent shall not: Send letters or surveys under the School Board's name or on behalf of the School Board without School Board approval.

OPERATIONAL INTERPRETATION:



It is not uncommon for information to be disseminated or gathered on behalf of the District as a whole or “on behalf of” the School Board. Due to the separation of duties as evidenced by School Board Policy, it is inherent upon Administration to clearly identify the source of the request and to whom the information will be divulged when sharing, communicating, or collecting data.

1. Neither Superintendent nor any school employee may represent the “School Board” in any letter sent to stakeholders without the express approval of the School Board via official School Board approval.
2. The Superintendent and designees shall clearly declare the origin and potential use of any survey seeking input from owners, and under no circumstance represent the request for information on behalf of the School Board without School Board approval.

JUSTIFICATION:

Policy Governance theory and policy clearly indicates the roles of the School Board and Superintendent which is the driving rationale for this interpretation.

82

MEASUREMENT PLAN:

Compliance with this policy will be evidenced by:

1. The existence of any formal requests by the Superintendent for School Board signoff of letters, etc. during the monitoring period.
2. Surveys undertaken by the Administration do not attribute the Board as requesters or recipients of the collected data.
3. No communication to the public on behalf of the board occurs without prior approval.

EVIDENCE:

1. There were no requests by the Superintendent to have the Board sign off on any letters.
2. There were no surveys undertaken that were attributed to the Board as requestors.
3. There were no circumstances during the monitoring period where communication was not in compliance with the policy.



STATEMENT OF ASSERTION:

EL 2.9.11 is reasonable and in compliance.

BOARD NOTES:

EL 2.2 Treatment of Students

Policy Quadrant: Executive Limitations

- Monitoring Time Frame: ~~July 1, 2022 – June 30, 2023~~ [July 1, 2023 – June 30, 2024](#)
- Date of School Board Monitoring: ~~August 28, 2023~~ [August 26, 2024](#)

Board Policy Monitoring Motions:

- Operational Interpretation is/is not reasonable
- Board does/does not accept the Superintendent's assertion of compliance/non-compliance

Global Constraint:

The Superintendent shall not cause or allow an educational environment that is unsafe, unwelcoming, inequitable, disrespectful, unnecessarily intrusive, or that otherwise inhibits the effective learning needs of each student.

84

OPERATIONAL INTERPRETATION:

I interpret compliance with the global policy to mean that all ten (10) child policies are in compliance. [In addition, policies are in place and reviewed on scheduled cycles.](#)

JUSTIFICATION:

MSBA recommends that the District reviews on an annual or 3 year cycle as appropriate per statute, approves or revises if necessary, disseminates, and enforces the following District Policies that are intended to create and support a safe learning environment.

MEASUREMENT PLAN:

1. Child Policies are in compliance.
 2. District Policies required by state statute (otherwise known as Mandatory Policies) shall be reviewed and updated by the Superintendent on an annual basis.
 3. District Policies that are recommended by MSBA or developed locally shall be reviewed and/or updated upon notice of change by MSBA, or at least every three years.
-

EVIDENCE:

1. All child policies are in compliance.
 2. On ~~July 25, 2022~~ **July 24, 2023** all mandatory policies were approved by the School Board for the ~~2022-2023~~ **2023-2024** school year. During the monitoring period ~~12~~ **49** district policies were updated after review by the Superintendent and cabinet. All ~~12~~ **49** district policies were approved by the School Board.
 3. Cabinet members conducted a full review of all recommended policy changes by MSBA during the summer of 2023 and if necessary contacted the legal council for review. The superintendent then reviewed all policies and found that they were reviewed or updated within the three year review cycle with the full review of all policies being conducted in ~~2019~~ **2024**.
-

85

STATEMENT OF ASSERTION:

EL 2.2 is reasonable and in compliance.

BOARD NOTES:

2.2.1

Furthermore, the Superintendent shall not: Allow students to be unprotected against violence harassment.

OPERATIONAL INTERPRETATION:

Fostering positive, meaningful relationships between staff and students and promoting welcoming learning environments are critical components of a safe school. One hundred percent compliance with this expectation is the District's goal; however, it is not realistic that all instances of harassment or violence will be mitigated throughout any district during a calendar year. Policy provides protection through a framework of thoughtful prevention and response.

1. I interpret "shall not allow students to be unprotected against violence" to mean the school district will put in place a crisis management policy, plan, and team. The team will work proactively to ensure that acts of violence will be mitigated on school property or during school sponsored events and have an appropriate response(s) planned in the event that something occurs.
2. I interpret "shall not allow students to be unprotected against harassment" to mean the school district will proactively create a learning environment that is inclusive of all members of the school community and to secure freedom from discrimination in education because of race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, and age.

86

JUSTIFICATION:

1. State law (Minnesota Statute 121A.035) requests that school districts adopt a crisis management policy that addresses potential violent crisis situations in the school district. District Policy 806: Crisis Management Policy complies with that statutory requirement.
2. State law (Minnesota Statute 121A.03) requires that school districts adopt a sexual, religious, and racial harassment and violence policy that conforms with the Minnesota Human Rights Act, Minnesota Statute Chapter 363A (MHRA). District Policy 413: Harassment and Violence complies with that statutory requirement and addresses the classifications protected by the MHRA and/or federal law. [Guidance for interventions and non-exclusionary practices was provided in Minnesota Statute 121A.45, subdivision 1 and Minnesota Statute 121A.41, subdivision 12 referring to a district's requirement regarding student discipline.](#)

MEASUREMENT PLAN:

1. Systemic efforts are in place to mitigate incidents, as they relate to crisis and response preparation to comply with Policy 806 in the school setting.
 2. Systemic efforts to mitigate incidents related to harassment and violence in the school setting and to comply with Policy 413 shall be reported.
-

EVIDENCE:

1. Systemic and proactive efforts to mitigate incidents related to ~~crisis~~ emergency management in the school setting took place throughout the monitoring period.
 - a. The District is relatively unique in that we employ a full time emergency management coordinator.
 - b. Each school site administers five fire drills, five lockdown drills, and one take shelter drill each year.
 - c. Each school site has an emergency response team that regularly meets to review site procedures and debrief incidents that occur.
 - d. The District contracts with the Eden Prairie Police Department for ~~School Resource Officers~~ Juvenile Liaison Officers to further enforce and provide security within our school buildings and at selected school events.
 - e. The Administrative Leadership Team participated in annual training in partnership with the Eden Prairie Police and Fire Departments in ~~September 2022~~ August 2023 and February 2023.
 - f. The administrative team and crisis teams debrief incidents that occur to improve upon our crisis management practices. In addition, at times we review elements with the board in closed sessions so the Board is aware of our response plans, practices, and learnings as we continuously improve.
 - g. The District emergency response team engaged in training with the I Love U Guys Foundation in April 2024 to more deeply implement the Standard Response Protocol (SRP) to further enhance and systematize common language and collective action in any situation both inside or outside the building. The SRP also provides common language to better allow District personnel and Eden Prairie Fire, Police, and EMS personnel to improve communication in any situation.

87

- h. The Emergency Management Coordinator provided training to site emergency response teams and administration in the Standard Response Protocol (SRP), as well as reviewed security protocols and provided opportunities for enhancements at each site.
- 2. Systemic and proactive efforts to mitigate incidents related to harassment and violence in the school setting also took place throughout the monitoring period.
 - a. Student handbooks approved by the School Board on ~~July 25, 2022~~ **July 24, 2023** included the district policies on violence harassment and the consequences for failure to abide by the prohibitions as listed.
 - b. We follow the triennial legislative requirement for all staff to participate in a training to ensure understanding of the Safe & Supportive Schools Act, the Eden Prairie Schools Bullying Prevention Policy, and relevant strategies to support student behavior in all of our buildings and settings.
 - c. Principals, Associate Principals, Deans, staff, and security personnel provide student supervision and take appropriate actions when student behavior is contrary to Policy 506 Student Behavior and/or the Student Handbook.
 - d. The human resources department provides training on how to recognize and report sexual, racial, and religious harassment and violence to all new employees within thirty (30) days of their hire date. In addition to the new hire training, the transportation and buildings/grounds staff are re-trained annually (spring/summer).
 - e. All school sites have participated in the MDE-supported Positive Behavior Interventions and Supports (PBIS) training. A plan is in place to support ongoing implementation of this framework in all Eden Prairie Schools school sites. PBIS is a research-based framework to strengthen the climate and culture by proactively teaching school expectations of the school community, reinforcing positive behaviors, emphasizing relationship development, and being responsive to negative behaviors. These elements have been shown to support successful school interactions for all students and reduce undesired behavior. Strategies within this framework are selected and implemented based on observed student needs and are modified as needs evolve. These proactive, research-based steps are designed to eliminate incidents of harassment or violence.
 - f. **Our schools are being recognized as PBIS exemplars.**
 - g. ~~Throughout the 2022–2023 school year, site teams have focused on restorative practices to proactively build relationships and to responsively address inappropriate behaviors, while being attentive to the unique needs students faced after the COVID-19 pandemic and distance learning. This work supports a sense of psychological safety at school, addresses accountability for harm done, and re-builds community for all involved.~~ **All school sites focused on identifying, increasing and implementing interventions for students demonstrating needs with social, emotional, and behavioral support. These interventions and non-exclusionary practices, include but are not limited to: social and emotional services, school-linked mental health services, counseling services, social work services, academic screening for Title I**

88

services or reading interventions, and alternative education services. Other interventions and supports were also applied throughout the school year as global, local, or school based occurrence take place to teach, reteach, remind, and support students, families, and staff.

STATEMENT OF ASSERTION:

EL 2.2.1 is reasonable and in compliance.

BOARD NOTES:

89



EL 2.3 Treatment of Parents

Policy Quadrant: Executive Limitations

- Monitoring Time Frame: ~~July 2022–June 2023~~ July 2023–June 2024
- Date of School Board Monitoring: ~~September 25, 2023~~ September 23, 2024

Board Policy Monitoring Motions:

- Operational Interpretation is/is not reasonable
- Board does/does not accept the Superintendent's assertion of compliance/non-compliance

90

Global Constraint:

The Superintendent shall not allow a culture or district practice that fails to proactively engage parents of district students in a respectful partnership that supports the successful education of their child.

OPERATIONAL INTERPRETATION:

~~I interpret "culture or district practice" for purposes of this policy as those policies and norms present in a school district.~~ I interpret compliance with the global policy to mean that all three (3) child policies are in compliance. In addition, policies are in place and reviewed on scheduled cycles that create expectations and structures for parents and staff.

I interpret "parent" to be a child's guardian or any other adult allowed and/or permitted by law to access private educational records and/or make educational decisions for the child.



I interpret “proactively engage parents in a respectful partnership” as those formal and informal practices that build capacity and trust.

JUSTIFICATION:

1. I justify my interpretation of “parent” by citing its definition in MN Statute 13.02, Subd. 8.
2. In order to participate in a “respectful partnership,” it is the responsibility of each person in the school community to contribute to a climate of understanding and mutual respect for the rights and dignity of each individual by:
 - showing courtesy and self-discipline in actions and words;
 - seeking solutions to problems;
 - respecting the rules, regulations and practices that create safe and secure learning and working environments;
 - demonstrating honesty and integrity;
 - acting in a manner that results in a positive and supportive atmosphere. *(Source: Edmonton Public Schools)*
3. It is the practice of the School District to publish and make available policies that provide requirements, expectations, and guidance to build and maintain a culture of trust, partnership and access. Examples from various policy areas include but are not limited to:
 - a. Protection and Privacy of Pupil Records (515)
 - b. Development of Parental Involvement Policies for Title I Programs (621)
 - c. Transportation of Public School Students (707)
 - d. Visitors to School Buildings (904)

91

MEASUREMENT PLAN:

Compliance will be demonstrated by:

1. Child policies are in compliance.
2. District policies which require annual review through state statute as published by MSBA shall be reviewed and/or updated by the Superintendent on an annual basis.



3. District policies that are recommended by MSBA or developed locally shall be reviewed and/or updated upon notice of change by MSBA, or at least every three years.
 - ~~1. The superintendent being in compliance with all child policies EL 2.3.1-2.3.3 and furthermore;~~
 - ~~2. Parents/Guardians are engaged proactively and their voices are used to provide feedback, influence district program design, and support the education of students;~~
 - ~~3. Public voice of support for the educational direction of the district following proactive engagement and educational design work.~~
-

EVIDENCE:

1. All child policies are in compliance.
2. On July 24, 2023, all policies requiring mandatory review by state law were approved by the School Board for the 2023-2024 school year. During the monitoring period 49 additional district policies were updated after review by the Superintendent, cabinet, and legal counsel as necessary. All 49 district policies were approved by the School Board. 92
3. Cabinet members conducted a full review of all recommended policy changes by MSBA during the summer of 2023 and, as necessary, consulted with our legal council. The superintendent conducted the final audit/comparison of MSBA and Eden Prairie policies and found that after the FY24 process 100% were reviewed or updated within the three year review cycle.
- ~~1. The superintendent has asserted and the board has determined EL 2.3.1-2.3.3 are in compliance~~
- ~~2. Proactive meetings and engagement to involve Parents/Guardians in respectful partnerships were conducted throughout the 2022-2023 school year. Examples include:~~
 - ~~a. Translation or interpretation provided through writing and increased cultural liaison staffing to gather voice and influence program design;~~
 - ~~b. Superintendent meetings with District-wide PTO to provide information and receive feedback;~~
 - ~~c. Title I District-Wide Parent Engagement Programming;~~
 - ~~d. Title III EPHS English Learner Parent Engagement Sessions;~~
 - ~~e. American Indian Parent Advisory Committee;~~



- f. ~~World's Best Workforce Committee—This group expanded in terms of number of representatives and background of representatives, with students joining the team. The team also met more frequently and on a broader range of topics that included new course proposals, and curriculum improvement cycles (CIC), in addition to the WBWF goals;~~
 - g. ~~Special Education Advisory Council;~~
 - h. ~~Early Childhood Parent Advisory Committee;~~
 - i. ~~Core Planning Committee input influenced strategic plan;~~
 - j. ~~Conferences and scheduled meetings by staff to proactively engage Parents/Guardians in supporting the education of each student;~~
 - k. ~~The district continued to use the Let's Talk chat bot and two-way communications platform on district and school websites, generating 1,020 dialogues with Parents/Guardians, students and community members in the school year.~~
 - l. ~~Artificial Intelligence (AI)—Community members were invited to participate in a crowdsourced event on the question of "What understandings and skills related to AI should our students develop?" Ideas submitted were considered by a Strategy Team, which community members were also invited to be part of;~~
 - m. ~~Pathways Advisory Teams—Two Pathway advisory teams of community members, parents/guardians, staff, and students were active in 2022–2023. The advisory teams provided guidance on course development, curricular topics, student recruitment efforts, facilities, and professional development opportunities. Members for our other four pathways (Business & Management, Communication & Arts, Human & Public Services, Natural & Applied Sciences) were recruited and teams are positioned to launch in fall of 2023;~~ 93
 - n. ~~Curriculum Improvement Cycles (CIC)—In the first year of the CIC process, students and parents/guardians were invited to complete surveys on their experiences and wants for the curricular area. In the 2022–2023 school year, surveys were sent on social studies and counseling.~~
 - o. ~~Referendum-related community engagement;~~
 - p. ~~Strategic plan-related community engagement; and~~
 - q. ~~A pilot of the of the family engagement and communication tool Talking Points at Prairie View Elementary. This tool was selected to foster family engagement, particularly among multilingual families, following a human-centered design process. Prairie View staff sent over 5,000 individual messages and nearly 800 classwide announcements between July 2022 and June 2023; family members sent nearly 6,000 replies to their students' teachers and support teams.~~
3. ~~The high levels of community satisfaction reported in the random sample statistically valid and reliable Morris Leatherman survey conducted in April 2023 and subsequently reported to the board demonstrate that the culture and district practices are supporting the engagement of Parents/Guardians in ways that support their child's successful education:~~



- a. ~~99% of parents and 96% of community members ranked the quality of education provided by Eden Prairie Schools as good or excellent.~~
- b. ~~86% of parents and 88% of community members said the district does a good job of involving community leaders, parents and interested citizens in decisions about the schools.~~
- c. ~~91% of parents and 87% of community members said they were satisfied with the district's decision-making process. This was a significant increase from 64% in 2022 and 78% in 2021.~~
- d. ~~92% of parents and 88% of community members said the district does a good job of communicating important issues and decisions to the residents of the area.~~
- e. ~~Over 93%, 94%, and 96% of our parents supported the strategies that will guide our educational work over the next 5 years based on high levels of engagement and listening.~~

STATEMENT OF ASSERTION:

94

EL 2.3 is reasonable and in compliance.

BOARD NOTES:



2.3.1

Furthermore, the Superintendent shall not: Impede the flow of timely, adequate, and easily accessible information about the district in general and their child, in particular.

OPERATIONAL INTERPRETATION:

I interpret “impede the flow of information” as failing to implement a stable information access system with multiple means for parental access to information regarding their child and the District as a whole.

“Information about the district” is public relations information that is created and disseminated for the express purpose of informing and/or engaging Parents/Guardians in the opportunities and challenges of the school district. It also includes relevant information regarding student and/or staff accomplishments and acknowledgements. “Information about their child” is Private Educational Records and Directory Information as defined in Minnesota Government Data Practices Act, Statute 13. The district collects this data in the normal course of the educational process.

95

I interpret the flow of “timely information” to mean access to data and the formal and informal opportunities provided during the school year for communication between school personnel and Parents/Guardians.

I interpret “adequate information” as:

1. Private Educational Records that communicates individual student performance enabling teachers, Parents/Guardians, and when appropriate students, to work together to support learning goals throughout the child’s school years.
2. Directory Information is student data that is routinely collected by the District and is available to the general public upon request unless prohibited in writing by the parent. “Directory information” means information contained in an education record of a student which would not generally be considered harmful or an invasion of privacy if disclosed. It includes, but is not limited to: the student’s name, photograph, date and place of birth, major field of study, dates of attendance, grade level, enrollment status (i.e., full-time or part-time), participation in officially recognized activities and sports, weight and height of members of athletic teams, degrees, honors and awards received, and the most recent educational agency or institution attended. Directory information does not include a student’s personal contact information, social security number, or a student’s identification number (“ID”) if the ID may be used to access education records without use of one or more factors that authenticate the



student's identity such as a personal identification number, password, or other factor known or possessed only by the authorized user. It also does not include personally identifiable data that references religion, race, color, social position, or nationality.

3. District Data that communicates the condition of the District and its strategic plan. The District provides opportunities for Parents/Guardians to access timely and adequate educational data regarding their child by:
 1. Providing access to directory information and private student records via a password protected Internet portal.
 2. Distribution of individual student results from mandated testing as required by the State of Minnesota.
 3. Providing the means and opportunities to exchange information and recommendations via formal and informal communication channels and scheduled events.
 4. Annual notification of their rights to view, correct and limit access to their child's directory information, and file a complaint in regards to the District's handling of private and directory student records.

JUSTIFICATION:

1. My interpretation of this policy regarding "information about the district" is justified by the National School Public Relations Association four-step public relations planning process: 96
 - a. Research – up-front analysis of where the district stands in regard to all publics it wishes to reach.
 - b. Planning – developing public relations goals, objectives, strategies and tactics that go hand-in-hand with the district's overall mission and goals.
 - c. Implementation – carrying out the strategies and tactics necessary to meet the objectives and goals.
 - d. Evaluation – looking back at actions taken to determine their effectiveness and what changes are needed in the future.
2. My interpretation of this policy regarding parental access to student data is justified on the legal definitions of "private educational records" and "directory information". State and federal law provides that all data collected, created, received, or maintained by a school district are public unless classified as not public, private, or confidential. State law classifies all data on individuals maintained by a school district which relates to a student as "private" educational data (Source: Eden Prairie Schools Policy 515). The legal standards regarding parental access to private student data (per EL 2.2.2) are defined by:
 - a. Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, and Minn. Rules Parts 1205.0100–1205.2000
 - b. Family Educational Rights and Privacy Act (FERPA) and its regulations in 34 CFR Part 99.
 - c. Individuals with Disabilities Act (IDEA)



MEASUREMENT PLAN:

The measurement of the flow and access to information that is timely, adequate, and accessible regarding student, private data, and the district includes:

~~Our current compliance monitoring plan for the flow of information about the district and individual students includes:~~

1. The collection of quantitative data measuring parental access to private educational data:
 - a. Parent requests for access to the parent portal
 - b. Parent portal usage
 - c. Formal opportunities for Parents/Guardians to speak with teachers regarding their child's educational progress
 - d. Parent notification of student progress
- ~~2. Compliance with legal requirements regarding the timeliness of private educational data dissemination to Parents/Guardians.~~
- ~~3. Compliance with notification requirements regarding parental rights to review student educational records and restrict the release of directory information.~~
- ~~4. Any instance of noncompliance with #2 and #3 above will be noted in the annual monitoring report.~~
2. The district will report any instance(s) of noncompliance with requirements to share educational data with Parents/Guardians, including their rights to view educational records and restrict the release of directory information.
3. There is an active multi-modal, strategic, and integrated marketing and communications plan to generally inform Parents/Guardians about the District that follows research and best practices.
4. Communication ratings by Parents/Guardians via our random sample scientific survey.

97

EVIDENCE:

1. Metrics that have been collected:
 - a. Parent Portal Accounts: 11,637
 - i. ~~2019 – 13,066~~
 - ii. ~~2020 – 11,310~~
 - iii. ~~2021 – 9,970~~



- iv. ~~2022 – 10,433~~
- v. ~~2023 – 11,914~~
- b. ~~Parent Portal logins:~~
 - i. ~~Parents/Guardians: From July 1, 2020, to June 30th, 2021 – 384,616~~
~~Students: From July 1, 2020, to June 30th, 2021 – 1,993,146~~
 - ii. ~~Parents/Guardians: From July 1, 2021, to June 30th, 2022 – 382,519~~
~~Students: From July 1, 2021, to June 30th, 2022 – 2,027,411~~
 - iii. ~~Parents/Guardians: From July 1, 2022, to June 30th, 2023 – 503,714~~
~~Students: From July 1, 2022, to June 30th, 2023 – 3,016,704~~
~~Parents/Guardians: From July 1, 2023 to June 30, 2024 – 474,416~~
~~Students: From July 1, 2023 to June 30, 2024 – 3,010,815~~
- c. Formal opportunities for Parents/Guardians to speak with teachers regarding their child's educational progress. During the monitoring period we continued to connect with parents/guardians via in person, virtual, and hybrid connection points to ensure each family could partner and connect. 98
 - i. Fall Conferences:
 - 1. Elementary: October ~~13, 14 & 18, 2022~~ ~~12, 13, 17, 2023~~
 - 2. Middle: October ~~11 & 13, 2022~~ ~~10 & 12, 2023~~
 - 3. High: October ~~12 & 17, 2022~~ ~~11 & 16, 2023~~ and December ~~14, 2022~~ ~~2023~~
 - ii. Spring Conferences:
 - 1. Elementary: February ~~14, 16 & 17, 2023~~ ~~13, 15, 16, 2024~~
 - 2. Middle: February ~~23 & 28, 2023~~ ~~29 and March 7, 2024~~
 - 3. High: ~~March 1 & 7, 2023~~ and ~~May 10, 2023~~ ~~February 29, March 6, and May 8, 2024~~
- d. Progress monitoring dashboards were developed and implemented at each site. These dashboards include internal (e.g., class grades) and external (e.g., MCAs) data to present a holistic view of a student and school. These dashboards allow site and district administrators to share progress updates with the community at the school- or system-level. They also allow educators to proactively communicate progress with families, as well as measures that are taken to increase progress across all areas – behavioral, academic, attendance, enrollment, etc.
- e. ~~403,322 users visited www.edenpr.org to receive information about the district.~~



- ~~2. The District met legal requirements regarding the timeliness of private educational data dissemination to Parents/Guardians. The information is included in each site's student handbook. Parents/Guardians are asked to review the contents of the handbook and acknowledge their understanding at the beginning of each school year, or upon entrance to the District.~~
- ~~3. The District met notification requirements regarding parental rights to review student educational records and restrict the release of directory information. The information is included in each site's student handbook. Parents/Guardians are asked to review the contents of the handbook and acknowledge their understanding at the beginning of each school year, or upon entrance to the District.~~
- ~~4. There were no notes on non-compliance with #2 or #3 within the report.~~
2. There were no reported incidents of noncompliance with requirements to share educational data with Parents/Guardians.
3. The following are a list of current strategies the district uses to communicate with Parents/Guardians. These, and other strategies, are organized into strategic communication plans and an integrated marketing and communication plan that drive the district's overall communication effort.
 - a. Parent Post electronic newsletter is sent to all Parents/Guardians weekly and shares both important districtwide information and positive stories about students. The April 2023 Morris Leatherman Parent/Guardian survey indicated email, the e-newsletter, and the website are the most popular sources of district news. 99
 - b. The district website is regularly populated with information for Parents/Guardians, including access to the Parent Portal, which includes information specific to students. The Parent Portal receives an average of 41,976 36,286 Parent/Guardian views per month. The website receives an average of 397,238 total views per month.
 - c. Inspiring News, the printed newsletter, was sent to all households in the district and to the homes of all open enrolled students three five-times during the 2022-23-24 school year.
 - d. Information was shared with the media on a regular basis so it could be used as possible content in the newspaper or other media forms.
 - e. The district continued to use the Let's Talk chat bot and two-way communications platform on district and school websites, generating 2,085 dialogues with Parents/Guardians, students and community members in the 2023-24 school year. The average customer service score during this time was 8.4/10, which Let's Talk categorizes as "great" service.
 - f. Districtwide rollout of the family engagement and communication tool Talking Points. This tool fosters family engagement, particularly among multilingual families, following a human-centered design process. Staff sent nearly 34,000 individual



messages and nearly 5,200 classwide announcements between July 2023 and June 2024; family members sent nearly 41,000 replies to their students' teachers and support teams.

- g. ~~The Swift K12 and Infinite Campus Messenger~~ District mass messaging systems were used to share urgent/emergency information with parents/guardians; in select cases, principals also used the systems to connect with Parents/Guardians.
- h. All schools utilized ~~Constant Contact~~ district messaging systems to send mobile friendly e-newsletters and announcements to Parents/Guardians.
- i. The district undertakes periodic community engagement efforts to solicit input from Parents/Guardians and community members, including community and parent/guardian surveys ~~and ThoughtExchanges~~. The district uses random-sample scientific surveys, non-scientific input forms, and email questionnaires.
- j. The district maintains ~~Facebook, Twitter, YouTube, LinkedIn and Instagram sites~~ social media accounts to communicate with Parents/Guardians and community members who are ~~already~~ engaged on those platforms. With district guidance, some schools use ~~Twitter or Instagram~~ social media accounts to engage with staff, Parents/Guardians and community members.
- k. The district regularly ~~uses multimodal communication to produce videos to help~~ Parents/Guardians and community members see the ~~classroom-school~~ experience in action and understand complex topics, ~~like the district's strategic plan~~. 100 Examples of this include: videos, fliers, newsletter updates and emails on the district's standard response protocol and critical incident management plans; social media posts, videos, and stories on students' Inspired Journey experience, including Discovery Groups and the Inspired Journey Summit; newsletter updates, videos and social media posts about cultural celebrations at schools; and, monthly Spotlights on Success at each school shared during Board meetings.
- l. A district brochure and individual school brochures provide incoming Parents/Guardians an overview of the Eden Prairie Schools experience.
- m. Families with incoming kindergarteners receive a robust welcome to Eden Prairie Schools, which includes a printed kindergarten booklet ~~and a Kindergarten Passport~~; invitations to connect with their future school communities at a minimum of six ~~kindergarten-specific and schoolwide~~ events throughout the school year; personal phone calls from school principal teams ~~and Welcome Center team members~~; kindergarten-only branded swag items; and individualized postcards. In a new kindergarten marketing event, Kindergarten Adventure Day, incoming kindergartners and their families joined current kindergarten students for storytime in a classroom, time on the playground and a school lunch.
- n. Families interested in EP Online can learn more about the school via a pre-recorded webinar available 24/7, or attend ~~bi-weekly~~ virtual open houses (biweekly in the summer, monthly during the school year) to meet the principal and have their questions answered live. Families with incoming kindergartners are invited to several kindergarten events over the



course of the year. EP Online's marketing and outreach coordinator, ~~a position added in April 2023~~, serves as the dedicated contact for families interested in the school.

- o. School tours for incoming families and a full assortment of opportunities to visit schools and classrooms were offered. [In addition, virtual tours of all schools were added as an option for families in the 2023-24 school year.](#)
- p. District staff participated in and led community outreach efforts, including extended Welcome Center hours, PeopleFest! [Celebration of Culture](#), [Harvest to Halloween at the Barn](#), the Everything Spring Expo, [Girls in Aviation Day](#), and Wings of the North.
- q. [Cultural Affinity Nights at Central Middle School welcomed families who identified as African American, Somali, American Indian, Asian-Pacific Islander, or Latino/a to explore CMS with others who shared their cultural identity and ask questions of school leadership.](#)
- r. [The 100 Years of Inspiring Each celebration created multiple opportunities for parents/guardians and other community members to connect with the district, including a Citywide Prom, 100th Day of School celebration and the inaugural Inspired Journey Summit. On a third party survey conducted by the Morris Leatherman Company in June 2024, more than half of parent/guardian respondents \(55%\) said they had attended one or more of these events, and 24% said they had attended more district and school events overall compared to previous years, demonstrating higher levels of connection 101 and engagement.](#)
- s. [Title I District-Wide Parent Engagement Programming](#)
- t. [Title III EPHS English Learner Parent Engagement Sessions](#)

~~4. Progress monitoring dashboards were developed and implemented at each site. These dashboards include internal (e.g., class grades) and external (e.g., MCAs) data to present a holistic view of a student and school. These dashboards allow site and district administrators to share progress updates with the community at the school or system level. They also allow educators to proactively communicate progress with families, as well as measures that are taken to increase progress across all areas—behavioral, academic, attendance, enrollment, etc.~~

- 6. [The high levels of community satisfaction reported in the random-sample, statistically valid, and reliable survey conducted June-July 2024 demonstrate that district culture and practices are supporting the engagement of Parents/Guardians in ways that are representative and support their child's successful education. Morris Leatherman reports that our satisfaction rates across all areas are among the highest in the metro area and state:](#)
 - a. [97% of parents and 95% of community members ranked the quality of education provided by Eden Prairie Schools as good or excellent. This year, there was a 15% increase in ranking from good to excellent among community members and a 10% increase among families.](#)



- b. 89% of parents and 87% of community members said the district does a good job of involving community leaders, parents and interested citizens in decisions about the schools.
- c. 90% of parents and 87% of community members said they were satisfied with the district's decision-making process. This was a significant increase from 64% in 2022 and 78% in 2021.
- d. 94% of parents and 89% of community members said the district does a good job of communicating important issues and decisions to residents of the area.
- e. Compared to the one year ago and as a direct result of the district's 100 Years campaign:
 - i. 37% of community members and 41% of families said they felt the reputation of Eden Prairie Schools increased
 - ii. 32% of community members and 38% of families said they felt an increased sense of pride in Eden Prairie Schools
 - iii. 20% of community members and 31% of families said they felt an increased sense of connection with Eden Prairie Schools

STATEMENT OF ASSERTION:

102

EL 2.3.1 is reasonable and in compliance.

BOARD NOTES:



2.3.2

Furthermore, the Superintendent shall not: Allow an environment where concerns or inquiries directed to the Superintendent are not acknowledged and subsequently handled by the district in a timely, respectful manner.

OPERATIONAL INTERPRETATION:

I interpret this policy to mean that the district must create a relationship with Parents/Guardians within which their issues are attended to appropriately when they come to the office of the superintendent.

Operational Definitions:

- “Complaints” are written reports claiming a violation of a district policy
- “Concerns” are emotions that results from lack of information or clarity of communication.
- “Inquiries” are questions asked to resolve a personal concern.
- “Timely manner” is the act of responding in an appropriate and judicious manner.
- “Respectful” is a polite, professional, personal interaction.

103

In the normal course of business, the District will receive numerous contacts from Parents/Guardians regarding the district in general and their child in particular sharing inquiries or concerns. There is a districtwide expectation that inquiries and concerns are best resolved through use of the “chain of command”. Most parent issues are resolved by providing further information or clarity related to their child’s situation. Those on the front line of parental engagement (teachers, coaches, etc.) are encouraged to respond to Parents/Guardians as soon as possible, but preferably no more than two work- days later.

The chain of command concept relies on the belief that those closest to the inquiry or concern are best equipped to respond to it. If not receiving satisfaction, the parent has the right to contact the supervisor of the employee with whom there is a dispute...and so on until reaching the Superintendent. Attempts to bypass the “chain of command” often results in dysfunction within the organization and are discouraged.



Occasionally, parent inquiries may take the form of complaints. The school district takes seriously all concerns or complaints by Parents/Guardians. If a specific complaint procedure is provided within any other district policy, the specific procedure shall be followed in reference to such a complaint.

While written reports are encouraged, a complaint may be made orally.

When a complaint, concern, or inquiry comes into the superintendent's office, it is tracked and the superintendent shall determine whether an internal or external investigation should be conducted. In either case, the superintendent or designee shall determine the nature and scope of the investigation and designate the person responsible for the investigation or follow up relating to the complaint. The designated investigator shall ascertain details concerning the complaint and respond promptly to the appropriate administrator concerning the status or outcome of the matter. The appropriate administrator or Superintendent shall respond to the complaining party concerning the outcome of the investigation or follow-up, including any appropriate action or corrective measure that was taken and the inquiry/concern closed.

104

JUSTIFICATION:

The response to the complaining party shall be consistent with the rights of others pursuant to the applicable provisions of Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act) or other law. (Source: MSBA Model Policy 103)

POLICIES MANDATED BY LAW THAT CONTAIN REPORTING PROCEDURES

The School Board has adopted the following district policies that are mandated by law. Each of the district policies listed below contain a complaint or grievance procedure with prescribed district action. Copies of district policies are available on the district website or may be requested from the Superintendent's Office.

1. Policy 406 Public and Private Personnel Data
2. Policy 514 Bullying Prohibition
3. Policy 521 Student Disability Nondiscrimination
4. Policy 522 Student Sex Nondiscrimination
5. Policy 526 Hazing Prohibition
6. Policy 528 Student Parental, Family, and Marital Status Non-Discrimination (including Title IX grievance procedure)



Eden Prairie Administrators are mandated to follow the Minnesota Code of Ethics for School Administrators (Minn. Rules Part 3512.5200) with the following pertinent standards:

1. Fulfills professional responsibilities with honesty and integrity
2. Supports the principle of due process and protects the civil and human rights of all individuals.
3. Implements the school board's policies.

Minnesota Rule 214.10, Subd, 1, 2, & 3 governs complaints and subsequent investigation of failure to follow the Administrator's Code of Ethics.

MEASUREMENT PLAN:

Our current compliance measurement plan is as follows:

1. Track parent complaints, concerns, or inquiries that are directed to and acknowledged by the Superintendent's Office including resolutions.
2. Track District level ongoing or unresolved parent concerns/ inquiries and those that result in an appeal to an outside governmental agency.
3. Random sample survey response to issues or concerns.

105

EVIDENCE:

1. There were ~~two hundred and forty seven (247)~~ **sixty five** individuals who submitted parent complaints, concerns, or inquiries that were directed to, acknowledged, and resolved by the Superintendent's Office or Designee. **This metric now closely mirrors pre-covid numbers.**
2. At the time of reporting there were (0) ~~was (1)~~ unresolved or ongoing parent complaints at the District and/or appeal level. **Since that time the state agency found the district was in compliance through an appeal process.**
3. In our ~~late spring 2024~~ **late spring 2024** parent random sample survey conducted by Morris Leatherman, 58% of our Parents/Guardians reported never having to reach out to the district on an issue important to them. Of the ~~421~~ **421** that had reached out, there was a ~~986~~ **986** satisfaction rating, ~~which is up from 85% the previous year. Only 1% of the parent population reported dissatisfaction. Morris~~



Leatherman shared with the Board that this is an incredibly high satisfaction rate, among the very best in public education, and it is clear parents are being served extremely well inside our district.

STATEMENT OF ASSERTION:

EL 2.3.2 is reasonable and in compliance.

BOARD NOTES:

106



2.3.3

Furthermore, the Superintendent shall not: Set school policies or make major decisions without appropriate input and representation from district parents.

OPERATIONAL INTERPRETATION:

I interpret “set school policies” to mean those management-level policies that encompass a broad variety of issues ranging from internal district operations to student conduct to investments and use of school district facilities and equipment. In most Districts, policies are operational interpretations of state or federal rule, best practice, or local determinations and the Eden Prairie district is no exception to this practice in terms of management-level policies. With this broad scope of policies in mind, I believe it is reasonable to seek the input and representation of Parents/Guardians in the following, specific areas of management-level policies not mandated by state or federal law:

1. Students (Policy Series 500)
2. Educational Program (Policy Series 600)
3. Non-Instructional Operations and Business Services (Policy Series 700)
4. School District-Community Relations (Policy Series 900)

107

I interpret “major decisions” as those district decisions, whether policy-related or not, that are likely to incite a strong response in the community or within individual schools. Such decision areas might include: changes to building configuration, attendance boundary changes, changes to the educational program, etc. However, I am mindful that my authority to make major decisions is governed by certain Executive Limitations Policies:

2.7.10. Substantially change the principal educational purpose of a school by closing or repurposing it, or by consolidating or combining it with another school without board approval

2.7.12 Eliminate any non-state-required programs that would adversely affect our reputation and/or diminish the value of our broad-based educational opportunities without board approval.



I interpret 'appropriate input and representation' to mean that if parental involvement is required, my administrative team will assess the circumstances of the situation and involve Parents/Guardians as we believe the situation merits. The following is a rough "sliding scale" of parental involvement we are likely to employ:

1. Engage our PTO membership in a discussion about the issue.
2. Post information about the issue on the website and ask for email input.
3. Schedule parent/public input sessions about the specific topic.
4. Orchestrate a formal survey of Parents/Guardians.

JUSTIFICATION:

My interpretation of "school policies" is justified by our shared understanding of the difference between levels of organizational policies as was clarified by Policy Governance. We share an understanding that I am responsible for creating a framework of policies that manage the inner workings of the organization and that those policies must conform to the framework of board-level governing policies as well as state and federal statutes and laws. 108

My interpretation of "major decisions" is justified as it represents that narrow area between decisions that require board involvement (e.g. 2.7.10) and those management-level decisions that are routine in nature but still benefit from parental involvement.

My interpretation of "appropriate input and representation" is justified based on a combination of the Superintendent's extensive experience in successfully involving Parents/Guardians in the input process and K-12 educational practices firmly grounded in research.

MEASUREMENT PLAN:

- ~~1. Our current compliance measurement plan is to track topics that fit in this "parental involvement" category and that may require policy changes or additions during each monitoring period. Monitoring data will include a list of these areas, a description of the~~



type of engagement implemented, and a notation if we receive significant response after the decision was made public and/or implemented.

1. Parents/Guardians are engaged proactively and their voices are used to provide feedback, influence district program design, and support the education of students.
2. Public voice of support for the educational direction of the district following proactive engagement and educational design work.

EVIDENCE:

1. ~~Parent involvement:~~

- a. ~~Parents/Guardians were involved in the Strategic Plan process, as members of the Core Planning team, which provided them with tours of our schools to observe elements of the strategic plan in action.~~
- b. ~~86% of parents and 88% of community members surveyed in an April 2023 Morris Leatherman survey reported the district does a good job of involving community leaders, parents and interested citizens in decisions about the schools.~~
- e. ~~The random sample survey conducted by Morris Leatherman and presented to the board in April 2023 demonstrated an extremely high level of parent satisfaction that the company reported was higher than that of most other districts in the metro area and state.~~
- d. ~~Parents/Guardians regularly participate on these district committees: World's Best Workforce, Special Education Advisory Council and Early Childhood Advisory Council. Input and feedback guides ongoing decision-making, including special education leadership model changes for 2023-2024. Parents/guardians participated in the district's Calendar Review Team, which was used to design final calendars and shells.~~
- d. ~~A family engagement work group continues meeting to identify frameworks and tenets to develop future engagement plans.~~
- e. ~~ThoughtExchange was used to gather parent input and themes regarding the district's new strategic plan as well as student voice and leadership.~~
- f. ~~All opportunities to give input on major decisions affecting the district were also made available in Spanish and Somali, the district's two most spoken non-English languages, through written or oral translations. These efforts were supplemented by the district's cultural liaisons, who span the district and each school site.~~

109



- ~~g. District Administration met with the PTO president's council monthly from September through May to present information, hear from Parents/Guardians, and inform decision making.~~
 - ~~h. The Superintendent and cabinet members attended PTO parent meetings throughout the year to listen, share information, and inform our decision making.~~
 - i. The Superintendent and administrative staff met with racial/cultural parent groups to hear questions, concerns, and feedback. Meetings are conducted to develop relationships with, and to better understand the needs of the communities that make up our student body. When language needs are present (namely Somali and Hispanic/Latino communities), proactive plans are developed. Cultural liaisons and administrative staff facilitate meetings that help inform understanding of each student's story (i.e., backgrounds), which in turn supports decision-making and partnerships so that each student is served.
1. Proactive meetings and engagement to involve Parents/Guardians in providing feedback, influencing district program design, and supporting the education of students were conducted throughout the 2023-2024 school year. Examples include:
- a. Parents/Guardians regularly participate on district committees to offer input and feedback that guide ongoing decision-making:
 - i. American Indian Parent Advisory Committee
 - ii. Special Education Advisory Council
 - iii. Early Childhood Parent Advisory Committee
 - iv. Core Planning Committee and Strategic Plan working groups — Parents/Guardians were involved in strategic plan-related community engagement. The district includes community voice in the ongoing work of each strategy working group. In 2023-24, the Core Planning team — which is representative of our community at large — received tours of our schools to observe elements of the strategic plan in action. The team toured Cedar Ridge Elementary School to observe Discovery Groups. Team members advised for an additional Strategic Outcome on staff and student voice.
 - v. Pathways Advisory Teams — Six teams of community members, parents/guardians, staff, and students were active in 2023-24. They included Aeronautics Taskforce; Business & Management; Communication & Arts; Engineering, Technology, & Manufacturing; Human & Public Services; and Natural & Applied Sciences. The Advisory Teams provided guidance on course development, curricular topics, student recruitment efforts, facilities, and professional development opportunities. To support the expansion and guide their work, bylaws and purpose documents were created. The teams are composed of 74 total members, representing 72 businesses, post-secondary institutions, or families, and committed a total of 350 hours toward Eden Prairie Schools' Pathways.



- vi. Artificial Intelligence (AI) Strategy Team — Members continued to participate in developing the district's vision for artificial intelligence in education. That team spent the year considering what students need to know about AI, what educators need to do to support that learning, and what policies and procedures need to be put in place to ensure district goals for use are achieved.
- vii. World's Best Workforce Committee — This group expanded in terms of number of representatives and background of representatives (referred to as the Learning & Innovation Advisory Team), with students continuing on the team. The team also met more frequently and on a broader range of topics that included new course proposals, and the READ Act, in addition to the WBWF goals
- viii. Curriculum Improvement Cycles (CIC) — In the first year of the CIC process, students and parents/guardians are invited to complete surveys on their experiences and desires for the curricular area. In the 2023-24 school year, surveys were sent on social studies and counseling. Counseling completed a curriculum improvement process and social studies will complete the CIC process over the 2024-25 school year. In addition, during the 2024-25 school year, students and parents/guardians will be invited to complete surveys on their experiences and desires for mathematics as we begin the curriculum improvement cycle for this content area.
- b. District Administration met with the PTO president's council monthly from September through May to present information,¹¹¹ hear from Parents/Guardians, and inform decision making.
- c. All opportunities to give input on major decisions affecting the district were made available in Spanish and Somali, the district's two most-spoken non-English languages, through written or oral translations. These efforts were supplemented by the district's cultural liaisons, who span the district and school sites.
- 2. The random sample survey completed June-July 2024 continues to demonstrate an extremely high level of satisfaction with decision making:
 - a. 90% of families are satisfied with the district's decision-making process.
 - b. 89% of families said the district does a good job of involving them in decisions about the schools.
 - c. 88% of families feel informed about district decisions.

STATEMENT OF ASSERTION:

EL 2.3.3 is reasonable and in compliance.



BOARD NOTES:

Record of Board Self-Evaluation Governance Policies

Monitoring 2023-24 School Year Data: July 1, 2023 – June 30, 2024

The purpose of this document is to demonstrate to the owners that the Board is accountable to our
Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
--------	-------------------------	-------------------------------------	--	------------------------------	-----------

BOARD-MANAGEMENT DELEGATION (BMD) POLICIES					
3.0					
Single Point of Connection	09.23.24	Yes			Yes
3.1					
Unity of Control	09.23.24	Yes			Yes
3.1.1	09.23.24	Yes			Yes
3.1.2	09.23.24	Yes			Yes
3.1.3	09.23.24	Yes			Yes
3.2					
Delegation to the Superintendent	09.23.24	Yes			Yes
3.2.1	09.23.24	Yes			Yes
3.2.2	09.23.24	Yes			Yes
3.2.3	09.23.24	Yes			Yes
3.2.4	09.23.24	Yes			Yes
3.3					
Superintendent Accountability and Performance	09.23.24	Yes			Yes
3.3.1	09.23.24	Yes			Yes
3.3.2	09.23.24	Yes			Yes
3.3.3	09.23.24	Yes			Yes
3.3.4	09.23.24	Yes			Yes
3.3.5	09.23.24	Yes			Yes

Record of Board Self-Evaluation Governance Policies

Monitoring 2023-24 School Year Data: July 1, 2023 – June 30, 2024

The purpose of this document is to demonstrate to the owners that the Board is accountable to our
Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.0 Global Governance Commitment	10.28.24	Yes			Yes
4.0.1	10.28.24	Yes			Yes
4.0.2	10.28.24	Yes			Yes
4.1 Governing Style	10.28.24	Yes			Yes ¹¹⁴
4.1.1	10.28.24	Yes			Yes
4.1.2	10.28.24	Yes			Yes
4.1.3	10.28.24	Yes			Yes
4.1.4	10.28.24	Yes			Yes
4.1.5	10.28.24	Yes			Yes
4.1.6	10.28.24	Yes			Yes
4.2 School Board Job Products	10.28.24	Yes			Yes
4.2.1	10.28.24	Yes			Yes
4.2.2	10.28.24	Yes			Yes
4.2.2 - A	10.28.24	Yes			Yes
4.2.2 - B	10.28.24	Yes			Yes
4.2.2 - C	10.28.24	Yes			Yes
4.2.2 - D	10.28.24	Yes			Yes
4.2.3	10.28.24	Yes			Yes

Record of Board Self-Evaluation Governance Policies

Monitoring 2023-24 School Year Data: July 1, 2023 – June 30, 2024

The purpose of this document is to demonstrate to the owners that the Board is accountable to our
Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.3 Annual Work Plan	10.28.24	Yes			Yes
4.3.1	10.28.24	Yes			Yes
4.3.2	10.28.24	Yes			Yes
4.3.3	10.28.24	Yes			Yes
4.4 Officer Roles	09.23.24	Yes			Yes ¹¹⁵
4.4.1	09.23.24	Yes			Yes
4.4.1.1	09.23.24	Yes			Yes
4.4.1.2	09.23.24	Yes			Yes
4.4.1.3	09.23.24	Yes			Yes
4.4.1.4	09.23.24	Yes			Yes
4.4.1.5	09.23.24	Yes			Yes
4.4.1.6	09.23.24	Yes			Yes
4.4.1.7	09.23.24	Yes			Yes
4.4.1.8	09.23.24	Yes			Yes
4.4.1.9	09.23.24	Yes			Yes
4.4.2	09.23.24	Yes			Yes
4.4.3	09.23.24	Yes			Yes
4.4.4	09.23.24	Yes			Yes

Record of Board Self-Evaluation Governance Policies

Monitoring 2023-24 School Year Data: July 1, 2023 – June 30, 2024

The purpose of this document is to demonstrate to the owners that the Board is accountable to our
Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.5 School Board Members' Code of Conduct	09.23.24	Yes			Yes
4.5.1	09.23.24	Yes			Yes
4.5.2	09.23.24	Yes			Yes
4.5.2.1	09.23.24	Yes			Yes
4.5.2.2	09.23.24	Yes			Yes ¹¹⁶
4.5.2.3	09.23.24	Yes			Yes
4.5.3	09.23.24	Yes			Yes
4.5.3.1	09.23.24	Yes			Yes
4.5.3.2	09.23.24	Yes			Yes
4.5.4	09.23.24	Yes			Yes
4.5.5	09.23.24	Yes	<i>K. Ross addressed the non-compliance of a Board Member not advising 72 hrs. notice of not attending a Board Meeting</i>	<i>Addressed previously during a Board Meeting, no further action needed</i>	Yes
4.5.6	09.23.24	Yes			Yes
4.5.7	09.23.24	Yes			Yes
4.5.8	09.23.24	Yes			Yes
4.5.8.1	09.23.24	Yes			Yes
4.5.8.2	09.23.24	Yes			Yes
4.5.8.3	09.23.24	Yes			Yes
4.5.8.4	09.23.24	Yes			Yes
4.5.8.5	09.23.24	Yes			Yes
4.5.8.6	09.23.24	Yes			Yes
4.5.8.7	09.23.24	Yes			Yes

Record of Board Self-Evaluation Governance Policies

Monitoring 2023-24 School Year Data: July 1, 2023 – June 30, 2024

The purpose of this document is to demonstrate to the owners that the Board is accountable to our
Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.6 Process for Addressing School Board Member Violations	09.23.24	Yes			Yes
4.6.1	09.23.24	Yes			Yes ¹⁷
4.6.2	09.23.24	Yes			Yes
4.6.3	09.23.24	Yes			Yes
4.6.4	09.23.24	Yes			Yes
4.6.4.1	09.23.24	Yes			Yes
4.6.4.2	09.23.24	Yes			Yes
4.7 School Board Committee Principles	09.23.24	Yes			Yes
4.7.1	09.23.24	Yes			Yes
4.7.2	09.23.24	Yes			Yes
4.7.3	09.23.24	Yes			Yes
4.7.4	09.23.24	Yes			Yes
4.8 School Board Committee Structure	09.23.24	Yes		<i>Referred to Policy Committee for review</i>	Yes
4.8.1	09.23.24	Yes			Yes
4.8.2	09.23.24	Yes			Yes

Record of Board Self-Evaluation Governance Policies

Monitoring 2023-24 School Year Data: July 1, 2023 – June 30, 2024

The purpose of this document is to demonstrate to the owners that the Board is accountable to our
Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.8.3	09.23.24	Yes			Yes
4.8.4	09.23.24	Yes			Yes
4.9 Governance Investment	10.28.24	Yes			Yes
4.9.1	10.28.24	Yes			Yes
4.9.1.1	10.28.24	Yes			Yes
4.9.1.2	10.28.24	Yes			Yes ¹¹⁸
4.9.1.3	10.28.24	Yes			Yes
4.9.2	10.28.24	Yes			Yes
4.9.3	10.28.24	Yes			Yes
4.10 Operation of the School Board Governing Rules	09.23.24	Yes			Yes
4.10.1	09.23.24	Yes			Yes
4.10.1.1	09.23.24	Yes			Yes
4.10.1.2	09.23.24	Yes			Yes
4.10.1.3	09.23.24	Yes			Yes

Record of Board Policy Monitoring

Executive Limitations

Monitoring 2023-2024 School Year Data : July 1, 2023 – June 30, 2024

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our ELs.

Policy	Date	Operational Interpretation – is/is not Reasonable?		Evidence – Board does/does not accept the Superintendent’s assertion of compliance/non-compliance		Date to re-monitor if either the OI is “Not Reasonable” or if Board “does not” accept Superintendent’s assertion of “Compliance”	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
EXECUTIVE LIMITATIONS							
EL 2.0 Global Executive Constraint	12/09/24						
EL 2.1 Emergency Superintendent Succession	08/26/24	Yes	Yes	Yes	Yes		Yes
EL 2.2 Treatment of Students	08/26/24	Yes	Yes	Yes			No
EL 2.3 Treatment of Parents	09/23/24 11/25/24						119
EL 2.4 Treatment of Staff	10/28/24	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.5 Financial Planning and Budgeting	12/09/24						
EL 2.6 Financial Management and Operations	09/23/24	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.7 Asset Protection	08/26/24	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.8 Compensation and Benefits	10/28/24	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.9 Communication and Support to the School Board	11/25/24						

Record of Board Policy Monitoring

ENDS

Monitoring 2023-2024 School Year Data: July 1, 2023 – June 30, 2024

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our Ends and ELs.

Policy	School Year	<ul style="list-style-type: none">Operational Interpretation is/is not reasonable.The Evidence does/does not support the Operational Interpretation or supports the Operational Interpretation with exception.		<ul style="list-style-type: none">Accept/does not accept the Superintendent's assertion that the evidence demonstrates expected progress OR accept the Superintendent's assertion that the evidence does not demonstrate expected progress.		Date to bring back the district's plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							

1.1 Each student graduates and is academically prepared to progress to multiple opportunities after high school.	2022-23	Yes 6/26/23	Yes 6/26/23	Yes 10/23/23	Yes 10/23/23		120
	2023-24	<i>OI – Yes Measurement - Yes 6/24/24</i>	<i>OI – Yes Measurement - Yes 6/24/24</i>	<i>Yes 09/23/24</i>	<i>Yes 09/23/24</i>		Yes
1.2 Each student is reading at grade level by the end of third grade.	2022-23	Yes 6/26/23	Yes 6/26/23	No 10/23/23	No 10/23/23		
	2023-24	<i>OI – Yes Measurement - Yes 6/24/24</i>	<i>OI – Yes Measurement - Yes 6/24/24</i>	<i>No 09/23/24</i>	<i>No 09/23/24</i>		No
1.3 Each student achieves individual growth and proficiency expectations annually in, but not limited to, Language Arts, Math, and Science.	2022-23	Yes 6/26/23	Yes 6/26/23	No 10/23/23	No 10/23/23		
	2023-24	<i>OI – Yes Measurement - Yes 6/24/24</i>	<i>OI – Yes Measurement - Yes 6/24/24</i>	<i>No 09/23/24</i>	<i>No 09/23/24</i>		No

Record of Board Policy Monitoring

ENDS

Monitoring 2023-2024 School Year Data: July 1, 2023 – June 30, 2024

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our Ends and ELs.

Policy	School Year	<ul style="list-style-type: none">Operational Interpretation is/is not reasonable.The Evidence does/does not support the Operational Interpretation or supports the Operational Interpretation with exception.		<ul style="list-style-type: none">Accept/does not accept the Superintendent's assertion that the evidence demonstrates expected progress OR accept the Superintendent's assertion that the evidence does not demonstrate expected progress.		Date to bring back the district's plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							

1.4 Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements.	2022-23	Yes 6/26/23	Yes 6/26/23	Yes 10/23/23	Yes 10/23/23		121
	2023-24	<i>OI – Yes Measurement - Yes 6/24/24</i>	<i>OI – Yes Measurement - Yes 6/24/24</i>	Yes 09/23/24	Yes 09/23/24		Yes
1.5 Each student has the 21 st century skills needed to succeed in the global economy.	2022-23	Yes 6/26/23	Yes 6/26/23	No 10/23/23	No 10/23/23		
	2023-24	<i>OI – Yes Measurement - Yes 6/24/24</i>	<i>OI – Yes Measurement - Yes 6/24/24</i>	Yes 09/23/24	Yes 09/23/24		Yes
1.6 Each student has the knowledge that citizens and residents of the United States need to contribute positively to society.	2022-23	Yes 6/26/23	Yes 6/26/23	Yes 10/23/23	Yes 10/23/23		
	2023-2024	<i>OI – Yes Measurement - Yes 6/24/24</i>	<i>OI – Yes Measurement - No 6/24/24</i>	Yes 09/23/24	Yes 09/23/24		Yes

Resolution of Acceptance of Donations

BE IT RESOLVED by the School Board of Independent School District No. 272 that the School Board accepts with appreciation the following contributions and permits their use as designated by the donors:

Eden Prairie School District

- Donation of \$5,000 from Knutson Construction, Scott Hughes, Minneapolis, MN, funds to be used to support student activities and events

Cedar Ridge Elementary

- Donation of \$200.00 from The Blackbaud Giving Fund/YourCase, Charleston, SC – funds to be used general/classroom supplies

Special Services – Early Learning

- Donation of \$250.00 from the Charles Aid Foundation America/CyberGrants, LLC – funds to be used to support the Early Childhood Special Education

SUPERINTENDENT CONSENT AGENDA

A. Semi-Monthly Reports

HUMAN RESOURCES

1. Human Resources – Cabinet
 - a. New Hires
 - b. Change in Assignment
 - c. Resignation/Retirements
2. Human Resources – Principals
 - a. New Hires
 - b. Change in Assignment
 - c. Resignation/Retirements
3. Human Resources – Administrative/Supervisory/Technical (AST)
 - a. New Hires
 - b. Change in Assignment
 - c. Resignation/Retirements
4. Human Resources – Eden Prairie Supervisors & Specialists (EPSS)
 - a. New Hires
Snead, Carrie - Events Coordinator, Administrative Services Center, effective 11/1/2024
 - b. Change in Assignment
 - c. Resignation/Retirements
5. Human Resources – Licensed Staff
 - a. New Hires/Rehires
College, Kathryn - Occupational Therapist, 1.0 FTE, Prairie View Elementary, effective 11/11/2024
Doncavage, Evan - Special Education Teacher, 1.0 FTE, Eden Lake Elementary, effective 11/19/2024
Eschrich, Jodi - Gifted & Talented, Long-Term Substitute, 1.0 FTE, Cedar Ridge Elementary, effective 11/19/2024 - 1/17/2025
Lochner, Erin - Grade 3-5 Teacher, Long-Term Substitute, 1.0 FTE, EP Online, effective 12/10/2024-3/19/2025
Schmidt, Madalyn - Occupational Therapist, 1.0 FTE, .6 Central Middle School, .4 Eden Prairie High School, effective 11/04/2024
Tomlinson, Justine - Special Education Teacher, .5 FTE, Prairie View Elementary, effective 11/5/2024
Zywotko, Melissa - Grade 5 Teacher, .33 FTE, EP Online, effective 11/11/2024
 - b. Change in Assignment
 - c. Resignation/Retirements
Sanders, Peyton - Special Education Teacher, Eden Lake Elementary, effective 11/18/2024
 - d. Leaves
6. Human Resources - Classified Staff
 - a. New Hires/Rehires
BUILDING SERVICES
Dammann, James - Day Custodian, Prairie View Elementary, 8 hours/day, 5 days/week, 260 days/year, effective 10/28/2024

SUPERINTENDENT CONSENT AGENDA

CLASS

FOOD SERVICE

Leighton, Melissa - Food Service Assistant I - District Wide, 4 hours/day, 4 days/week, 178 days/year, effective 11/4/2024

MSEA

Abrahams, Krista - AVID Student Learning Mentor Tutor (Temporary), Central Middle School, 3.5 hours/day, 2 days/week, 56 days/year, effective 11/05/2024 - 6/10/2025

Garcia De Carrasquero, Elvira - Special Education Paraprofessional, Eagle Heights Spanish Immersion, 6 hours/day, 5 days/week, 178 days/year, effective 11/5/2024

Gates, Jordan - Special Education Paraprofessional, TASSEL, 6 hours/day, 5 days/week, 178 days/year, effective 12/02/2024

Guerra, Eilyn - Special Education Paraprofessional, Eagle Heights Spanish Immersion, 3.5 hours/day, 5 days/week, 178 days/year, effective 10/21/2024

Hussein, Amina - Eagle Zone Program Assistant, Forest Hills Elementary, 4 hours/day, 3 days/week, 99 days/year, effective 11/11/2024

Qambi, Ahmed - Special Education Paraprofessional, Prairie View Elementary, 5.75 hours/day, 5 days/week, 178 days/year

Shaik, Rahamthunnisa - AVID Student Learning Mentor Tutor (Temporary), Central Middle School, 3.5 hours/day, 2 days/week, 56 days/year, effective 11/05/2024 - 6/10/2025

Shrivastava, Neha - Lunchroom and Special Education Paraprofessional, Forest Hills Elementary, 5 hours/day, 5 days/week, 178 days/year, effective 11/20/2024

Yamamoto, Tomoko - Lunchroom Paraprofessional, Eagle Heights Spanish Immersion, 3 hours/day, 5 days/week, 178 days/year, effective 11/7/2024

PRESCHOOL TEACHERS

Swirski-Lubin, Miriam - Preschool Teacher, .46 FTE, Community Education Building, effective 11/20/2024

TRANSPORTATION

Ferrara, Michael - Bus Driver, Transportation, 3.75 hours/day, 5 days/week, 178 days/year, effective 10/25/2024

Meizinger, Jacob - Bus Driver, Transportation, 3.86 hours/day, 5 days/week, 178 days/year, effective 11/11/2024

b. Change in Assignment

BUILDING SERVICES

CLASS

Landwehr, Jennifer - From Paraprofessional, Eden Lake Elementary, to Curriculum Assistant, Cedar Ridge Elementary, 6.5 hours/day, 5 days/week, 178 days/year, effective 12/2/2024

FOOD SERVICE

MSEA

Deitering, Jeffrey - From Behavior Support Paraprofessional, Oak Point Elementary to Special Education Paraprofessional, Oak Point Elementary, 6.25 hours/day, 5 days/week, 178 days/year, effective 11/20/2024

SUPERINTENDENT CONSENT AGENDA

PRESCHOOL TEACHERS

TRANSPORTATION

- c. Resignation/Retirements

BUILDING SERVICES

Akindele, Akeem - Custodian, Non-Licensed, Night, Prairie View Elementary, effective 10/29/2024

Koehler, Douglas - Custodian, Night Lead Elementary, Prairie View Elementary, effective 12/31/2024

Stromer, Richard - Day Custodian, Prairie View Elementary, effective 12/31/2024

COACHES

FOOD SERVICE

MSEA

Bare, Fatuma - Eagle Zone Program Assistant, Prairie View Elementary, effective 10/31/2024

Carlson, Kaitlyn - Early Childhood Special Education Paraprofessional, Community Education Building, effective 11/1/2024

Dommer, Meredith - Education Paraprofessional, EP Online, effective 1/6/2025

Gumma, Kalyani - Special Education Paraprofessional and Eagle Zone Program Assistant, Oak Point Elementary, effective 10/4/2024

Kniffen, Mitchell - Special Education Paraprofessional, Cedar Ridge Elementary, effective 10/28/2024

Vivekraj, Divya - Special Education Paraprofessional, Eden Prairie High School, effective 11/20/2024

PRESCHOOL TEACHERS

TRANSPORTATION

Ferrara, Michael - Bus Driver, Transportation, effective 11/13/2024

Junge, Sara - Bus Driver, Transportation, effective 11/14/2024

Rodine, David - Bus Driver, Transportation, effective 12/20/2024

Board Business

General Consent Agenda

Approval of Payments, all funds, October 2024

Check #422041-422331	\$5,287,449.25
Electronic Disbursements	\$ 9,642,617.83
TOTAL	\$14,930,067.08

Acknowledgment of Electronic Transfers October 2024

INVEST DATE	FROM	TO	INTEREST RATE	MATURITY DATE	PRINCIPAL
11/01/2023	PMA Financial	MNTrust	5.350%	11/01/2024	\$2,107,293.16
11/07/2023	PMA Financial	MNTrust	5.253%	11/05/2024	\$248,826.76

EDEN PRAIRIE SCHOOLS
GENERAL FUNDS
MONTHLY REVENUE/EXPENDITURE REPORT
FOR THE MONTH ENDING: Oct-24

REVENUES/TRANSFERS IN (BY SOURCE CODE)					
SOURCE	DESCRIPTION	YEAR TO DATE RECEIVED	CURRENT FULL YEAR PROJECTION	THIS YEAR % RECEIVED	LAST YEAR % RECEIVED
001-020	TAXES	\$ 460,103	\$ 32,682,551	1.41%	37.36%
021-040	TUITION	(5,683)	152,000	-3.74%	11.29%
041-089	FEES & ADMISSIONS	461,438	701,000	65.83%	63.79%
090-199	MISC REVENUE	(1,035,363)	2,146,000	-48.25%	-24.77%
200-399	STATE AID	29,300,875	103,200,344	28.39%	27.79%
400-499	FEDERAL PROGRAMS	74,549	3,553,000	2.10%	-45.04%
600-649	SALES	96,473	50,000	192.95%	109.84%
		\$ 29,352,390	\$ 142,484,895	20.60%	10.95%
	CAPITAL OUTLAY	418,229	18,640,907	2.24%	1.39%
	STUDENT ACTIVITIES	1,219,852	1,900,000	64.20%	66.00%
	MEDICAL ASSISTANCE	12,615	290,000	4.35%	2.22%
	SCHOLARSHIPS	48	8,500	0.56%	10.25%
Revenue Notes:					

EXPENDITURES/TRANSFERS OUT (BY OBJECT CODE)					
OBJECT	DESCRIPTION	YEAR TO DATE EXPENDED	CURRENT FULL YEAR PROJECTION	THIS YEAR % EXPENDED	LAST YEAR % EXPENDED
100	SALARIES	\$ 19,920,614	\$ 94,650,345	21.05%	20.09%
200	BENEFITS	6,854,045	29,534,393	23.21%	21.35%
300	PURCHASED SVCS	4,123,668	14,541,438	28.36%	25.17%
400	SUPPLIES & EQUIPMENT	1,718,483	4,389,202	39.15%	45.82%
800	OTHER EXPENSES	136,518	625,715	21.82%	21.76%
900	TRANSFERS & CONTINGENCY	-	100,000	0.00%	0.00%
		\$ 32,753,329	\$ 143,841,093	22.77%	21.86%
	CAPITAL OUTLAY	8,212,718	18,520,181	44.34%	44.34%
	STUDENT ACTIVITIES	1,147,299	1,900,000	60.38%	57.35%
	MEDICAL ASSISTANCE	37,150	223,870	16.59%	22.54%
	SCHOLARSHIPS	-	11,000	0.00%	0.00%
Expenditure Notes:					



100 Years of Inspiring Each

Campaign goal

Elevate the reputation of Eden Prairie Schools among students, families, staff and community by fostering an ongoing sense of pride and celebrating our progress, which will increase stakeholder engagement and improve their connections with the district and its schools.

100 Years of Inspiring Each

Campaign measures

- Maintain or improve current satisfaction levels as measured by our annual Morris Leatherman survey.
- Increase attendance at school and district events.
- Increase student retention.
- Increase staff retention.
- Raise at least \$100,000 for 100 years.
- Establish a database of at least 1,000 alumni.

100 Years of Inspiring Each

Accomplishments

- Specific branding, banners, and commemorative items
- 100 day/100 years lessons in partnership with Learning & Innovation
- Give to the Max Day: \$20,076 (Goal: \$19,240; Royal Credit Union)
- CMS Dance of the Century
- Special acknowledgements from White House/Mayor
- Expanded partnerships
 - Pizza Karma: Centennial Pizza
 - Smith Coffee: 100 Year blend, Eagle Spirit latte, discount

100 Years of Inspiring Each

Accomplishments

- Launch of Wellbeing Fair & Intergenerational Choir at All Staff Kickoff
 - Choir continued through Community Ed
- Citywide Prom
 - Supported by: Arctic Wolf | Bachman's | Foundation for Eden Prairie Schools | Kuubs | Nothing Bundt Cakes | Pizza Karma | SouthWest Transit | Twin Cities Photo Booth | Veridian Credit Union
- Citywide Celebration: Stadium Parade and Give Gathering





100 Years of Inspiring Each

Accomplishments

- Honoring 100 column in staff newsletter
- Historic information in family & staff newsletters
- Updates and commemorative branding in Historic Gym
- Five-part video series
- \$100,000 donation from FEPS
- \$48,904 additional revenue (including GTM Day)
- Launch of *Inspire* magazine

135



100 Years of Inspiring Each

Morris Leatherman survey

- 15% increase in excellence rating
- “Did you or members of your household participate in any activities or events for the 100 Years celebration?”
 - Overall: 31% yes | Families: 55% yes
 - Overall: 98% favorable | Families: 95% favorable
- “Compared to previous years, do you think you attended more school and/or district activities and events, about the same number, or fewer?”
 - Overall: 11% more | Families: 24% more

100 Years of Inspiring Each

Morris Leatherman survey

- “Compared to last year, do you feel the reputation of Eden Prairie Schools has increased, decreased, or stayed about the same?”
 - Overall: 37% increase | Families: 41% increase
- “Compared to last year, do you feel your sense of pride in Eden Prairie Schools has increased, decreased, or stayed about the same?”
 - Overall: 32% increase | Families: 38% increase

100 Years of Inspiring Each

Morris Leatherman survey

- “Compared to last year, do you feel more connected to Eden Prairie Schools, less connected, or has your feeling of connection stayed about the same?”
 - Overall: 20% increase | Families: 31% increase
- *“The 100th Year celebrations achieved their goals. Prior to this year, ratings of the Eden Prairie Schools were already high. The celebrations improved perceptions even further and certainly cemented more parents into keeping their children enrolled in the School District.”*

100 Years of Inspiring Each

Campaign measures

- ★ Maintain or improve current satisfaction levels as measured by our annual Morris Leatherman survey.
- ★ Increase attendance at school and district events.
- ★ Increase student retention.
- ★ Increase staff retention.
- ★ Raise at least \$100,000 for 100 years.
- ★ Establish a database of at least 1,000 alumni.

100 Years of Inspiring Each

Campaign goal

Elevate the reputation of Eden Prairie Schools among students, families, staff and community by fostering an ongoing sense of pride and celebrating our progress, which will increase stakeholder engagement and improve their connections with the district and its schools.

140





Department vision

**Engaged &
Effective Team**

**Standardized
Processes &
Procedures**

**Intentional
Community
Outreach**

**Elevated
District
Reputation**

**Streamlined
Customer
Experience**

**Inclusive
Cultural
Connections**

**Dynamic Use
of Technology**

143





Eden Prairie School Board

New Director Orientation



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

Welcome

Congratulations!
You've been elected
to the
Eden Prairie School Board



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

Being a School Board Director



147



EDEN PRAIRIE SCHOOLS

Assuming your new School Board Director role:

- Who A Director is an elected or appointed official acting in the long range best interest of **ALL** students.
- What A Director's focus is long range and at a high level (governance).
- Why To ensure that **each** student obtains an outstanding education that prepares them for their future in a manner that justifies the resources expended. *"What good, for whom, at what cost"*
- How A Director works collaboratively with fellow board members and the superintendent to bring about positive change for the District through implemented policy.

What's expected of me as a Board Director?

Board Director responsibilities:

- Complete Board required training (orientation, additional individual and whole board training)
- Complete MN State mandated training (MSBA I & II) within 6 months of being sworn in
- Complete Policy Governance 101 Training in November/December
- Prepare for Board Meetings, be present and on time
- Model effective leadership, being in compliance with all statutes and policies
- Observe the principles of the Policy Governance® model
- Serve on at least one Board committee
- Attend Board events
- Attend District and community events



What tools do I need to do the job?

From the District office you receive:

- District #272 ID badge and lanyard
- School Board Member magnetic ID badge and business cards
- Laptop computer for your use while you are on the Board
- District e-mail account (do NOT use your personal email for District work)
- Invitations for all meetings, sent via email (please respond promptly)

From the Board you receive:

- RealBoard Toolkit reference volumes 1-4
- Robert's Rules of Order
- Alsbury (2015). *Improving School Board Effectiveness: A Balanced Governance Approach*.



What does it mean to govern?




EDEN PRAIRIE SCHOOLS

Governance: The Board's job

The School Board's authority to act is granted by the State of Minnesota ([Statute 123B.09](#))

The Board's responsibilities include:

- Set the vision for the District
 - Hire the Superintendent to realize the vision; evaluate at least yearly
 - Connect with the community
- 
- Set policies based on community values and monitor the district's progress toward those goals
 - Approve the District budget
 - Advocate for public education

152

Management: The Superintendent's job

The Board hires and evaluates only one employee, the Superintendent.
The Superintendent is the Board's **sole point of contact** with the District.

The Superintendent's job:

- The management of the District's schools and staff
- The administration of all school board policies and district policies

Accountability:

The Superintendent is directly accountable to the School Board.



How does the Board do its work?



Board Structure:

- **Board Officers:**

Chair, Vice Chair, Treasurer, Clerk
(Elected by their fellow Directors,
each officer serves a one year term)

- **Board Directors:**

All seven board members

- **Ex-officio member:**

The superintendent educates and advises the Board so that they can make informed decisions on matters requiring a Board vote. The Superintendent is a non-voting member of the Board.



Board Meetings:

Board Business Meetings and Workshops: (2 to 4 hrs/meeting)

- Generally, the Board holds one Business Meeting and one Workshop each month (with some exceptions due to holidays or state statute)

Board Committee Meetings: (1 to 2 hours per meeting)

- Each member serves on at least one, but usually two committees that meet as arranged

Outside organizations:

- Directors may also be appointed to other District or professional organizations, meeting times as announced



156

Quorums and the [Open Meeting Law](#):

(Click on the title for more complete information regarding the Open Meeting law)

Quorum:

Since our board is comprised of 7 members, a quorum is when 4 members are present.

Meeting:

A “meeting” is when a quorum or more of the school board is gathered—in person or by electronic means, whether or not action is taken or contemplated.

Open Meeting:

A meeting for which proper notice is given in advance of the meeting, the public may attend and observe, and relevant materials are available to the public.



The Official School Board Calendar:



The Board's work is cyclical in nature, much like the school year.

The Board Calendar lays out the sequence and content of meetings.

It is a living document that is amended as needs arise.

School Board Events:

The Board is committed to robust community linkage.

We establish and complete yearly goals to:

- Meet with each district school
- Attend student recognition events
- Meet with community members
- Meet with Eden Prairie City Council
- Meet with other local civic groups
- Attend professional organization meetings
- Communicate with elected officials



159

Who can I turn to with questions?

During orientation and initial training:

- The Board Chair, optional Board Mentor, Superintendent
- Self-study reference materials: [School Board Handbook](#), [School Board Website](#)
- MN School Board Assoc. (MSBA) Phase I and II facilitators, Policy Governance® training facilitators

Ongoing:

- Board Chair, Board Mentor, other Board Directors, Superintendent
- [School Board Handbook](#), [School Board Website](#) including policies and procedures
- MSBA Phase 3 and 4 facilitators, whole board training consultants
- [MSBA website](#), NSBA website, school board governance related research materials 160



How will I receive compensation for my service?

- You may select to have your monthly earnings (an amount determined annually by the board) automatically deposited into your bank account.
- You may also elect to deduct a portion of your pay to be deposited into a Public Employees Retirement Account (PERA) for your future use.
- Board Directors **are NOT employees** of the District, and are therefore ineligible to receive employee benefits.



161

A final thought: EPSB Ends Policy 1.0

*“Eden Prairie public schools exist so that
each student
obtains an outstanding education
that prepares them for their next stage of life
in a manner that justifies the resources expended.”¹⁶²*

Welcome Aboard!



EDEN PRAIRIE SCHOOLS
Inspiring each student every day

**Eden Prairie School Board
Community Linkage Committee Meeting Minutes
Applebee's Restaurant, 8421 Joiner Way, Eden Prairie, MN
Thursday, November 7, 2024**

Charter per Board Policy GP 4.8.1: This committee will facilitate multiple methods of School Board communication with owners that provide input and inform the School Board of ownership values as they relate to School Board policies, as well as provide valuable information to owners.

Members in attendance: CJ Strehl, Dennis Stubbs, Steve Bartz

Meeting Commenced: 8:30 pm

1. Approve Agenda
2. Discuss January Inspiring News Draft-It takes all of us and edit as necessary
3. Discuss Lunch with students' event:
 - a. Random sample invite for 10-12 students for each lunch section
 - i. Intro, format, sample questions
 - ii. What is the purpose of this meeting? Share your student experience in EPS—As board members we want you to be heard valued and your input helps to inform us
 - iii. Small groups
 - iv. Invite wording
 1. Members of the EP school invite you to a lunch and conversation to learn more about your personal Eden prairie high school experience. We value your time and hope you will join over your lunch period. Lunch will be provided.
 - v. Questions- Tell us about your High Schol Experience, Tells us something that gets you excited about coming to school each day, tell us something you would like to see stopped, started, and keep doing. Grade level, experiences through the years, first impressions if freshman
4. Meet and Greet Opportunities
 - a. Boys and Girls B-Ball and Hockey, Boys Swimming, Concerts
 - b. Flight Plan Opportunities for Board Involvement
5. Inspiring News Topics
 - a. Reinforce MWM financial pieces-Tell the community- You may be hearing about school budget cuts across the metro, why it's not happening here, and what we moving forward with

Meeting adjourned 21:29

Community Linkage Committee

Student Voice: EPHS Summary

A total of 18-19 Students attended across the four listening sessions:

- Pizza, water, salad, and cookies were provided
- Each session was about 25 min long
- Groups were sized to have one open discussion format
- All students (but one) that attended provided input
- A one-minute overview of what School Board does, and the objective of the meeting was provided (open ended discussion)
- Generally, open-ended question around “How would you describe your experience at EP Schools” got us started into the listening session.

We feel the investment in student voice was excellent, and well worth the time and resources allocated. The students provided direct and candid feedback across many topics. Students were selected using a random sample, selected by the EP data department. The sample of students that attended appeared to reflect the student body population. Across the 4 meetings, it appeared we had a balance of freshman through seniors.

Common Themes:

- Significant change implemented since last year:
 - o Hallways/Bathrooms loitering improved
 - o Enforcement of rules increased and consistent
 - o Improved attendance expectations/less disruptions
 - o Retake rules are fairer for students that put the effort in
 - o Expectations and discipline supported better learning environment
 - o Phone policy is good (although some thought it is being enforced leniently)
 - o Higher energy and engagement levels across staff and teachers
- New rules appreciated and necessary:
 - o Last year was demotivating at times when students didn’t follow rules: non enforcement was interpreted by some students that the school didn’t really care about the students that weren’t following rules/being engaged.
 - o When students violated rules with no consequences, other students joined in that normally would not have (creating more problems).
 - o Devalued the educational experience for hardworking/diligent students
 - o Created annoyance/frustration on day-to-day basis
- Feel some rules have gone a bit too far:
 - o Looking for ways to communicate to administration about rules and ways earn back responsibilities/privileges
 - o Looking forward to the return of Eagle Voice
 - o Need better study spaces (vs auditorium & PAC) for flex and open periods. No tables make it difficult to write and collaborate.
- Leadership change at EPHS over the last 2 years created instability and inconsistency, however, things have become much more consistent this year. They were looking forward to less leadership changes moving forward.

Community Linkage Committee

- Felt EP had a welcoming environment
 - Supported and respected
 - Community in class- could be more out of class, but not a huge issue
 - Might need more support for longer periods of time for students new to EP Schools
 - Like to see more effort to encourage persons of color to take AP classes
- Students would like to see more “Eagle School Spirit” to create more community, student engagement, and common shared experience.

Inspiring News: It Takes All of Us

Be Safe, Be Responsible, Be Kind. If you have spent time in Eden Prairie Schools, you have heard these six simple words, forming the foundation of our behavioral expectations. This credo is reinforced daily throughout our student's early school experiences, underpinning our district's commitment to create the foundational expectation for positive educational experiences. In Eden Prairie, we have high academic and behavioral expectations; however, feedback over the past year from parents and teachers indicates there is room for improvement.

All of us have a role to play in creating the desired climate and culture our schools require to achieve excellent outcomes. This begins with clear direction from the school board, consistent and thoughtful enforcement by district administration and teachers, supportive parents/guardians, and engaged students and community members. An environment where staff and students feel respected and safe is foundational to achieving academic success.

The school board emphasizes to students, administration, staff, and the community that we expect student handbook rules will be implemented promptly, consistently, and fairly by our administration and teachers. We strive for an environment where students and staff treat each other with respect and dignity.

As a district, clear communication and enforcing the handbook rules across all school locations and functions is crucial. Unacceptable behavior must be addressed, not excused. We expect our students to respect themselves, their peers, and their teachers.

Parents and guardians play a vital role in supporting and modeling the behavioral expectations set by the district. These expectations are weaved into daily student life, from resolving disagreements and confrontations respectfully, being on time and in the classroom, adhering to the school dress code, and being polite and respectful to each other. We ask parents and guardians to partner with us to reinforce that school rules must be followed. This can start with a simple question to your child each day: "How did you live out being safe, responsible, or kind today?"

As a community, we have a responsibility to prepare the next generation to be productive, responsible, and kind citizens. To reinforce our sense of community and enhance student experiences, there are many avenues for community members to share their experience and skills. You are invited and encouraged to explore volunteer opportunities, vocational collaboration, and internships through our Inspired Journey program and student mentoring. In addition, visit the district webpage to follow the progress and provide feedback for "Flight Plan 2035, which will lay the foundation for what experiences, opportunities and learning will look like for our students 10 years from now.

We have amazing parents, students, teachers, support staff, and community members supporting Eden Prairie Schools. It takes all of us to champion a culture that elevates academic excellence in Eden Prairie Schools and a strong sense of community through safe, responsible, and kind schools. As we enter the new year in 2025, please join us as we work to promote a climate of respect and community.

Recap of Policy Monitoring Discussion

Who: Directors Steve Bartz & Kim Ross

When: November 7, 2024

Steve scheduled a conversation to discuss the executive limitations policy monitoring process as a result of some questions that came up when the board monitored EL 2.2 at the August 26, 2024, Board meeting.

Here are some of the key questions discussed.

1. What is included in the operational interpretation of an EL when the board votes on whether it is reasonable? Is the evidence included in the OI vote?

There are two votes when monitoring an EL, first, is the operational interpretation reasonable, and second, does the Board accept the superintendent's assertion of compliance or non-compliance. The OI vote includes the operational interpretation and justification. The evidence is not included in the OI vote, rather it is evaluated as a function of the compliance vote. A board member could view a policy as being out of compliance if they don't think the evidence is sufficient to support the superintendent's assertion regarding compliance.

It is important to remember that when ELs are monitored, the monitoring period is in the past. If the Board wants to see a different measurement plan or more evidence when an EL is monitored, because the monitoring period is in the past, that data may or may not have been collected. Also, because the Board is evaluating policy compliance, which is binary, no targets are set prior to the monitoring period, as the Board does for Ends policies. The compliance vote is the point where the Board can indicate that the measurement plan and/or the evidence presented is not sufficient to support the superintendent's assertion.

Some of the confusion around this question was related to an error in the Ends monitoring process which says that the measurement plan is included in the OI.

Recommendation: We recommend that the Ends monitoring process be updated to delete the measurement plan bullet from the second paragraph of the OI vote section.

2. The EL monitoring process (and the Ends monitoring process) says "if the entire OI, *or a portion of it*, is voted not reasonable . . ." What happens if just a portion of the OI is voted not reasonable?

We agreed that voting a portion of the OI has unreasonable makes the process more complicated than it needs to be. In the discussion of that vote, Board members will discuss why they view the OI as unreasonable. Either the OI is reasonable, or it is not.

Recommendation: We recommend that the language regarding voting just a portion of an OI as unreasonable be removed from both the EL and Ends monitoring processes.

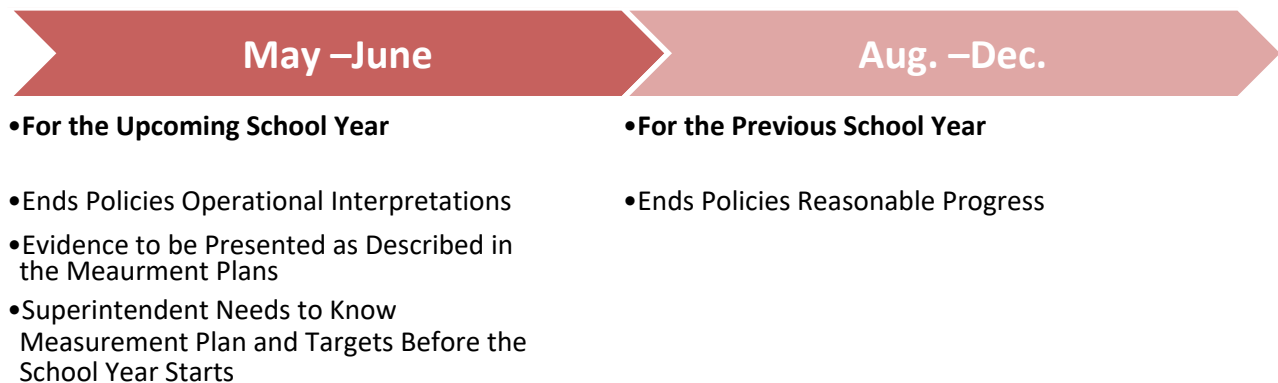
3. The EL monitoring process says that if an EL is found to be out of compliance, a date will be set for the Superintendent to bring back evidence of compliance for re-monitoring.

Eden Prairie School Board Ends Policy Monitoring Process

The Board is accountable to the state and District owners for the District's performance. The Board is responsible for setting **Ends Policies** which state the results for students the Board expects to see accomplished by the District through the effective utilization of available resources.

The Superintendent is responsible for achieving reasonable progress for the Ends Policies within specified Executive Limitations. One way the Board monitors district performance is by monitoring the **expected progress** toward achievement of the Ends Policies.

The timeline for Board monitoring of the Ends Policies is as follows.



The Board monitors the Ends Policies in two phases, in accordance with Governance Process 4.2.3:

In June, for the upcoming school year, the Board monitors the Superintendent's **Operational Interpretation (OI)** of the Ends Policies, and whether the evidence to be presented as described in the measurement plan supports the OI. (See below.)

In October, for the previous school year (Sept-June), the Board monitors the Superintendent's **assertion** of making **expected progress, or not**, toward achievement of the Ends Policies for the previous school year. (See below.)

Eden Prairie School Board Ends Policy Monitoring Process

For the Upcoming School Year

Operational Interpretation (OI):

In June, for the upcoming school year, the Superintendent is responsible for drafting/editing an

Operational Interpretation (OI) for each of the Ends Policies.

The OI includes the Superintendent's:

- *Interpretation* of the policy, with an explicit explanation, **and**
- *Justification* for the reasonableness of the interpretation.
- ~~and a *Measurement plan* which supports the interpretation.~~

Following a motion, second and discussion, the Board votes whether the Superintendent's Operational Interpretation is **reasonable** or **not reasonable**.

If the OI is voted **reasonable**, the OI constitutes the basis for the Superintendent's assertion of **expected progress** toward achievement of the Ends. If the ~~entire OI, or a portion of it,~~ is voted **not reasonable**, further monitoring of the policy ceases, there is no vote on the evidence, and the Superintendent commits to bring back a revised OI for a revote, within a time period acceptable to the Board.

Sample Motions for the reasonableness of the Operational Interpretation:

"I move that the Operational Interpretation **is reasonable**" or

"I move that the Operational Interpretation is **not reasonable**."

Evidence: data that justifies the Superintendent's assertion of expected progress

If the Board votes that the Operational Interpretation is **reasonable**, the Board makes a motion, seconds, discusses and votes whether the measurement plan provides **evidence** which **supports** or does **not support** the Operational Interpretation.

If the evidence is voted as **supporting** the OI, it constitutes the data that justifies the Superintendent's **assertion of expected progress** toward achievement.

If the entire evidence, or a portion of it, is voted as **not supporting** the OI, the Superintendent commits to bring back revised evidence, within a time period acceptable to the Board, for a revote.

Sample Motions for the Evidence supporting the Operational Interpretation:

"I move that the Evidence **supports** the Operational Interpretation" or
"I move that the Evidence **does not support** the Operational Interpretation."

Eden Prairie School Board Ends Policy Monitoring Process

Following the End of the Prior School Year

Superintendent's assertion:

Following the end of the prior school year, the Superintendent drafts Ends Policies Monitoring Reports, and presents them to the Board in October of the current school year.

The Superintendent asserts that the evidence either **demonstrates expected progress** or **does not demonstrate expected progress** toward achievement of the Ends.

If the Superintendent asserts that the report **does not** demonstrate expected progress, the report should include a commitment as to when in the future the Board can expect the evidence to demonstrate expected progress. This may include a brief plan showing the Superintendent has a process in place. The Board does not "approve" the plan.

Board acceptance of Ends Policies Monitoring Reports:

Prior to a Board Meeting at which an Ends Policy will be monitored, the Superintendent sends the Monitoring Report with assertion to the Board. The Board may then ask **clarifying questions of the Superintendent**, but not offer an opinion, regarding the Superintendent's Ends Reports assertion.

Following a time for questions at the Board table, a motion is made, seconded and discussed, the Board votes to accept or not accept the Superintendent's monitoring report, with the assertion that the evidence either **demonstrates** or **does not demonstrate** expected progress toward achievement of the Ends Policy.

Sample Motions for Ends Policies Monitoring Reports:

"I move to **accept** the Superintendent's Monitoring Report for Policy xx.xx with the assertion that the evidence **demonstrates** expected progress" *or*

"I move to **NOT accept** the Superintendent's Monitoring Report for Policy xx.xx with the assertion that the evidence **demonstrates** expected progress" *or*

"I move to **accept** the Superintendent's Monitoring Report for Policy xx.xx with the assertion that the evidence **does not demonstrate** expected progress" *or*

"I move to **NOT accept** the Superintendent's Monitoring Report for Policy xx.xx with the assertion that the evidence **does not demonstrate** expected progress."

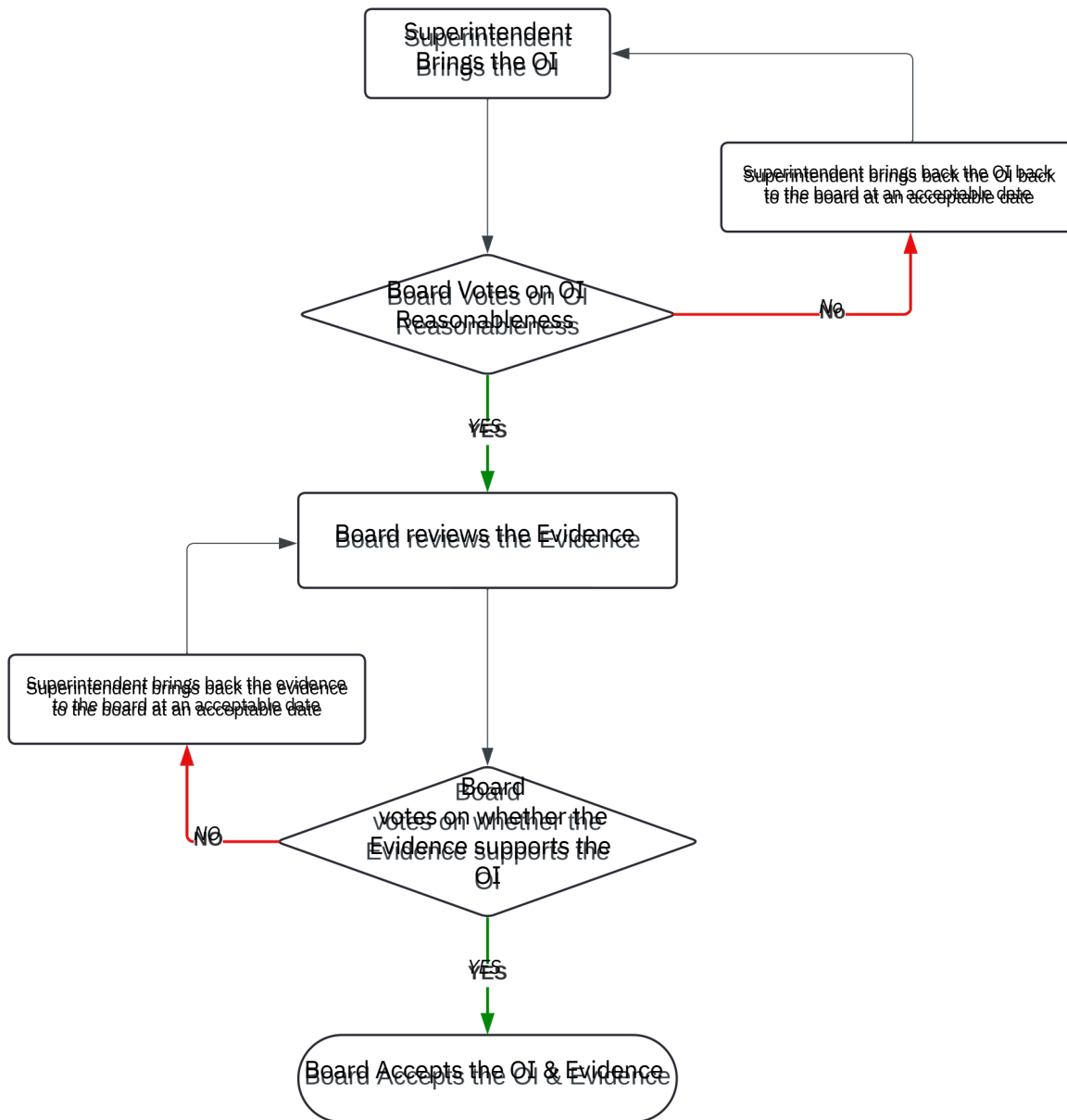
Board Member tips for monitoring an Ends Policy Monitoring Report:

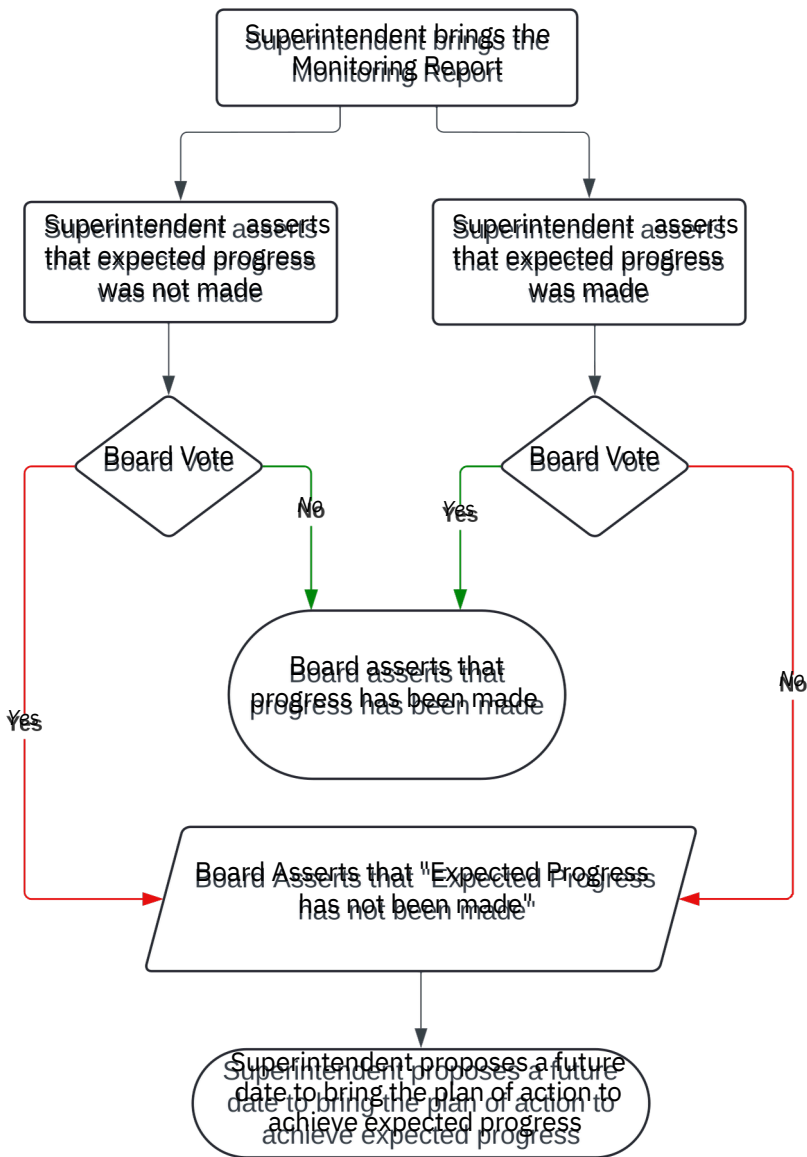
- In the Operational Interpretation for a long-term End, consider what reasonableness will look like in stages.
- Look for the use of rates, ratios, percentages, comparisons and trends over time.
- Look for **verifiable evidence** of expected progress towards the achievement of Ends rather than the Superintendent's opinion or belief.
- Look for evidence that the End is **actually being achieved**, rather than what is being done to try to achieve it.
- If the Board votes that a policy did not demonstrate expected progress, the board should expect, within an agreed upon timeframe, the Superintendent to share the District's plan to achieve progress in the future.

Superintendent tips for drafting Ends Policy Monitoring Reports:

- Place raw numbers in context.
- Provide the best evidence you have, even if not perfect, and discuss limitations. Identify a date by which better evidence will be available.
- Summarize relevant evidence in key categories to provide "governance-friendly" information that gives evidence of expected progress and trends.
- Make sure assertions are clearly visible in the report.
- When asserting **not meeting expected progress toward achievement**, include a commitment as to when in the future the Board can expect the evidence to demonstrate expected progress, and a brief plan showing there is has a process in place.

Ends Policy Monitoring Process Flowchart





Eden Prairie School Board Executive Limitations Policy Monitoring Process

The Board is accountable to the state and District owners for district performance. The Board is responsible to set **Executive Limitations Policies** which define parameters within which the Superintendent may act to accomplish the Board's Ends Policies.

One way the Board monitors district performance is by monitoring the Executive Limitations Policies and the Superintendent's **compliance** with them, in accordance with Governance Process 4.2.3. ELs monitoring is done as follows:

After the end of the current school year and prior to the Board conducting the annual review of the Superintendent's performance (Aug-Dec), the Board monitors the Superintendent's Operational Interpretation (OI) of the EL Policies, and the Superintendent's assertion of compliance/noncompliance with the policies.

The Superintendent is responsible for presenting a monitoring report for each EL policy. The report includes an Operational Interpretation (OI), evidence, and an assertion of compliance/noncompliance for each of the EL Policies

Operational Interpretation (OI):

The OI includes the Superintendent's interpretation of the policy and justification for that interpretation.

The Board makes a motion, seconds, discusses, and votes whether the Superintendent's Operational Interpretation is reasonable or not reasonable. If the OI is voted reasonable, the OI constitutes the basis for the Superintendent's assertion of compliance with the policy. If the ~~entire OI, or a portion of it,~~ is voted not reasonable, monitoring of the policy ceases, there is no vote on the Superintendent's assertion of compliance, and the Superintendent commits to bring back a revised OI, within a time period acceptable to the Board, for a revote.

Sample Motions for reasonableness of the OI:

"I move that the Operational Interpretation **is reasonable**" or

~~"I move that the Operational Interpretation **is reasonable with the exception of...**" or~~

"I move that the Operational Interpretation **is not reasonable**"

Assertion of Compliance/Noncompliance with the EL Policy:

The Board may ask clarifying questions to the Superintendent regarding the evidence presented and the assertion for EL reports made, preferably prior to the Board Business Meeting.

Following a time for questions at the Board table, a motion may be made, seconded, discussed and voted upon to accept or not accept the Superintendent's assertion of compliance or non-compliance with the Executive Limitation. If the Board finds that the Superintendent is not in compliance with the EL, the Superintendent and Board must agree to a date by which the Superintendent will bring forward the evidence of compliance for re-monitoring **or a plan to come into compliance.**

Sample motions for monitoring the assertion of compliance or non-compliance:

"I move to accept the Superintendent's assertion of compliance with EL policy xx.xx."

"I move to NOT accept the Superintendent's assertion of compliance with EL policy xx.xx."

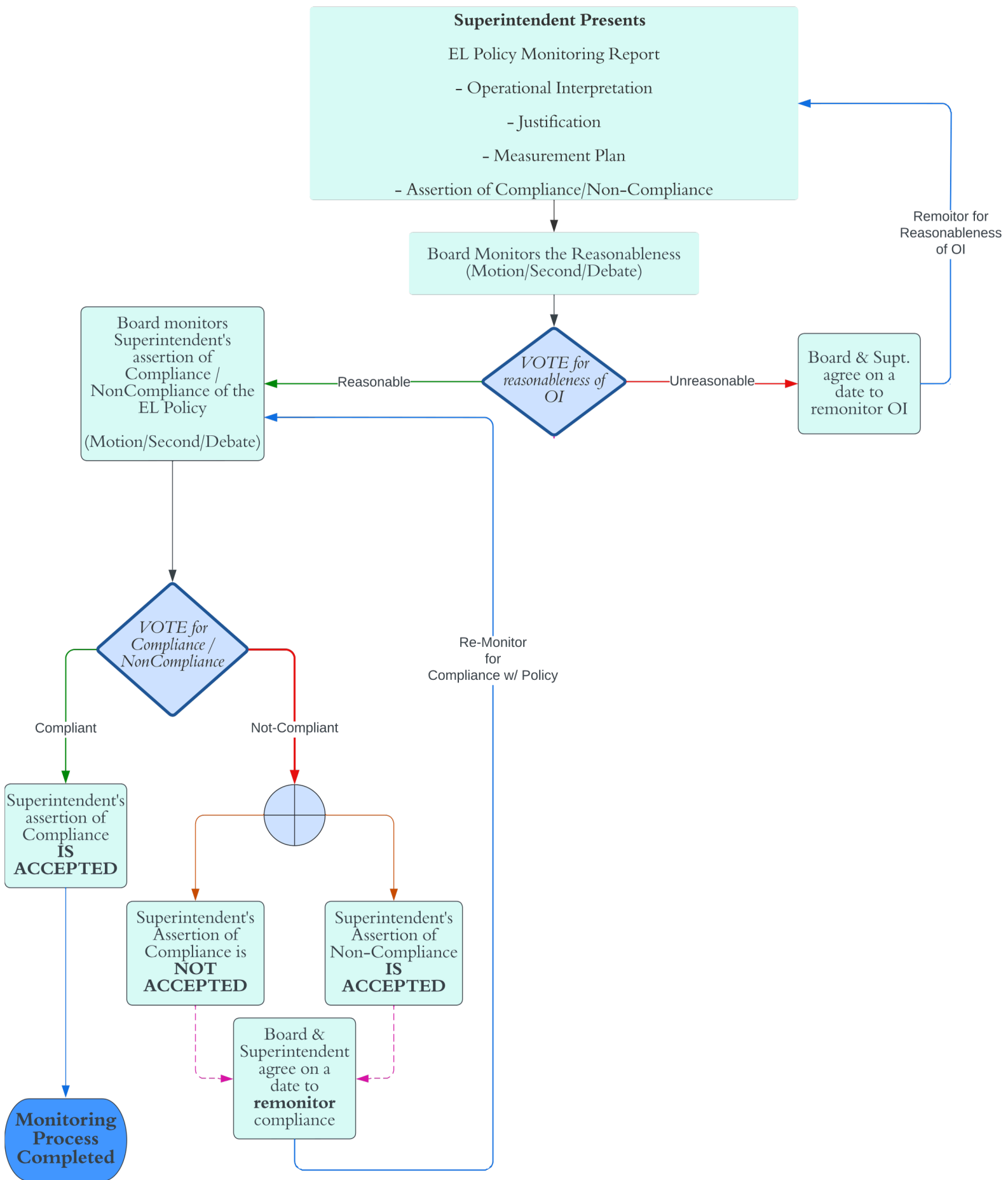
"I move to accept the Superintendent's assert of non-compliance with EL policy xx.xx."

Board Member tips for monitoring an EL Policy Monitoring Report:

- Look for the use of rates, ratios, percentages, comparisons, and trends over time.
- Look for verifiable evidence of compliance with Executive Limitations rather than the Superintendent's opinion or belief.
- If the Board votes that the Superintendent is not in compliance with an EL, the board should expect, within an agreed upon timeframe, that the Superintendent will bring forward evidence of compliance.

Superintendent tips for drafting ELs Policies Monitoring Reports:

- Place raw numbers in context.
- Provide the best evidence you have, even if not perfect, and discuss limitations. Identify a date by which better evidence will be available.
- Summarize relevant evidence in key categories to provide "governance-friendly" information that gives evidence of compliance.
- Make sure assertions are clearly visible in the report.
When asserting non-compliance with an EL, include a commitment as to when in the future the Board can expect the evidence that demonstrates compliance.



Eden Prairie School Board
2023–24 WORK PLAN CHANGES
“Proposed” Changes
November 25, 2024

Date of Meeting/Workshop	Changes Requested
Monday, November 25, 2024	
Monday, December 9, 2024	
Monday, January 6, 2025 (6:00 p.m.) Annual Org. Meeting	
Monday, January 6, 2025 (6:30 p.m.) – Workshop	
Monday, January 27, 2025	
Monday, February 10, 2025 – Workshop	-
Monday, February 24, 2025	
Monday, March 10, 2025 – Workshop	
Monday, March 24, 2025	
Monday, April 14, 2025 – Workshop	
Monday, April 28, 2025	
Monday, May 12, 2025 – Workshop	
Tuesday, May 27, 2025	
Monday, June 9, 2025 – Workshop	
Monday, June 23, 2025	
Placeholder – General Board Work	
Placeholder – Policy Review	

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
<p>****2024****</p> <p>Board Meeting Mon, Jul 22, 2024 7:30 AM</p>					<ul style="list-style-type: none"> •Monthly Reports •TASSEL Student Handbook •Student Handbooks: <ul style="list-style-type: none"> - High School - Middle School - Elementary Schools (Summary Detail Included) 		180
School Board “New Candidate” Informational Session – <i>Thursday, July 25, 2024, at 6:00 p.m. (1 of 2) – ASC/EDC</i>							
School Board “New Candidate” Informational Session – <i>Monday, August 5, 2024, at 6:00 p.m. (2 of 2) – ASC/EDC</i>							
<p>Board Meeting Mon, Aug 26, 2024 6:00 PM</p>	<ul style="list-style-type: none"> •EL 2.1 Emergency Supt. Succession •EL 2.2 Treatment of Students •EL 2.7 Asset Protection •Ends 1.6 Monitoring Measuring Plan 		Record of Board Self-Evaluation	Approval of 2025 September Inspiring News	•Monthly Reports		
<p>Post Meeting Board Workshop Mon, Aug 26, 2024</p>							School Board Mtg. Self-Assessment
<p>Board Workshop Mon, Sep 9, 2024 6:45 PM 6:00 PM</p>							<ul style="list-style-type: none"> •Morris Leatherman Survey Update •Discussion: School Board Member Long-

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							term Absence Discussed at the 6/24/24 Mtg. •ADMIN Proposals for FY 2024-25 Workshops •Policy Monitoring: All BMD Policies – BMD 3.0 – 3.3 •Policy Monitoring: GP's: 4.4, 4.5, 4.6, 4.7, 4.8, & 4.10 •Confirm agenda for next Board Workshop
Board Meeting Mon, Sep 23, 2024 6:00 PM	<ul style="list-style-type: none"> Ends 1.1 – 1.6 Evidence (FY 2023-24) <i>Moved from October 28, 2024 Meeting</i> •EL 2.3 Treatment of Parents (Moved to 11/25/24 Board Mtg.) •EL 2.6 Financial Management & Operations •All BMD Policies •BMD 3.0 Single Point of Connection •BMD 3.1 Unity of Control •BMD 3.2 Delegation to the Superintendent •BMD 3.3 Superintendent Accountability & Performance 		<ul style="list-style-type: none"> •Approval of Preliminary FY 2025-26 Levy Tax Levy Comparison - Tax Levy Presentation Pay 25 •Record of Board Self-Evaluation 		<ul style="list-style-type: none"> •Monthly Reports 	<u>Superintendent Incidentals:</u> <ul style="list-style-type: none"> • FY 2023-2024 Year-end Preliminary Financial Report •FY 2024-2025 Preliminary Enrollment Report 	

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
	<ul style="list-style-type: none"> •GP 4.4 Officer Roles •GP 4.5 School Board Members Code of Conduct •GP 4.6 Process for Addressing School Board Member Violations •GP 4.7 School Board Committee Principles •GP 4.8 School Board Committee Structure •GP 4.10 Operation of the School Board Governing Rules 						182
Post Meeting Board Workshop Mon, Sep 23, 2024							School Board Mtg. Self-Assessment
Joint Meeting: Eden Prairie City Council & Eden Prairie School Board (Hosting) Monday, October 14, 2024, 5:30 PM – Eden Prairie Valley View Building							
Board Workshop Mon, Oct 14, 2024 6:30 PM							<ul style="list-style-type: none"> •Discuss January Topics for Inspiring News •Administration: Setting Stage for FY 2025-26 Budget Guidelines •Policy Monitoring: GP 4.0, 4.1, 4.2, 4.3, 4.9 •Confirm agenda for next Board Workshop

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Meeting Mon, Oct 28, 2024 6:30 PM	<ul style="list-style-type: none"> • Ends 1.1 — 1.6 Evidence (FY 2023-24) Moved to September 23, 2024 Mtg. • EL 2.4 Treatment of Staff • EL 2.8 Compensation and Benefits • GP 4.0 Global Governance Commitment • GP 4.1 Governing Style • GP 4.2 School Board Job Products • GP 4.3 Annual Work Plan • GP 4.9 Governance Investment 		<ul style="list-style-type: none"> • Record of Board Self-Evaluation 		<ul style="list-style-type: none"> • Monthly Reports MSHSL Form A • Triennial Health Review 	<u>Superintendent Incidentals:</u> <ul style="list-style-type: none"> • Enrollment Report as of 10/1/2024 • World's Best Workforce Report (Moved to 11/25/24) • FY 2023-2024 Achievement Integration Summary Report – (Moved to 11/25/24) 	183
Post Meeting Board Workshop Mon, Oct 28, 2024							<ul style="list-style-type: none"> • School Board Mtg. Self-Assessment
Special Board Meeting Tues, Nov 12, 2024* 6:00 PM			<ul style="list-style-type: none"> • Resolution Approving of Elections • Resolution Issuance of Certificates of Elections 				
Board Workshop Tues, Nov 12, 2024* 6:15 PM *Veterans Day, Mon, Nov 11, 2024							<ul style="list-style-type: none"> • Review of School Board Treasurers Mid-Year Report • Discuss January January 2025 inspiring News Topic

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							<ul style="list-style-type: none"> • EL Monitoring Process • <i>Board Assessment of Culture & Climate relative to EL 2.2 (Treatment of Students) & EL 2.3 (Treatment of Parents)</i> • Confirm agenda for next Board Workshop
School Board "New Director Orientation" Session Date/Time/Location TBD							
Board Meeting Mon, Nov 25, 2024 6:00 PM	EL 2.9 Communication and Support to the School Board • EL 2.2 and EL 2.2.1 • EL 2.3 Treatment of Parents (Moved from 9/23/24 Board Mtg.)	School Board Mid-Year Treasurer's Report	• Record of Board Self-Evaluation	Draft: January 2025 Inspiring News	Monthly Reports	• Levy for Learning • World's Best Workforce Report (Moved from 10/28/24) • FY 2023-2024 Achievement Integration Summary Report (Moved from 10/28/24) • Incidental: - READ Act • FY 2023-24 Audited Financial Presentation – <i>Moved from 12/9/24</i>	

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Post Meeting Board Workshop Mon, Nov 25, 2024							• School Board Mtg. Self-Assessment
Board Meeting Mon, Dec 9, 2024 6:00 PM	<ul style="list-style-type: none"> • EL 2.5 Financial Planning and Budgeting • EL 2.0 Global Executive Constraint 		<ul style="list-style-type: none"> • Approval of Final FY 2025-26 Levy • Approval of School Board Mid-Year Treasurer's Report • <u>Closed Session:</u> Review of FY 2023-24 Superintendent Annual Review -Minnesota Statute 13D.05, Subd. 3 • Record of Board Self-Evaluation 	<ul style="list-style-type: none"> • Final Approval for January 2025 Inspiring News Article 	<ul style="list-style-type: none"> • Monthly Reports • MSHSL Grant Application 	<ul style="list-style-type: none"> • Truth in Taxation Hearing Planning and Budgeting • FY 2023-24 Audited Financial Presentation – Moved to 11/25/24 • Pathways/New Programming 	185
Post Meeting Board Workshop Mon, Dec 9, 2024							• School Board Mtg. Self-Assessment
****2025**** Annual Organizational Meeting Mon, Jan 6, 2025 6:00 PM			<ul style="list-style-type: none"> • 2025 Annual Organizational Mtg. - Election of Officers - School Board Compensation - School Board Calendar • School Board Meeting Calendar: January 1, 2025, through 		<ul style="list-style-type: none"> • 2025 Annual School District Organizational Items: <ul style="list-style-type: none"> - School District Newspaper - School District Depository/Financial Institutions - Money Wire Transfers - Early Claims Payment 		

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
			June 30, 2025 • Resolution for Combining Polling Places for the General Elections for 2026 • Appointment of Intermediate District 287 Representative		- School District Legal Counsel - School District Responsible Authority - Deputy Clerk & Deputy Treasurer - Facsimile Signature Authorization - Authorization to Sign Contracts - Local Education Agency (LEA) Representative - MDE Designation of Identified Official with Authority (IoWA)		186
Board Workshop Mon, Jan 6, 2025 6:30 PM Convene following the Annual Organizational Meeting							• 2025 Committees & Outside Organization Discussion • Budget: 5-Year Financial Forecast • Discuss April 2025 Inspiring News Topic • Confirm agenda for next Board Workshop
Board Meeting Mon, Jan 27, 2025 6:00 PM		• FY 2025-26 Final School Calendar <i>(Draft)</i> • FY 2026-27 Preliminary School Calendar <i>(Draft)</i>	• FY 2024-25 Mid-Year Budget Approval • <i>Resolution:</i> 2025 Facilities Maintenance Bonds (LTFM) Issuance – Intent to Issue	2025 School Board Committee & Outside Organization Assignments	• Monthly Reports • FY 2025-26 Bus Purchase • Pay Equity Reporting	Incidental: - Artificial Intelligence (AI)	

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
		<ul style="list-style-type: none"> FY 2025-26 Budget Timelines – <i>First Reading</i> FY 2025-26 Budget Assumptions – <i>First Reading</i> 	<ul style="list-style-type: none"> Record of Board Self-Evaluation 				
Post Meeting Board Workshop Mon, Jan 27, 2025							School Board Meeting Self-Assessment 187
Board Workshop Governance Training February 2025 Date: TBD							Governance Training (for new Board Members)
Board Workshop Mon, Feb 10, 2025 6:00 PM							<ul style="list-style-type: none"> Finance Overview EL Monitoring Process Agenda Items: Walk-through School Board Agenda Sample Agenda & Discussion of Agenda Elements Source of Agenda Items: Board Request for Information; Superintendent Information; Agenda Timeline

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							•Confirm agenda for next Board Workshop
Board Meeting Mon, Feb 24, 2025 6:00 PM			<ul style="list-style-type: none"> • Closed Session – Safety & Security Update (Minnesota Statute 13D.05, Subdivision 3(d)) • Record of Board Self-Evaluation 	<ul style="list-style-type: none"> • <i>Draft</i> for April 2025 Inspiring News • <i>Draft</i> for June 2025 Community Magazine Joint Messaging 	<ul style="list-style-type: none"> • Monthly Reports • Approval of FY 2025-26 School Calendar • Approval of Preliminary FY 2026-27 School Calendar • American Indian Education Report 		188
Post Meeting Board Workshop Mon, Feb 24, 2025							School Board Meeting Self-Assessment
Board Workshop Mon, Mar 10, 2025 6:00 PM							<ul style="list-style-type: none"> •Mechanics of Monitoring •Communication: Supporting the Board in the Role of Governance • Define Policy under Policy Governance: Ends, EL's, GP's & BMD's (Goals, Purpose & Structure of Policies) •Process for Monitoring and Changes in Policy

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							•Confirm agenda for next Board Workshop
Board Meeting Mon, Mar 24, 2025 6:00 PM		<ul style="list-style-type: none"> FY 2025-26 Capital Budget – <i>First Reading</i> 	<ul style="list-style-type: none"> Final FY 2025-26 Budget Assumptions Resolution: 2025 Facilities Maintenance Bonds (LTFM) – “Sale Day Report” (Ratify Bonds) Record of Board Self-Evaluation Closed Session – Negotiation Strategy (Minnesota Statute 13D.03, Subdivision 1 	<ul style="list-style-type: none"> Approval for April 2025 Inspiring News Approval for June 2025 Community Magazine Joint Messaging 	<ul style="list-style-type: none"> Monthly Reports Resolution to Release Probationary Teachers 		189
Post Meeting Board Workshop Mon, Mar 24, 2025							School Board Meeting Self-Assessment
Board Workshop Mon, Apr 14, 2025 6:00 PM							<ul style="list-style-type: none"> FY 2025-2025 Annual Work Plan Calendar Discussion Discussion/Review all items in Placeholder area on “Work Plan Changes Document.”

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							<ul style="list-style-type: none"> • FY 2025-2026 School Board Meeting Calendar Discussion • FY 2025-2026 School Board Budget Discussion • Discuss Policy Change Process (Timelines and Process for Monitoring and Changes in Policy) • New Policy Introductions • Confirm agenda for next Board Workshop
Board Meeting Mon, Apr 28, 2025 6:00 PM		<ul style="list-style-type: none"> • FY 2025-26 School Board Work Plan – <i>First Reading</i> • FY 2025-26 School Board Budget – <i>First Reading</i> 	<ul style="list-style-type: none"> • Approval of FY 2025-26 Capital Budget • Approval of FY 2025-26 School Board Meeting Calendar • <u>Closed Session:</u> Negotiation Strategy (Minnesota Statute 13D.03, Subdivision.1) 		• Monthly Reports		

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
			•Record of Board Self-Evaluation				
Post Meeting Board Workshop Mon, Apr 28, 2025							School Board Meeting Self-Assessment
Board Workshop Mon, May 12, 2025 6:00 PM							Confirm agenda for next Board Workshop 191
Board Meeting <i>Tues, May 27, 2025*</i> 6:00 PM <i>*Memorial Day on Mon, May 27, 2025</i>		•FY 2025-26 Budget – <i>First Reading</i> •FY 2025-26 School Meal Prices - <i>DRAFT</i>	• Approval of FY 2025-26 School Board Work Plan •Approval of FY 2025-26 School Board Budget •Record of Board Self-Evaluation		•Monthly Reports		
Post Meeting Board Workshop Tues, May 27, 2025							•School Board Meeting Self-Assessment
Board Workshop Mon, June 9, 2025 6:00 PM							•General Fund Budget Q&A •All Ends 1.1 – 1.6 OI's •Discuss September 2025 Inspiring News Topic •Confirm agenda for next Board Workshop

EDEN PRAIRIE SCHOOL BOARD
2024-2025 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 25, 2024

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Meeting Mon, June 23, 2025 6:00 PM	Ol's for FY 2025-26 all Ends 1.1 through 1.6		<ul style="list-style-type: none"> •Approval of FY 2025-26 Adopted Budget •ISD 287 10-Year Facilities Maintenance Resolution •Approval of FY 2025-26 School Meal Prices •Record of Board Self-Evaluation 	Review Draft for Inspiring News for September 2025	<ul style="list-style-type: none"> • Monthly Reports • EPS 10-Year Facilities Maintenance Plan • Q-Comp Annual Report • Summary Update of General District Policies • Annual Review of District Mandated Policies • MSHSL Resolution for Membership 		192
Post Meeting Board Workshop Mon, Jun 23, 2025							•School Board Meeting Self-Assessment

Annual Comprehensive Financial Report



EDEN PRAIRIE SCHOOLS
Inspiring each student every day

2024

Eden Prairie Schools | ¹⁹³ISD #272 | Eden Prairie, MN
Fiscal Year Ending June 30, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024

INDEPENDENT SCHOOL DISTRICT NO. 272
EDEN PRAIRIE, MINNESOTA

8100 School Road
Eden Prairie, MN 55344

Prepared by
Finance Department

Andrew Adams • Executive Director of Business Services

Matt Hippen • Director of Finance

Nicole Johnson • Finance Coordinator

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

Table of Contents

	Page
SECTION I – INTRODUCTORY SECTION	
Letter of Transmittal	i–vi
Organizational Chart	vii
School Board and Administration	viii
Certificate of Excellence in Financial Reporting – Association of School Business Officials	ix
Certificate of Achievement for Excellence in Financial Reporting – Government Finance Officers Association	x
SECTION II – FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1–4
MANAGEMENT’S DISCUSSION AND ANALYSIS	5–16
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18–19
Fund Financial Statements	
Governmental Funds	
Balance Sheet	20–21
Reconciliation of the Balance Sheet to the Statement of Net Position	22
Statement of Revenue, Expenditures, and Changes in Fund Balances	23–24
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	25
Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	26
Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – Food Service Special Revenue Fund	27
Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – Community Service Special Revenue Fund	28
Internal Service Funds	
Statement of Net Position	29
Statement of Revenue, Expenses, and Changes in Net Position	30
Statement of Cash Flows	31
Fiduciary Funds	
Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position	33
Notes to Basic Financial Statements	34–70

INDEPENDENT SCHOOL DISTRICT NO. 272

Table of Contents (continued)

	Page
REQUIRED SUPPLEMENTARY INFORMATION	
Public Employees Retirement Association Pension Benefits Plan	
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability	71
Schedule of District Contributions	71
Teachers Retirement Association Pension Benefits Plan	
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability	72
Schedule of District Contributions	72
Pension Benefits Plan	
Schedule of Changes in the District's Total Pension Liability and Related Ratios	73
Other Post-Employment Benefits Plan	
Schedule of Changes in the District's Net OPEB Liability and Related Ratios	74
Schedule of Investment Returns	75
Notes to Required Supplementary Information	76–83
SUPPLEMENTARY INFORMATION	
Governmental Funds	
General Fund	
Comparative Balance Sheet	84
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	85–87
Food Service Special Revenue Fund	
Comparative Balance Sheet	88
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	89
Community Service Special Revenue Fund	
Comparative Balance Sheet	90
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	91
Capital Projects – Building Construction Fund	
Comparative Balance Sheet	92
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	93
Debt Service Fund	
Comparative Balance Sheet	94
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	95
Proprietary Funds	
Internal Service Funds	
Combining Statement of Net Position	96
Combining Statement of Revenue, Expenses, and Changes in Net Position	97
Combining Statement of Cash Flows	98

INDEPENDENT SCHOOL DISTRICT NO. 272

Table of Contents (continued)

	Page
SECTION III – STATISTICAL SECTION (UNAUDITED)	
Net Position by Component	99–100
Changes in Net Position	101–102
Governmental Activities Tax Revenues by Source and Levy Type	103
Fund Balances of Governmental Funds	104–105
Changes in Fund Balances of Governmental Funds	106–107
General Governmental Tax Revenues by Source and Levy Type	108
Assessed and Actual Value of Taxable Property	109
Property Tax Rates – Direct and Overlapping Governments	110–111
Principal Property Taxpayers	112
Property Tax Levies, Collections, and Receivables	113–114
Ratios of Outstanding Debt by Type	115
Ratio of Net General Obligation Bonded Debt to Market Value and Net General Obligation Bonded Debt per Capita	116
Direct and Overlapping Debt	117
Legal Debt Margin Information	118–119
Demographic and Economic Statistics	120
Principal Employers	121
Employees by Classification	122–123
Operating Statistics	124
School Building Information	125–126
Food Service – School Lunch Program Data	127
Student Enrollment	128

THIS PAGE INTENTIONALLY LEFT BLANK

SECTION I – INTRODUCTORY SECTION



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

November 13, 2024

To the Citizens of the School District, Board of Education, and Employees of the School District:

PREFACE

The Annual Comprehensive Financial Report (Annual Report) of Independent School District No. 272, Eden Prairie Schools (the District) is submitted for the fiscal year ended June 30, 2024. The District's administration accepts total responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. An independent firm of certified public accountants audits this report.

Independent School District No. 272, also known as Eden Prairie Schools, is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the School Board and is responsible for administrative control of the District. There are no other entities for which the District is considered financially accountable.

The Annual Report is presented in three primary sections as follows:

- Introductory Section
- Financial Section
- Statistical Section

The introductory section includes an organizational chart, list of School Board members and administration, and this transmittal letter. The financial section includes the independent auditors' report, management's discussion and analysis, basic financial statements, individual fund statements and related schedules, and required supplementary information. The statistical section includes selected financial and demographic information generally presented on a multi-year comparative basis.

The District is required to undergo an annual audit of its Federal Financial Assistance (Single Audit) in accordance with *Government Auditing Standards*, as issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Uniform Guidance. Information related to the Single Audit is issued separately and is not included in this report.

DISTRICT GOALS

School District Mission: Inspire each student to learn continuously so they are empowered to reach personal fulfillment and contribute purposefully to our ever-changing world. To complete our mission, we have created strategic results: Authentic and Personalized Learning, Well-Being, and Inclusion and Belonging. These results are further defined as follows:

- We will inspire students to engage and achieve at high levels through authentic and personalized learning experiences.
- We will nurture well-being among all students and staff by fostering belonging, ensuring physical and emotional health, and promoting safety, kindness, and personal responsibility.
- We will cultivate an inclusive learning environment that fosters a sense of belonging for each student within our diverse community.

The School Board governs under a Policy Governance model, which provides a clear differentiation between governance and management responsibilities in organizations. Within this governance structure, the School Board has set parameters in the areas of Board Management Delegation, Executive Limitations (EL), and Ends Policies. The School Board has overall control of the organization. Through its policies, the Superintendent is the School Board's link to operational achievement and conduct, so that all authority and accountability of staff, as far as the School Board is concerned, is considered the authority and accountability of the Superintendent. The School Board's EL defines the parameters within which the Superintendent works, outlining the expectations and limitations of the organization.

Executive Limitations

The Superintendent shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, unethical, imprudent, or in violation of commonly accepted business and professional practices.

1. Emergency Superintendent Succession
2. Treatment of Students
3. Treatment of Parents
4. Treatment of Staff
5. Financial Management and Operations
6. Financial Planning and Budgeting
7. Asset Protection
8. Compensation and Benefits
9. Communication and Support to the School Board

Ends Policies

Eden Prairie Schools exist so that each student obtains an outstanding education that prepares them for their next stage of life in a manner that justifies the resources expended.

1. Each student graduates and is academically prepared to progress to multiple opportunities after high school.
2. Each student is reading at grade level by the end of third grade.
3. Each student achieves individual growth and proficiency expectations annually in, but not limited to, Language Arts, Math, and Science.
4. Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements.
5. Each student has the 21st century skills needed to succeed in the global economy.
6. Each student has the knowledge that citizens and residents of the United States need to contribute positively to society.

DISTRICT FISCAL FRAMEWORK

The District has been functioning under financial constraints over the past several years as a result of:

- Increasing student needs around special education services, mental health services, English language learners' programs, and other support services requiring additional resources
- Insufficient increases in state funding
- Inflationary pressures on key expenditure areas, such as salary and benefits, digital subscriptions, utilities, and general supplies and services

The District has been proactively planning for conditions affecting school funding considering:

- State economic and political conditions
- Enrollment projections and trends
- Necessary budget adjustments and expenditure reductions

Strong community partnerships have enhanced the success of the District. The Citizen's Financial Advisory Committee continues to function as a key committee, guiding the District's financial planning and long-term outlook on investment decisions. This committee's purpose is to assist the District in financial analysis and long-range financial planning. Specifically, the purposes of the committee are as follows:

- To inform members on school district finances
- Engage in discussion of financial goals
- Empower members as ambassadors
- Advise administration on the financial direction to support the mission of Eden Prairie Schools

LOCAL ECONOMIC CONDITION

Eden Prairie is a relatively stable suburban area southwest of the twin cities of Minneapolis and St. Paul that covers 36 square miles with an estimated population of 64,023. Eden Prairie residents enjoy amenities, including transportation, employment opportunities, housing, educational institutions, and a quality school district.

Learners in the District attend eight district sites. The District operates six pre-kindergarten through fifth grade elementary schools with five boundary schools and a Spanish Immersion School. The Eagle Heights Spanish Immersion School is housed in the same building as the Oak Point Elementary School. Eden Prairie's sixth through eighth graders attend Central Middle School, while Eden Prairie High School is home to students in Grades 9 through 12. The District opened Eden Prairie Online School in the 2021–2022 school year, educating kindergarten through Grade 12 students. Eden Prairie Online School is servicing not only Eden Prairie residents, but many open-enrolled students from all over the state. The District's Administrative Services Center houses community education programs and other administrative support departments. For the 2023–2024 school year, the Teaching All Students Skills for Employment and Life (TASSEL) Transition Program was located in the Education Center. Starting with the 2024–2025 school year, the TASSEL program will be located at the newly purchased Valley View building. With the purchase of the new Valley View building, total district-owned instruction and administrative buildings account for 2,073,521 square feet of space with an average age of 50 years.

As one of the largest employers in the city with approximately 2,300 staff members, the District plays a dual role in economic development. The highly skilled staff remains focused on the mission: “Inspire each student to learn continuously so they are empowered to reach personal fulfillment and contribute purposefully to our ever-changing world.” The District’s commitment to quality and service is among the reasons it operates its own student transportation system and food service program. Buildings and grounds staff members are responsible for maintaining the facilities to ensure a healthy and safe learning environment. A dedicated auxiliary staff, including a wide variety of positions, such as lunchroom/playground supervisors, computer assistants, network managers, special education inclusion assistants, clerical staff, and health assistants, collaborate in advancing our goals.

The District has a long reputation for fiscal soundness and efficiency. The District’s expenditures per pupil are consistently among the lowest in Hennepin County, while maintaining high achievement standards in both academic and extracurricular activities.

DISTRICT ECONOMIC CONDITION

The District’s School Board policy establishes the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent of annual budgeted expenditures to ensure financial health and viability. Annually, the School Board is presented with a five-year financial forecast that evaluates enrollment projections, expenditure increases, efficiencies, and other financial factors. Additionally, the District’s finance committee—comprising School Board member(s), community members, and staff—meets several times each year to review a range of finance-related elements. This collaborative approach ensures the District is well-prepared for both current needs and future planning.

In fiscal 2022, a new operating referendum and a renewal of the Capital Projects Levy were approved. The operating referendum is expected to provide ongoing stability to the District’s finances by increasing revenues, contributing to a stronger unassigned General Fund balance.

The District’s General, Food Service, and Community Service Funds were significantly impacted by the COVID-19 pandemic. To address these challenges, the District received over \$16 million in federal aid, which was allocated to student support programs and fully expended by June 30, 2024. While the District remains dedicated to maintaining key supports introduced during this period—such as the Power Reading Program and mental health therapy—continued funding of these initiatives will require careful financial planning due to ongoing budget constraints.

In fiscal 2023–2024, the District made strategic investments aimed at classroom size reduction for the third consecutive school year. A significant bargaining cycle was completed with the largest bargaining groups, which led to key agreements. The District also invested in improved transportation options for special education students through contracted service providers. Lastly, the District also benefitted from a conservative approach in estimating investment returns and managing increases in daily operational costs.

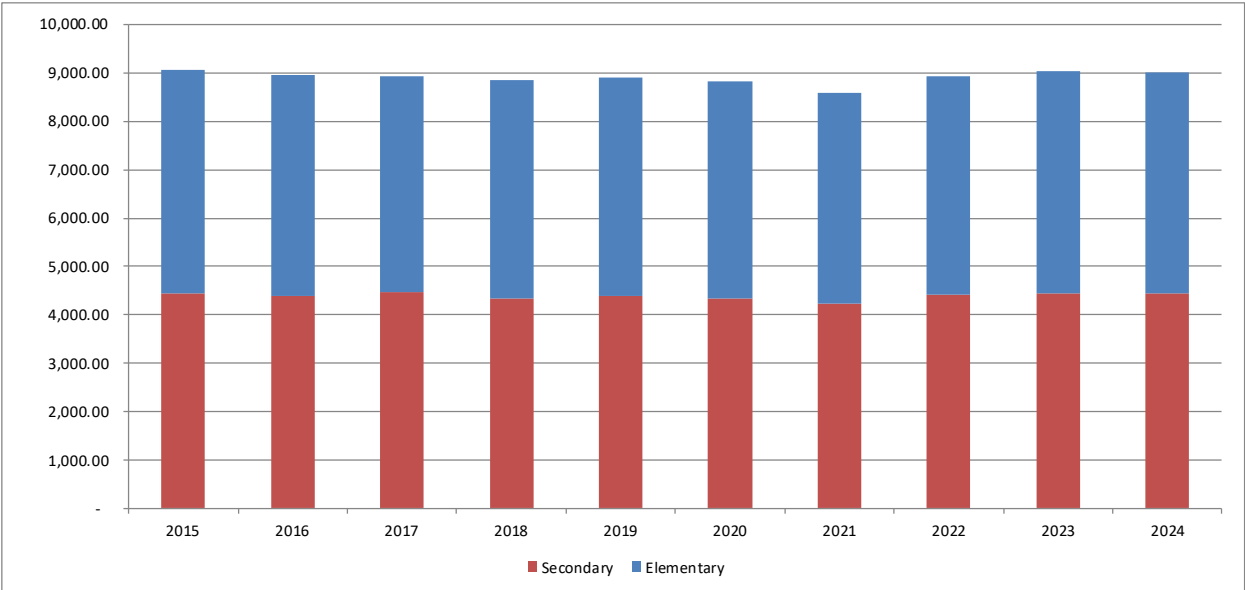
ENROLLMENT

Enrollment is a critical factor in determining funding levels. Approximately 66 percent of the General Fund revenue is enrollment driven. During fiscal year 2024, enrollment stayed steady at 9,021.

Student Enrollment (Average Daily Membership)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pre-K	65.38	76.11	72.84	71.78	95.62	66.52	63.62	78.15	89.75	101.08
Reg K	653.08	610.80	605.20	614.82	619.28	642.01	597.41	634.50	652.70	605.75
Elementary	3,889.68	3,880.82	3,791.63	3,804.19	3,807.70	3,788.77	3,700.07	3,816.49	3,835.55	3,870.78
Secondary	4,445.20	4,379.74	4,466.26	4,350.39	4,393.78	4,337.11	4,237.29	4,408.51	4,445.86	4,443.64
Total Students for Aid	9,053.34	8,947.47	8,935.93	8,841.18	8,916.38	8,834.41	8,598.39	8,937.65	9,023.86	9,021.25
Percent Change	-1.20%	-1.17%	-0.13%	-1.06%	0.85%	-0.92%	-2.67%	3.95%	0.96%	-0.03%

Student Enrollment (Average Daily Membership)



In 2024, the District saw a 112 student decrease within its brick-and-mortar sites, which was offset by a 110 student increase in student enrollment within its Eden Prairie Online School. The enrollment and demographic changes presented above offer both financial and strategic challenges and opportunities for the District.

INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROL

The District complies with the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota Schools. The UFARS, established in 1976, dictates a modified accrual basis of accounting. An audited annual financial report must be provided to the Minnesota Department of Education by December 31, subsequent to year-end on June 30.

The District has established a system of internal controls that provide reasonable assurance that assets are safeguarded from misuse or losses. Reasonable assurance means the cost of controls is weighed against the benefits received. The District utilizes an integrated payroll/finance system for all financial recordkeeping. Encumbrances, or open purchase orders, are used as a budgetary control tool and are charged against line-item budgets when issued. To accurately track and report financial activities with a focus on site-based accounting, approximately 13,000 accounts have been defined within the District's chart of accounts. Each site and department administrator has access to the finance system to extract reports and review detailed budget activity specific to their area of responsibility. The District's administration receives and reviews monthly financial reports. These reports are also presented to the School Board and are publicly available as part of the School Board's meeting materials.

The District's budgeting process begins with a review and estimation of the projected student enrollment. Student enrollment is the main driver of the allocation of the unrestricted revenue resources. A majority of the budgeting decisions are made centrally, including staffing, capital expenditures, and infrastructure improvements. Budget managers receive an allocation for site or department-specific needs. The District adopts an annual budget for all governmental funds that is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level.

INDEPENDENT AUDIT AND CERTIFICATE OF EXCELLENCE

State statutes require an annual audit by independent certified public accountants. The accounting firm of Malloy, Montague, Karnowski, Radosovich & Co., P.A. was selected by the District's School Board to conduct the annual audit.

This report has been prepared following the guidelines provided by the Association of School Business Officials (ASBO) International and the Government Finance Officers Association (GFOA) for their Certificates of Excellence in Financial Reporting Programs. Achieving recognition by these programs provides a clear indication of the District's high standards for financial reporting. The District intends to submit this Annual Report to the ASBO International and the GFOA Certificate Programs for consideration. The District has received the ASBO International Certificate of Excellence in Financial Reporting for the Annual Report for the last 24 financial years, and the GFOA Certificate of Achievement for Excellence in Financial Reporting for the past 10 years.

ACKNOWLEDGMENTS

We acknowledge the efforts of the entire Business Office staff in providing complete and accurate data for this Annual Report.

Sincerely,



Dr. Josh Swanson
Superintendent



Andrew Adams
Executive Director of Business Services



EDEN PRAIRIE SCHOOLS

Inspiring each student every day



Dr. Josh Swanson
Superintendent



Brenda Haynes
Executive Assistant



Thomas May
Executive Director of
Human Resources



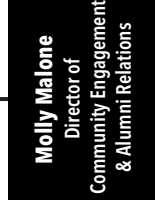
Camille Sherman
Director of
Staffing, Hiring
& Retention



Andrew Adams
Executive Director of
Business Services



**Dr. Shawn
Hoffman-Bram**
Executive Director of
Community Education



Molly Malone
Director of
Community Engagement
& Alumni Relations



Jamie Dalbesio
Director of
Youth Programs



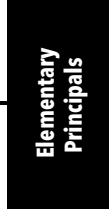
Dirk Tedmon
Executive Director of
Marketing &
Communications



Grace Becker
Director of
Marketing
& Communications



Felicia Thames
Assistant
Superintendent of
Elementary Education



**Elementary
Principals**



**Elementary
Associate
Principals**



Nicole Schandle
Executive Assistant



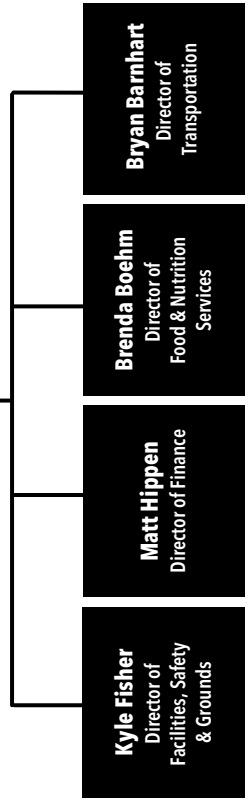
Dr. Robb Virgin
Assistant
Superintendent of
Secondary Education



**Secondary & EPO
Principals**



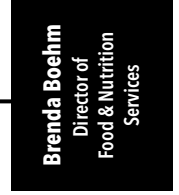
**Secondary
Associate
Principals**



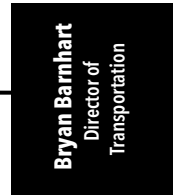
Kyle Fisher
Director of
Facilities, Safety
& Grounds



Matt Hippen
Director of Finance



Brenda Boehm
Director of
Food & Nutrition
Services



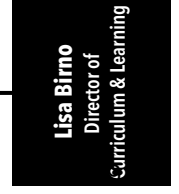
Bryan Barnhart
Director of
Transportation



Angie Fitzgibbons
Multilingual Learner
Program Administrator



Ethan Dado
Pathways
Coordinator



Lisa Birno
Director of
Curriculum & Learning



Amy Peterson
Director of
Special Services



**Dr. Heather
Mac Murray**
Director of
Learning Analytics,
Data and Reporting



Ben Leshner
Interim Director
of Technology

INDEPENDENT SCHOOL DISTRICT NO. 272

School Board and Administration
Year Ended June 30, 2024

SCHOOL BOARD

	<u>Board Position</u>
Aaron Casper	Chairperson
Steven Bartz	Vice Chairperson
Charles "CJ" Strehl	Treasurer
Abby Libsack	Clerk
Debjyoti "DD" Dwivedy	Director
Kim Ross	Director
Dennis Stubbs	Director

ADMINISTRATION

Dr. Josh Swanson	Superintendent
Felicia Thames	Assistant Superintendent of Elementary Education
Dr. Robb Virgin	Assistant Superintendent of Secondary Education
Andrew Adams	Executive Director of Business Services
Thomas May	Executive Director of Human Resources
Dirk Tedmon	Executive Director of Marketing and Communications
Dr. Shawn Hoffman-Bram	Executive Director of Community Education



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

**Eden Prairie Independent School District
#272**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte
President**

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO
CEO/Executive Director**



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Eden Prairie Independent School District #272
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

SECTION II – FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general and major special revenue funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

EMPHASIS OF MATTER

Change in Accounting Principle

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

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purpose 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 supplementary information 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 annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

PRIOR YEAR COMPARATIVE INFORMATION

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 10, 2023. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
November 13, 2024

INDEPENDENT SCHOOL DISTRICT NO. 272

Management's Discussion and Analysis Year Ended June 30, 2024

This section of Independent School District No. 272's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the other components of the District's ACFR.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$10,878,140. The District's total net position increased by \$18,791,216 during the fiscal year ended June 30, 2024.
- Government-wide revenues totaled \$188,248,752 and were \$14,449,477 more than expenses of \$173,799,275.
- The District adopted new accounting guidance for capital assets in the current year, which increased beginning net position by \$4,341,739. This change is further described in Note 1 of the notes to basic financial statements.
- The General Fund's total fund balance (under the governmental fund presentation) increased \$1,914,262 from the prior year, to a year-end balance of \$31,479,671, compared to a \$1,809,168 increase planned in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or major funds, rather than the District as a whole.

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

The District maintains the following kinds of funds:

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

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

Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to other organizations. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. These activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1 Summary Statement of Net Position as of June 30, 2024 and 2023		
	2024	2023
Assets		
Current and other assets	\$ 142,355,374	\$ 136,309,977
Capital assets, net of depreciation	151,633,859	136,921,722
Total assets	<u>\$ 293,989,233</u>	<u>\$ 273,231,699</u>
Deferred outflows of resources		
Pension plan deferments	\$ 24,871,910	\$ 33,636,378
OPEB plan deferments	395,197	943,035
Total deferred outflows of resources	<u>\$ 25,267,107</u>	<u>\$ 34,579,413</u>
Liabilities		
Current and other liabilities	\$ 19,192,618	\$ 19,903,518
Long-term liabilities, including due within one year	220,596,702	218,115,762
Total liabilities	<u>\$ 239,789,320</u>	<u>\$ 238,019,280</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 56,592,765	\$ 52,659,709
Lease revenue for subsequent year	1,015,946	1,061,859
Pension plan deferments	9,306,973	21,368,186
OPEB plan deferments	1,673,196	2,615,154
Total deferred inflows of resources	<u>\$ 68,588,880</u>	<u>\$ 77,704,908</u>
Net position		
Net investment in capital assets	\$ 46,484,146	\$ 41,081,927
Restricted	15,917,698	15,260,907
Unrestricted	(51,523,704)	(64,255,910)
Total net position	<u>\$ 10,878,140</u>	<u>\$ (7,913,076)</u>

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

Total net position increased by \$18,791,216 in 2024, which reflects an increase of \$14,449,477 from current year operating results, along with an increase of \$4,341,739 from the change in accounting principle. Much of the increase is attributable to the change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans, which contributed to the change in deferred outflows, long-term liabilities, deferred inflows, and unrestricted net position. The District's increase in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being depreciated and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The increase in net position restricted for food service, community service, OPEB, and other state funding restrictions contributed to the change in this portion of net position.

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

Table 2 Summary Statement of Activities for the Years Ended June 30, 2024 and 2023		
	2024	2023
Revenues		
Program revenues		
Charges for services	\$ 9,344,026	\$ 11,504,297
Operating grants and contributions	33,497,544	25,245,177
Capital grants and contributions	960,800	1,902,610
General revenues		
Property taxes	56,615,343	50,544,765
General grants and aids	81,165,307	75,413,506
Other	6,665,732	4,862,958
Total revenues	<u>188,248,752</u>	<u>169,473,313</u>
Expenses		
Administration	4,089,856	3,655,253
District support services	10,135,146	10,130,596
Elementary and secondary regular instruction	68,728,614	52,762,413
Vocational education instruction	2,586,285	2,174,701
Special education instruction	23,980,926	18,300,983
Instructional support services	12,548,607	9,735,846
Pupil support services	15,286,330	12,516,027
Sites and buildings	16,673,974	17,883,620
Fiscal and other fixed cost programs	625,116	530,509
Food service	6,672,402	5,645,599
Community service	8,267,310	7,466,497
Interest and fiscal charges	4,204,709	3,067,315
Total expenses	<u>173,799,275</u>	<u>143,869,359</u>
Change in net position	14,449,477	25,603,954
Net position – beginning, as previously reported	(7,913,076)	(33,517,030)
Change in accounting principle	4,341,739	–
Net position – beginning, restated	<u>(3,571,337)</u>	<u>(33,517,030)</u>
Net position – ending	<u>\$ 10,878,140</u>	<u>\$ (7,913,076)</u>

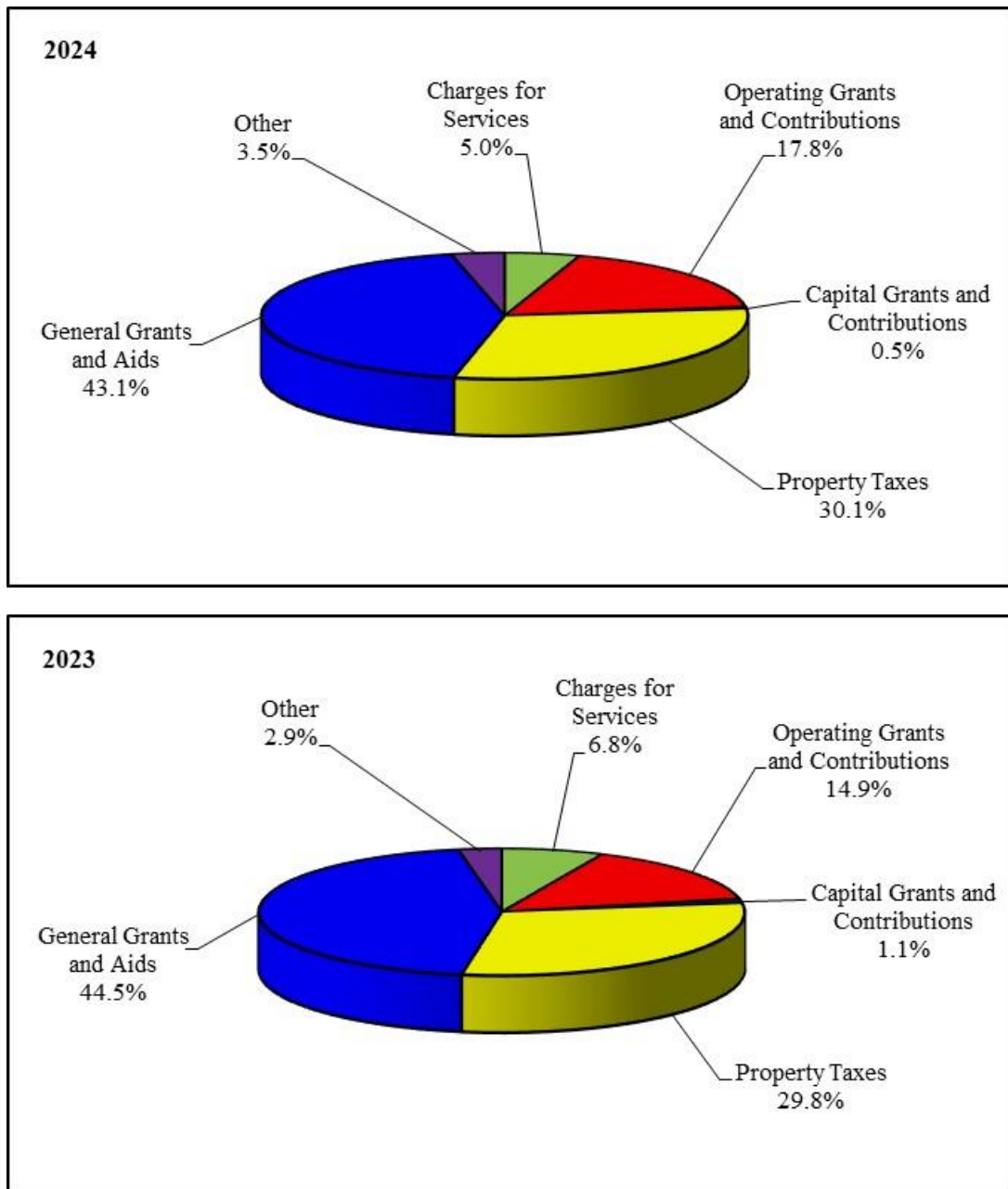
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Governmental activities revenues increased \$18,775,439 (11.1 percent) from the previous year. The District recognized more special education funding and more state funding for child nutrition contributing to the increase in operating grants and contributions. The increase in the voter and School Board-approved levy contributed to the change in property taxes. General grants and aids were up largely in general education funding with the increase in the formula allowance.

Governmental activity expenses increased \$29,929,916 (20.8 percent) from last year. Contractual increases to salaries, inflationary increases in benefits and other expenses, and changes in the pension expense for the District's proportionate share of the PERA and TRA state-wide pension plans contributed to this increase.

Figure A shows further analysis of these revenue sources:

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



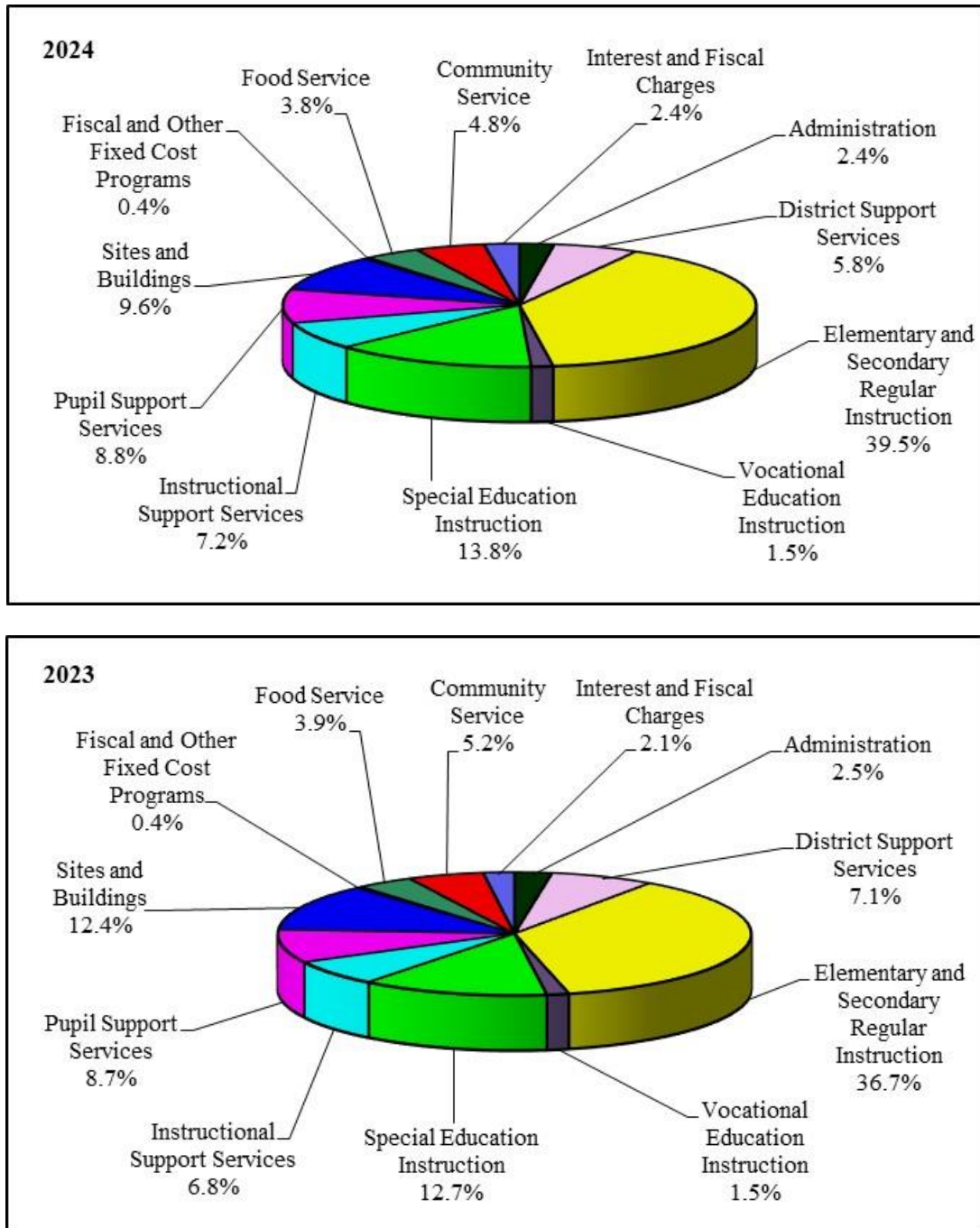
The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Revenues from charges for services decreased compared to the prior year, mainly due to increased state funding for child nutrition programs, which increased operating grants and contributions, while decreasing revenue from direct meal sales. Improved state special education funding also contributed to the increase in operating grants and contributions. Improved interest rates and market conditions resulted in higher investment earnings, included in the "other" category in the graphs above.

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2024 and 2023



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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3 Governmental Fund Balances as of June 30, 2024 and 2023			
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Major funds			
General	\$ 31,479,671	\$ 29,565,409	\$ 1,914,262
Food Service	1,725,687	1,601,422	124,265
Community Service	3,736,205	3,007,541	728,664
Capital Projects – Building			
Construction	13,205,535	12,707,633	497,902
Debt Service	<u>1,555,504</u>	<u>2,179,743</u>	<u>(624,239)</u>
Total governmental funds	<u>\$ 51,702,602</u>	<u>\$ 49,061,748</u>	<u>\$ 2,640,854</u>

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

At June 30, 2024, the District's governmental funds reported combined fund balances of \$51,702,602, an increase of \$2,640,854 in comparison with the prior year. Approximately 38.9 percent of this amount (\$20,121,318) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$309,457), 2) restricted for particular purposes (\$24,180,583), or 3) assigned for particular purposes (\$7,091,244).

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

Table 4 General Fund Budget				
	Original Budget	Final Budget	Change	Percent Change
Revenues	<u>\$ 154,546,333</u>	<u>\$ 159,095,592</u>	<u>\$ 4,549,259</u>	<u>2.9%</u>
Expenditures and other financing uses	<u>\$ 154,924,321</u>	<u>\$ 157,286,424</u>	<u>\$ 2,362,103</u>	<u>1.5%</u>

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

Table 5 summarizes the operating results of the General Fund:

Table 5 General Fund Operating Results					
	2024 Actual	Over (Under) Final Budget		Over (Under) Prior Year	
		Amount	Percent	Amount	Percent
Revenue and other financing sources	\$ 163,511,792	\$ 4,416,200	2.8%	\$ 19,498,570	13.5%
Expenditures and other financing uses	<u>161,597,530</u>	<u>4,311,106</u>	2.7%	<u>16,291,732</u>	11.2%
Net change in fund balances	<u>\$ 1,914,262</u>	<u>\$ 105,094</u>		<u>\$ 3,206,838</u>	

The fund balance of the General Fund increased \$1,914,262, compared to a planned increase of \$1,809,168 approved in the final budget.

General Fund revenues and other financing sources for 2024 increased \$19,498,570 (13.5 percent), compared to the prior year, and were \$4,416,200 (2.8 percent) more than budget. The largest revenue variances occurred in state sources, investment earnings, and federal sources. These favorable variances were largely due to conservative budgeting and improved investment returns. Federal sources exceeded budget, mainly in special education funding.

The increase from the prior year was mainly in property taxes and state sources. Property taxes increased with the increased levy in the current year. The increase in state sources was mainly due to improved funding in special education aid and general education aid.

Total General Fund expenditures and other financing uses for 2024 increased \$16,291,732 (11.2 percent) from the prior year. Current year expenditures and other financing uses of \$161,597,530 were \$4,311,106 (2.7 percent) over budget. The expenditure variance was spread across several programs and object categories of the General Fund.

The District made investments in collectively bargained agreements, which resulted in increased salaries and benefits, along with continued investments in smaller class sizes. The District's capital expenditures increased throughout the year, as supply chain and labor shortages resolved throughout 2024, resulting in completion of planned capital investments. Some of these projects include long-term facilities maintenance costs, investments in operational equipment, and technology enhancements.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER MAJOR FUNDS

Food Service Special Revenue Fund

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing total fund balance by \$124,265, compared to a planned fund balance increase of \$122,151. Revenue was \$778,610 over budget in the current year, mainly in state sources, due to increased funding approved by the Legislature. Expenditures increased \$1,092,339 from the prior year, and were over budget by \$776,496, mainly in supplies and materials (including food) costs and other expenditures.

Community Service Special Revenue Fund

The Community Service Special Revenue Fund ended the year with revenues and other financing sources exceeding expenditures by \$728,664, compared to a planned fund balance increase of \$105,987. A current year transfer of \$26,524 was made from the General Fund to help support program activity in the Community Service Special Revenue Fund. Revenues were down from last year, but over budget by \$521,379 in total, as program fees and tuition, state grants, and investment earnings were higher than projected. Expenditures were under budget by \$74,774, mainly in personnel costs offset by purchased services.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. At June 30, 2024, the District had a fund balance of \$9,769,631 restricted for long-term facilities maintenance and \$3,435,904 restricted for projects funded by certificates of participation. Fund balance increased \$497,902 during the year, due to the issuance of certificates of participation to finance the acquisition and betterment of school sites and facilities offset by the spend down of prior year bond proceeds.

Debt Service Fund

The Debt Service Fund expenditures exceeded revenues by \$624,239 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The remaining fund balance of \$1,555,504 at June 30, 2024, is restricted for meeting future debt service obligations.

COMMENTS ON OTHER FUNDS

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District maintains two internal service funds. These funds are used to account for the District's self-insured health and dental benefits insurance activities. The net position balance for all internal service funds as of June 30, 2024 was \$8,840,567, which represents a \$1,859 increase from the prior year.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ended June 30, 2024 and 2023:

Table 6 Capital Assets			
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Land	\$ 11,727,739	\$ 6,774,893	\$ 4,952,846
Construction in progress	6,630,270	3,948,269	2,682,001
Land improvements	15,682,950	15,583,235	99,715
Buildings and improvements	274,498,916	266,787,062	7,711,854
Equipment	42,042,045	29,164,328	12,877,717
Less accumulated depreciation	<u>(198,948,061)</u>	<u>(185,336,065)</u>	<u>(13,611,996)</u>
Total	<u>\$ 151,633,859</u>	<u>\$ 136,921,722</u>	<u>\$ 14,712,137</u>
Depreciation expense	<u>\$ 11,845,546</u>	<u>\$ 9,327,500</u>	<u>\$ 2,518,046</u>

By the end of 2024, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2024, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

The implementation of new authoritative literature for purchases of groups of assets, as previously discussed, increased equipment in the current year.

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

Additional details about capital assets can be found in Note 4 of the notes to basic financial statements.

Long-Term Liabilities

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

Table 7 Outstanding Long-Term Liabilities			
	2024	2023	Change
General obligation bonds payable	\$ 97,360,000	\$ 102,535,000	\$ (5,175,000)
Certificates of participation payable	13,365,000	–	13,365,000
Unamortized premiums/discount	6,173,988	6,012,428	161,560
Finance purchases payable	1,034,626	1,728,439	(693,813)
Arbitrage liability	421,634	–	421,634
Net/total pension liability	101,965,718	107,398,233	(5,432,515)
Compensated absences payable	275,736	441,662	(165,926)
Total	<u>\$ 220,596,702</u>	<u>\$ 218,115,762</u>	<u>\$ 2,480,940</u>

The changes in general obligation bonds payable, certificates of participation payable, and unamortized premiums/discount are due to the scheduled principal payments and amortization, offset by the sale of certificates of participation in the current year.

The decrease in finance purchases payable is due to scheduled principal payments in the current year.

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

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

Table 8 Limitations on Debt	
District's market value	\$ 13,628,692,950
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 2,044,303,943</u>

Additional details of the District's long-term debt activity can be found in Note 5 of the notes to basic financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Services Department, Independent School District No. 272, 8100 School Road, Eden Prairie, Minnesota 55344.

BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Governmental Activities	
	2024	2023
Assets		
Cash and temporary investments	\$ 80,049,800	\$ 80,423,356
Receivables		
Current taxes	29,980,040	28,213,451
Delinquent taxes	295,505	309,250
Accounts and interest	1,429,012	1,138,087
Due from other governmental units	18,523,750	16,971,810
Due from post-employment benefits trust	338,419	1,274,529
Lease	1,015,946	1,061,859
Inventory	158,787	212,115
Prepaid items	150,670	841,184
Net OPEB asset	6,131,208	5,864,336
Restricted assets – temporarily restricted		
Cash and investments for future construction	4,282,237	–
Capital assets		
Not depreciated	18,358,009	10,723,162
Depreciated, net of accumulated depreciation	133,275,850	126,198,560
Total capital assets, net of accumulated depreciation	<u>151,633,859</u>	<u>136,921,722</u>
Total assets	293,989,233	273,231,699
Deferred outflows of resources		
Pension plan deferments	24,871,910	33,636,378
OPEB plan deferments	395,197	943,035
Total deferred outflows of resources	<u>25,267,107</u>	<u>34,579,413</u>
Total assets and deferred outflows of resources	<u>\$ 319,256,340</u>	<u>\$ 307,811,112</u>
Liabilities		
Salaries payable	\$ 5,981,992	\$ 5,664,983
Accounts and contracts payable	8,463,796	9,068,817
Accrued interest payable	1,415,837	1,389,151
Due to other governmental units	474,456	1,053,347
Claims payable	755,895	679,137
Unearned revenue	2,100,642	2,048,083
Long-term liabilities		
Due within one year	6,513,035	5,954,172
Due in more than one year	214,083,667	212,161,590
Total long-term liabilities	<u>220,596,702</u>	<u>218,115,762</u>
Total liabilities	239,789,320	238,019,280
Deferred inflows of resources		
Property taxes levied for subsequent year	56,592,765	52,659,709
Lease revenue for subsequent year	1,015,946	1,061,859
Pension plan deferments	9,306,973	21,368,186
OPEB plan deferments	1,673,196	2,615,154
Total deferred inflows of resources	<u>68,588,880</u>	<u>77,704,908</u>
Net position		
Net investment in capital assets	46,484,146	41,081,927
Restricted for		
Capital asset acquisition	3,093,313	3,529,837
Food service	1,725,687	1,601,422
Community service	3,742,489	3,014,510
Debt service	764,662	845,398
OPEB	6,131,208	5,864,336
Other purposes (state and other funding restrictions)	460,339	405,404
Unrestricted	(51,523,704)	(64,255,910)
Total net position	<u>10,878,140</u>	<u>(7,913,076)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 319,256,340</u>	<u>\$ 307,811,112</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

		2024		
Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Administration	\$ 4,089,856	\$ —	\$ —	\$ —
District support services	10,135,146	—	—	—
Elementary and secondary regular instruction	68,728,614	1,615,652	5,540,721	—
Vocational education instruction	2,586,285	—	—	—
Special education instruction	23,980,926	372,109	19,917,534	—
Instructional support services	12,548,607	—	—	—
Pupil support services	15,286,330	—	922,475	—
Sites and buildings	16,673,974	77,693	—	960,800
Fiscal and other fixed cost programs	625,116	—	—	—
Food service	6,672,402	914,725	5,750,947	—
Community service	8,267,310	6,363,847	1,365,867	—
Interest and fiscal charges	4,204,709	—	—	—
Total governmental activities	<u>\$ 173,799,275</u>	<u>\$ 9,344,026</u>	<u>\$ 33,497,544</u>	<u>\$ 960,800</u>
		General revenue		
		Taxes		
		Property taxes, levied for general purposes		
		Property taxes, levied for community service		
		Property taxes, levied for debt service		
		General grants and aids		
		Other general revenues		
		Gain on sale of capital assets		
		Investment earnings		
		Total general revenues		
		Change in net position		
		Net position – beginning, as previously reported		
		Change in accounting principle		
		Net position – beginning, restated		
		Net position – ending		

	2023
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
\$ (4,089,856)	\$ (3,655,253)
(10,135,146)	(10,130,596)
(61,572,241)	(46,985,106)
(2,586,285)	(2,174,701)
(3,691,283)	(2,039,116)
(12,548,607)	(9,735,846)
(14,363,855)	(11,612,440)
(15,635,481)	(15,810,486)
(625,116)	(530,509)
(6,730)	(45,981)
(537,596)	570,074
(4,204,709)	(3,067,315)
(129,996,905)	(105,217,275)
47,444,467	41,269,733
1,253,118	1,199,871
7,917,758	8,075,161
81,165,307	75,413,506
3,239,630	2,902,365
41,197	—
3,384,905	1,960,593
144,446,382	130,821,229
14,449,477	25,603,954
(7,913,076)	(33,517,030)
4,341,739	—
(3,571,337)	(33,517,030)
\$ 10,878,140	\$ (7,913,076)

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	General Fund	Food Service Special Revenue Fund	Community Service Special Revenue Fund
Assets			
Cash and temporary investments	\$ 45,447,340	\$ 1,621,037	\$ 4,991,742
Cash and investments held by trustee	571,916	—	—
Receivables			
Current taxes	24,659,072	—	647,161
Delinquent taxes	236,142	—	6,284
Accounts and interest	972,921	9,945	71,793
Due from other governmental units	18,231,326	133,507	158,770
Due from other funds	486,810	—	—
Lease	1,015,946	—	—
Inventory	—	158,787	—
Prepaid items	141,541	—	9,129
Total assets	<u>\$ 91,763,014</u>	<u>\$ 1,923,276</u>	<u>\$ 5,884,879</u>
Liabilities			
Salaries payable	\$ 5,700,363	\$ 4,384	\$ 277,245
Accounts and contracts payable	6,814,701	25,972	101,087
Due to other governmental units	474,456	—	—
Unearned revenue	165,937	167,233	460,258
Due to other funds	—	—	—
Total liabilities	<u>13,155,457</u>	<u>197,589</u>	<u>838,590</u>
Deferred inflows of resources			
Property taxes levied for subsequent year	45,875,798	—	1,303,800
Lease revenue for subsequent year	1,015,946	—	—
Unavailable revenue – delinquent taxes	236,142	—	6,284
Total deferred inflows of resources	<u>47,127,886</u>	<u>—</u>	<u>1,310,084</u>
Fund balances			
Nonspendable	141,541	158,787	9,129
Restricted	4,125,568	1,566,900	3,727,076
Assigned	7,091,244	—	—
Unassigned	20,121,318	—	—
Total fund balances	<u>31,479,671</u>	<u>1,725,687</u>	<u>3,736,205</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 91,763,014</u>	<u>\$ 1,923,276</u>	<u>\$ 5,884,879</u>

Capital Projects – Building Construction Fund	Debt Service Fund	Total Governmental Funds	
		2024	2023
\$ 10,885,910	\$ 6,262,657	\$ 69,208,686	\$ 69,687,224
3,710,321	–	4,282,237	–
–	4,673,807	29,980,040	28,213,451
–	53,079	295,505	309,250
270,405	32,535	1,357,599	1,112,858
–	147	18,523,750	16,971,810
–	–	486,810	1,274,529
–	–	1,015,946	1,061,859
–	–	158,787	212,115
–	–	150,670	841,184
<u>\$ 14,866,636</u>	<u>\$ 11,022,225</u>	<u>\$ 125,460,030</u>	<u>\$ 119,684,280</u>
\$ –	\$ –	\$ 5,981,992	\$ 5,664,983
1,512,710	475	8,454,945	8,996,547
–	–	474,456	1,053,347
–	–	793,428	876,837
148,391	–	148,391	–
<u>1,661,101</u>	<u>475</u>	<u>15,853,212</u>	<u>16,591,714</u>
–	9,413,167	56,592,765	52,659,709
–	–	1,015,946	1,061,859
–	53,079	295,505	309,250
<u>–</u>	<u>9,466,246</u>	<u>57,904,216</u>	<u>54,030,818</u>
–	–	309,457	1,053,299
13,205,535	1,555,504	24,180,583	23,213,938
–	–	7,091,244	8,539,904
–	–	20,121,318	16,254,607
<u>13,205,535</u>	<u>1,555,504</u>	<u>51,702,602</u>	<u>49,061,748</u>
<u>\$ 14,866,636</u>	<u>\$ 11,022,225</u>	<u>\$ 125,460,030</u>	<u>\$ 119,684,280</u>

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2024	2023
Total fund balances – governmental funds	\$ 51,702,602	\$ 49,061,748
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	350,581,920	322,257,787
Accumulated depreciation/amortization	(198,948,061)	(185,336,065)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
General obligation bonds payable	(97,360,000)	(102,535,000)
Certificates of participation payable	(13,365,000)	–
Unamortized premiums/discount	(6,173,988)	(6,012,428)
Finance purchases payable	(1,034,626)	(1,728,439)
Arbitrage liability	(421,634)	–
Net/total pension liability	(101,965,718)	(107,398,233)
Compensated absences payable	(275,736)	(441,662)
Net OPEB asset reported in the Statement of Net Position does not require the use of current financial resources and is not reported in the governmental funds.	6,131,208	5,864,336
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	8,840,567	8,838,708
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(1,415,837)	(1,389,151)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	24,871,910	33,636,378
Deferred outflows of resources – OPEB plan deferments	395,197	943,035
Deferred inflows of resources – pension plan deferments	(9,306,973)	(21,368,186)
Deferred inflows of resources – OPEB plan deferments	(1,673,196)	(2,615,154)
Deferred inflows of resources – unavailable revenue – delinquent taxes	295,505	309,250
Total net position – governmental activities	<u>\$ 10,878,140</u>	<u>\$ (7,913,076)</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	General Fund	Food Service Special Revenue Fund	Community Service Special Revenue Fund
Revenue			
Local sources			
Property taxes	\$ 47,455,800	\$ —	\$ 1,253,803
Investment earnings	2,146,917	44,384	141,363
Other	4,611,448	953,684	6,800,282
State sources	100,958,540	3,060,391	977,914
Federal sources	7,091,763	2,690,556	74,549
Total revenue	162,264,468	6,749,015	9,247,911
Expenditures			
Current			
Administration	4,423,885	—	—
District support services	10,457,048	—	—
Elementary and secondary regular instruction	69,058,392	—	—
Vocational education instruction	2,673,342	—	—
Special education instruction	25,487,097	—	—
Instructional support services	14,218,679	—	—
Pupil support services	15,969,158	—	—
Sites and buildings	17,964,476	—	—
Fiscal and other fixed cost programs	625,116	—	—
Food service	—	6,530,508	—
Community service	—	—	8,541,117
Capital outlay	—	94,242	4,654
Debt service			
Principal	693,813	—	—
Interest and fiscal charges	—	—	—
Total expenditures	161,571,006	6,624,750	8,545,771
Excess (deficiency) of revenue over expenditures	693,462	124,265	702,140
Other financing sources (uses)			
Debt issued	571,916	—	—
Premium on debt issued	—	—	—
Sale of capital assets	675,408	—	—
Insurance recovery	—	—	—
Transfers in	—	—	26,524
Transfers (out)	(26,524)	—	—
Total other financing sources (uses)	1,220,800	—	26,524
Net change in fund balances	1,914,262	124,265	728,664
Fund balances			
Beginning of year	29,565,409	1,601,422	3,007,541
End of year	\$ 31,479,671	\$ 1,725,687	\$ 3,736,205

See notes to basic financial statements

Capital Projects – Building Construction Fund	Debt Service Fund	Total Governmental Funds	
		2024	2023
\$ –	\$ 7,919,485	\$ 56,629,088	\$ 50,727,964
588,273	146,143	3,067,080	1,758,877
2,650	–	12,368,064	14,707,488
–	1,472	104,998,317	90,891,837
–	–	9,856,868	9,900,434
<u>590,923</u>	<u>8,067,100</u>	<u>186,919,417</u>	<u>167,986,600</u>
–	–	4,423,885	4,314,871
–	–	10,457,048	9,725,172
–	–	69,058,392	63,478,132
–	–	2,673,342	2,637,381
–	–	25,487,097	22,210,690
–	–	14,218,679	11,082,005
–	–	15,969,158	12,745,943
–	–	17,964,476	16,810,462
–	–	625,116	530,509
–	–	6,530,508	5,457,859
–	–	8,541,117	7,855,668
12,807,615	–	12,906,511	7,419,170
–	5,175,000	5,868,813	6,812,395
370,206	3,516,339	3,886,545	3,288,931
<u>13,177,821</u>	<u>8,691,339</u>	<u>198,610,687</u>	<u>174,369,188</u>
(12,586,898)	(624,239)	(11,691,270)	(6,382,588)
12,793,084	–	13,365,000	15,010,000
291,716	–	291,716	1,823,932
–	–	675,408	47,687
–	–	–	7,504
–	–	26,524	17,485
–	–	(26,524)	(17,485)
<u>13,084,800</u>	<u>–</u>	<u>14,332,124</u>	<u>16,889,123</u>
497,902	(624,239)	2,640,854	10,506,535
12,707,633	2,179,743	49,061,748	38,555,213
<u>\$ 13,205,535</u>	<u>\$ 1,555,504</u>	<u>\$ 51,702,602</u>	<u>\$ 49,061,748</u>

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
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	\$ 2,640,854	\$ 10,506,535
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation/amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	22,243,140	10,915,404
Depreciation/amortization expense	(11,845,546)	(9,327,500)
A gain or loss on the disposal of capital assets and the lease liability, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.		
	(27,196)	46,500
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	–	(15,010,000)
Certificates of participation payable	(13,365,000)	–
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	5,175,000	5,110,000
Finance purchases payable	693,813	1,531,103
Lease liability	–	171,292
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	(26,686)	(97,013)
Debt issuance premiums/discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.		
	(161,560)	(1,505,303)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Arbitrage liability	(421,634)	–
Net/total pension liability	5,432,515	(50,882,501)
Net OPEB asset	266,872	28,146
Compensated absences payable	165,926	3,499
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	1,859	(155,890)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(8,764,468)	514,314
Deferred outflows of resources – OPEB plan deferments	(547,838)	(391,446)
Deferred inflows of resources – pension plan deferments	12,061,213	73,455,150
Deferred inflows of resources – OPEB plan deferments	941,958	874,863
Deferred inflows of resources – unavailable revenue – delinquent taxes	(13,745)	(183,199)
Change in net position – governmental activities	<u>\$ 14,449,477</u>	<u>\$ 25,603,954</u>

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 47,942,948	\$ 47,942,948	\$ 47,455,800	\$ (487,148)
Investment earnings	700,000	1,200,000	2,146,917	946,917
Other	4,044,827	4,044,827	4,611,448	566,621
State sources	95,580,458	99,629,717	100,958,540	1,328,823
Federal sources	6,278,100	6,278,100	7,091,763	813,663
Total revenue	154,546,333	159,095,592	162,264,468	3,168,876
Expenditures				
Current				
Administration	4,573,918	4,269,321	4,423,885	154,564
District support services	9,203,361	10,715,431	10,457,048	(258,383)
Elementary and secondary regular instruction	68,804,836	67,902,489	69,058,392	1,155,903
Vocational education instruction	2,227,847	2,557,398	2,673,342	115,944
Special education instruction	25,349,564	25,715,677	25,487,097	(228,580)
Instructional support services	13,041,401	13,477,657	14,218,679	741,022
Pupil support services	12,518,874	12,745,357	15,969,158	3,223,801
Sites and buildings	17,894,233	18,766,557	17,964,476	(802,081)
Fiscal and other fixed cost programs	440,624	440,624	625,116	184,492
Debt service				
Principal	769,663	695,913	693,813	(2,100)
Total expenditures	154,824,321	157,286,424	161,571,006	4,284,582
Excess (deficiency) of revenue over expenditures	(277,988)	1,809,168	693,462	(1,115,706)
Other financing sources (uses)				
Debt issued	—	—	571,916	571,916
Sale of capital assets	—	—	675,408	675,408
Transfers (out)	(100,000)	—	(26,524)	(26,524)
Total other financing sources (uses)	(100,000)	—	1,220,800	1,220,800
Net change in fund balances	\$ (377,988)	\$ 1,809,168	1,914,262	\$ 105,094
Fund balances				
Beginning of year			29,565,409	
End of year			\$ 31,479,671	

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Food Service Special Revenue Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Investment earnings	\$ 30,000	\$ 30,000	\$ 44,384	\$ 14,384
Other – primarily meal sales	1,182,500	1,182,500	953,684	(228,816)
State sources	2,541,990	2,541,990	3,060,391	518,401
Federal sources	2,215,915	2,215,915	2,690,556	474,641
Total revenue	<u>5,970,405</u>	<u>5,970,405</u>	<u>6,749,015</u>	<u>778,610</u>
Expenditures				
Current				
Salaries	2,218,749	2,111,195	2,240,568	129,373
Employee benefits	918,114	876,343	815,955	(60,388)
Purchased services	323,612	472,937	232,044	(240,893)
Supplies and materials	2,341,992	2,341,992	2,774,578	432,586
Other expenditures	10,293	10,293	467,363	457,070
Capital outlay	35,494	35,494	94,242	58,748
Total expenditures	<u>5,848,254</u>	<u>5,848,254</u>	<u>6,624,750</u>	<u>776,496</u>
Net change in fund balances	<u>\$ 122,151</u>	<u>\$ 122,151</u>	124,265	<u>\$ 2,114</u>
Fund balances				
Beginning of year			<u>1,601,422</u>	
End of year			<u>\$ 1,725,687</u>	

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Community Service Special Revenue Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 1,296,482	\$ 1,296,482	\$ 1,253,803	\$ (42,679)
Investment earnings	—	—	141,363	141,363
Other – primarily tuition and fees	6,433,838	6,437,838	6,800,282	362,444
State sources	853,718	853,718	977,914	124,196
Federal sources	138,494	138,494	74,549	(63,945)
Total revenue	8,722,532	8,726,532	9,247,911	521,379
Expenditures				
Current				
Salaries	5,643,486	5,643,486	5,320,054	(323,432)
Employee benefits	1,705,580	1,705,580	1,561,860	(143,720)
Purchased services	1,002,825	1,002,825	1,418,315	415,490
Supplies and materials	247,864	247,864	232,450	(15,414)
Other expenditures	8,200	8,200	8,438	238
Capital outlay	5,600	5,600	4,654	(946)
Debt service				
Principal	6,990	6,990	—	(6,990)
Total expenditures	8,620,545	8,620,545	8,545,771	(74,774)
Excess of revenue over expenditures	101,987	105,987	702,140	596,153
Other financing sources				
Transfers in	4,000	—	26,524	26,524
Net change in fund balances	\$ 105,987	\$ 105,987	728,664	\$ 622,677
Fund balances				
Beginning of year			3,007,541	
End of year			\$ 3,736,205	

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and temporary investments	\$ 10,841,114	\$ 10,736,132
Receivables		
Accounts and interest	<u>71,413</u>	<u>25,229</u>
Total current assets	<u>10,912,527</u>	<u>10,761,361</u>
Liabilities		
Current liabilities		
Accounts payable	8,851	72,270
Unearned revenue	1,307,214	1,171,246
Claims payable	<u>755,895</u>	<u>679,137</u>
Total current liabilities	<u>2,071,960</u>	<u>1,922,653</u>
Net position		
Unrestricted	<u>\$ 8,840,567</u>	<u>\$ 8,838,708</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	<u>2024</u>	<u>2023</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 14,744,658	\$ 14,456,421
Operating expenses		
Health benefit claims	13,783,926	13,555,207
Dental benefit claims	<u>1,276,698</u>	<u>1,258,820</u>
Total operating expenses	<u>15,060,624</u>	<u>14,814,027</u>
Operating income (loss)	(315,966)	(357,606)
Nonoperating revenue		
Investment earnings	<u>317,825</u>	<u>201,716</u>
Change in net position	1,859	(155,890)
Net position		
Beginning of year	<u>8,838,708</u>	<u>8,994,598</u>
End of year	<u><u>\$ 8,840,567</u></u>	<u><u>\$ 8,838,708</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Contributions from governmental funds	\$ 14,880,626	\$ 14,498,752
Payment for health claims	(13,684,863)	(13,673,893)
Payment for dental claims	<u>(1,362,422)</u>	<u>(1,195,695)</u>
Net cash flows from operating activities	(166,659)	(370,836)
Cash flows from investing activities		
Investment income received	<u>271,641</u>	<u>181,721</u>
Net change in cash and cash equivalents	104,982	(189,115)
Cash and cash equivalents		
Beginning of year	<u>10,736,132</u>	<u>10,925,247</u>
End of year	<u><u>\$ 10,841,114</u></u>	<u><u>\$ 10,736,132</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ (315,966)	\$ (357,606)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets and liabilities		
Accounts payable	(63,419)	38,632
Unearned revenue	135,968	42,331
Claims payable	<u>76,758</u>	<u>(94,193)</u>
Net cash flows from operating activities	<u><u>\$ (166,659)</u></u>	<u><u>\$ (370,836)</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Fiduciary Net Position
as of June 30, 2024

	Custodial Fund	Post-Employment Benefits Trust Fund
Assets		
Cash and temporary investments	\$ —	\$ 743,824
Receivables		
Accounts and interest	—	55,309
Investments, at fair value		
Treasury securities	—	1,707,641
Agency securities	—	1,919,746
Corporate obligations	—	2,160,029
Equities	—	4,170,301
Real estate investment trusts	—	91,105
Mutual funds	—	4,911,482
Mortgage-backed securities	—	279,333
Total assets	—	16,038,770
Liabilities		
Due to governmental funds	—	338,419
Net position		
Restricted for OPEB	\$ —	\$ 15,700,351

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Custodial Fund	Post-Employment Benefits Trust Fund
Additions		
Contributions		
Miscellaneous	\$ 783	\$ —
Investment earnings		
Total investment earnings	—	1,444,057
Less investment expense	—	61,717
Net investment earnings	—	1,382,340
Total additions	783	1,382,340
Deductions		
Miscellaneous	783	—
OPEB	—	338,419
Total deductions	783	338,419
Change in net position	—	1,043,921
Net position		
Beginning of year	—	14,656,430
End of year	\$ —	\$ 15,700,351

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Basic Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 272 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. A School Board elected by the voters of the District governs the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported instead as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Depreciation and amortization expense is included as a direct expense in the functional areas that utilize the related capital assets. Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

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

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

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Food service sales, community education tuition, and other miscellaneous revenues (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Proceeds of long-term debt are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Description of Funds

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

Major Governmental Funds

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to account for the District's child nutrition program, which is financed through revenue from meal sales, state aids, and federal grants.

Community Service Special Revenue Fund – The Community Service Special Revenue Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, or other similar services. These activities are financed by program fees and tuition, property tax levies, and state aids.

Capital Projects – Building Construction Fund – The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue or under the long-term facilities maintenance program.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and payment of general obligation debt principal, interest, and related costs. The debt service account is used for all general obligation bond debt service.

Proprietary Funds

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

Fiduciary Funds

Custodial Fund – The Custodial Fund is used as a flow through mechanism in which the District receives funds and distributes these funds to an outside organization, with no financial benefit to the District.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

Each June, the School Board adopts an annual budget for the following fiscal year for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. For the year ended June 30, 2024, actual expenditures exceeded budgeted appropriations in the following funds:

Fund	Budgeted Expenditures	Actual Expenditures	Excess
General	\$ 157,286,424	\$ 161,571,006	\$ 4,284,582
Food Service Special Revenue	\$ 5,848,254	\$ 6,624,750	\$ 776,496
Capital Projects – Building Construction	\$ 3,430,944	\$ 13,177,821	\$ 9,746,877

The excess expenditures were approved by the School Board as required by Minnesota Statutes, and were financed with revenues in excess of budget, other financing sources, or available fund balances.

F. Cash and Temporary Investments

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

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

At June 30, 2024, the District reported the following receivables due from other governmental units:

Due from the Minnesota Department of Education	\$ 17,650,508
Due from other Minnesota school districts	231,768
Due from other governmental units	<u>641,474</u>
Total due from other governmental units	<u>\$ 18,523,750</u>

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. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

I. Prepaid Items

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

J. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$3,787,274 of the property tax levy collectible in 2024 as revenue to the District in fiscal year 2023–2024. The remaining portion of the taxes collectible in 2024 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The District defines capital assets as those with an initial, individual cost of \$3,000 or more for assets acquired through June 30, 2015 and \$5,000 or more for assets acquired thereafter, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The District does not possess material amounts of infrastructure capital assets, such as sidewalks or parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Capital assets are reported in the government-wide financial statements, but not in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school 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, buildings and improvements, and 5 to 15 years for equipment. Land and construction in progress are not depreciated.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively, in the current period. Arbitrage liabilities are reported as expenditures when paid.

M. Employee Benefits

- 1. Compensated Absences** – Under the terms of certain collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates. Vacation and sick pay are accrued in the governmental funds to the extent they have been used or otherwise matured prior to year-end. Because teachers are not eligible for vacation pay and amounts accrued to other employees are forfeited if not taken by January 1 of the following year, no long-term vacation liabilities are recorded in the financial statements. Some employee bargaining groups are eligible to be compensated for unused sick leave upon termination subject to certain conditions. Convertible sick leave is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future.
- 2. Early Retirement Incentive** – The District provides early retirement incentive benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. No individual can receive benefits in excess of one year's salary. Benefits are accrued in the governmental funds as they become due and payable. See the Defined Benefit Pension Plan – District note for further information.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. **Post-Employment Healthcare Benefits** – The District provides post-employment healthcare benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. For eligible retirees, the District pays health insurance premiums until the retiree reaches age 65 in an amount equal to active employee health insurance premiums. See the Other Post-Employment Benefits (OPEB) Plan note for further information.

For purposes of measuring the net OPEB liability (asset), deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

4. **State-Wide Pension Plans** – District employees participate in cost-sharing, multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA), to which the District contributes. See the Defined Benefit Pension Plans – State-Wide note for further information.

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

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

N. Risk Management and Self-Insurance

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

The District makes premium payments that include both employer and employee contributions to the internal service fund on behalf of program participants based on rates determined by insurance company estimates of monthly claims paid for each coverage class, plus stop-loss health and dental insurance premium costs and administrative service charges. Any excess of the premiums above claims remaining is used to establish a reserve for future claims.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Year Ended June 30,	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2023	\$ 20,933	\$ 1,258,820	\$ 1,236,590	\$ 43,163
2024	\$ 43,163	\$ 1,276,698	\$ 1,298,910	\$ 20,951

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

Year Ended June 30,	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2023	\$ 752,397	\$ 13,555,207	\$ 13,671,630	\$ 635,974
2024	\$ 635,974	\$ 13,783,926	\$ 13,684,956	\$ 734,944

O. Deferred Outflows/Inflows of Resources

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

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

Property taxes levied for subsequent years, which represents property taxes received or reported as a receivable before the period for which the taxes are levied, are reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the governmental funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied, and in the governmental fund financial statements during the year for which they are levied, if available.

The District reports deferred inflows of resources related to lease receivables, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unavailable revenue from property taxes arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available.

P. Net Position

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

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

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

Q. Fund Balance Classifications

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

R. Use of Estimates

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

S. Prior Period Comparative Financial Information/Reclassification

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

T. Change in Accounting Principle

During the year ended June 30, 2024, the District implemented new accounting guidance in capitalizing purchases of groups of similar assets in the current year. This recent change in authoritative literature provides guidance on the accounting and financial reporting for capital assets. This new guidance indicates a government should capitalize groups of assets that individually would not meet the District's capitalization threshold if significant. In prior periods, the District would only capitalize assets when individual units exceeded the capitalization policy threshold. Certain amounts necessary to fully restate fiscal year 2023 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new guidance in the current year resulted in the District reporting additional capital assets, increasing beginning net position by \$4,341,739 in the government-wide financial statements in the current year. See Note 4 for additional details on this change in the current year.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	\$ 11,015,275
Investments	89,294,170
Cash on hand	<u>6,053</u>
Total	<u><u>\$ 100,315,498</u></u>

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

Statement of Net Position	
Cash and temporary investments	\$ 80,049,800
Restricted assets – temporarily restricted	
Cash and investments for future construction	4,282,237
Statement of Fiduciary Net Position	
Post-Employment Benefits Trust Fund	
Cash and temporary investments	
and investments, at fair value	<u>15,983,461</u>
Total	<u><u>\$ 100,315,498</u></u>

B. Deposits

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

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

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

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

At year-end, the carrying amount and bank balance of the District’s deposits was \$11,015,275. At year-end, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk – Maturity Duration in Years						Total
	Rating	Agency		No Maturity Date						
					Less Than 1	1 to 5	6 to 10	Greater Than 10		
U.S. treasury securities	N/A	N/A	Level 1	\$	–	\$ 74,545	\$ 609,862	\$ 479,619	\$ 543,615	\$ 1,707,641
U.S. agency securities	AA	S&P	Level 1	\$	–	\$ –	\$ –	\$ 52,659	\$ 1,867,087	1,919,746
State and local bonds	AAA	S&P	Level 2	\$	–	\$ 259,004	\$ –	\$ –	\$ –	259,004
State and local bonds	AA	S&P	Level 2	\$	–	\$ 497,985	\$ –	\$ –	\$ –	497,985
Corporate obligations	AAA	S&P	Level 1	\$	–	\$ –	\$ 19,292	\$ –	\$ –	19,292
Corporate obligations	AA	S&P	Level 1	\$	–	\$ –	\$ –	\$ –	\$ 141,459	141,459
Corporate obligations	A	S&P	Level 1	\$	–	\$ 63,579	\$ 270,275	\$ 407,034	\$ 107,801	848,689
Corporate obligations	A	Moody's	Level 1	\$	–	\$ –	\$ –	\$ 167,699	\$ –	167,699
Corporate obligations	BBB	S&P	Level 1	\$	–	\$ 271,045	\$ 168,544	\$ 402,422	\$ 140,879	982,890
Negotiable certificates of deposit		Not Rated	Level 2	\$	–	\$ 484,129	\$ –	\$ –	\$ –	484,129
Equities		Not Rated	Level 1	\$	4,170,301	\$ –	\$ –	\$ –	\$ –	4,170,301
Real estate investment trusts		Not Rated	Level 2	\$	91,105	\$ –	\$ –	\$ –	\$ –	91,105
Real asset mutual funds		Not Rated	Level 2	\$	760,963	\$ –	\$ –	\$ –	\$ –	760,963
Mortgage backed securities	AAA	S&P	Level 1	\$	–	\$ –	\$ 107,944	\$ –	\$ 85,821	193,765
Mortgage backed securities	AAA	Moody's	Level 1	\$	–	\$ –	\$ –	\$ 85,568	\$ –	85,568
OPEB mutual funds		Not Rated	Level 1	\$	4,150,519	\$ –	\$ –	\$ –	\$ –	4,150,519
Morgan Stanley Institutional Liquidity Funds	AAA	S&P	Amortized cost	\$	4,282,237	\$ –	\$ –	\$ –	\$ –	4,282,237
MNTrust Investment Shares Portfolio	AAA	S&P	Amortized cost	\$	35,298,880	\$ –	\$ –	\$ –	\$ –	35,298,880
MNTrust Term Series		Not Rated	Amortized cost	\$	–	\$ 7,500,000	\$ 6,000,000	\$ –	\$ –	13,500,000
MNTrust Term Series Flex		Not Rated	Amortized cost	\$	5,479,699	\$ –	\$ –	\$ –	\$ –	5,479,699
MNTrust Limited Term Duration		Not Rated	Amortized cost	\$	13,206,085	\$ –	\$ –	\$ –	\$ –	13,206,085
MSDLAF Liquid Class	AAA	S&P	Amortized cost	\$	1,046,514	\$ –	\$ –	\$ –	\$ –	1,046,514
Total investments										\$ 89,294,170

N/A – Not Applicable

The Minnesota Trust (MNTrust) Investment Shares Portfolio, MNTrust Term Series, MNTrust Term Series Flex, MNTrust Limited Term Duration, and the Minnesota School District Liquid Asset Fund (MSDLAF) Liquid Class are external investment pools not registered with the Securities and Exchange Commission regulated by Minnesota Statutes. The District's investments in these investment pools are measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For the MSDLAF Liquid Class investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required. MNTrust Term Series are intended to be held until maturity; withdrawal prior to maturity will require seven days' notice of redemption and will likely carry a penalty, which could be substantial in that it would be intended to allow the MNTrust Term Series to recoup any associated penalties, charges, losses, or other costs associated with the early redemption of the investments therein. MNTrust Limited Term Duration must be deposited for a minimum of 30 calendar days. MNTrust Term Series Flex offer weekly liquidity with a one-day notice of withdrawal.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the District’s investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. For assets held in the Post-Employment Benefits Trust Fund, the investment options available to the District are expanded to include the investment types specified in Minnesota Statutes § 356A.06, Subd. 7. The District’s investment policies do not further restrict investing in specific financial instruments.

Concentration Risk – This is the risk associated with investing a significant portion of the District’s investments (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools and mutual funds. The District’s investment policies do not address concentration risk.

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

NOTE 3 – LEASE RECEIVABLE

The District has entered into a lease receivable agreement for cell tower rental space on district property. The lease is reported using an incremental rate increase each year per the agreement with a final maturity through 2039. During the current year, the District received principal and interest payments of \$79,443 on this lease.

NOTE 4 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Change in Accounting Principle *	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated						
Land	\$ 6,774,893	\$ –	\$ 4,952,846	\$ –	\$ –	\$ 11,727,739
Construction in progress	3,948,269	–	10,508,335	–	(7,826,334)	6,630,270
Total capital assets, not depreciated	10,723,162	–	15,461,181	–	(7,826,334)	18,358,009
Capital assets, depreciated						
Land improvements	15,583,235	–	99,715	–	–	15,682,950
Buildings and improvements	266,787,062	–	640,156	–	7,071,698	274,498,916
Equipment	29,164,328	7,088,567	6,042,088	(1,007,574)	754,636	42,042,045
Total capital assets, depreciated	311,534,625	7,088,567	6,781,959	(1,007,574)	7,826,334	332,223,911
Less accumulated depreciation for						
Land improvements	(7,756,658)	–	(636,656)	–	–	(8,393,314)
Buildings and improvements	(157,286,935)	–	(7,312,494)	–	–	(164,599,429)
Equipment	(20,292,472)	(2,746,828)	(3,896,396)	980,378	–	(25,955,318)
Total accumulated depreciation	(185,336,065)	(2,746,828)	(11,845,546)	980,378	–	(198,948,061)
Net capital assets, depreciated	126,198,560	4,341,739	(5,063,587)	(27,196)	7,826,334	133,275,850
Total capital assets, net	\$ 136,921,722	\$ 4,341,739	\$ 10,397,594	\$ (27,196)	\$ –	\$ 151,633,859

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

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

Administration	\$ 39,109
District support services	651,735
Elementary and secondary regular instruction	5,480,980
Vocational education instruction	27,347
Special education instruction	42,431
Instructional support services	1,279,438
Pupil support services	553,423
Sites and buildings	3,561,307
Food service	126,182
Community service	83,594
Total depreciation expense	<u>\$ 11,845,546</u>

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
General obligation bonds payable					
Alternative facilities bonds	04/07/2015	3.000%	\$ 10,310,000	02/01/2028	\$ 10,310,000
Facilities maintenance bonds	02/22/2017	3.000–4.000%	\$ 10,940,000	02/01/2032	10,940,000
Facilities maintenance bonds	03/21/2019	2.875–4.000%	\$ 9,995,000	02/01/2036	9,995,000
School building bonds	07/18/2019	3.000–5.000%	\$ 37,765,000	02/01/2040	34,765,000
Facilities maintenance and refunding bonds	11/19/2020	2.000–4.000%	\$ 26,285,000	02/01/2041	16,340,000
Facilities maintenance and capital facilities bonds	03/23/2023	4.000–5.000%	\$ 15,010,000	02/01/3036	15,010,000
Total general obligation bonds payable					<u>\$ 97,360,000</u>

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

B. Certificates of Participation Payable

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2024A Certificates of Participation	06/27/2024	4.800–6.750%	\$ 13,365,000	04/01/2040	<u>\$ 13,365,000</u>

The District has issued certificates of participation under Minnesota Statutes to finance the purchase of land and an existing building, as well as renovations and improvements to convert the site into an educational facility to provide instruction services to students. Scheduled future ad valorem lease obligations tax levies will be made to finance the retirement of principal and interest payments on the certificates. These certificates of participation are being paid by the General Fund.

C. Finance Purchase Payable

On September 17, 2012, the District entered a master debt agreement with Apple, Inc. for iPads and MacBooks. The District acquires equipment from time to time under this master agreement as needed. Each debt “schedule” added under this master debt agreement adds equipment to the debt and carries its own debt term and payment schedule. The debt schedules have interest rates ranging from zero percent to 0.99 percent and mature in fiscal year 2026. Upon payment in full of all scheduled debt payments, the lessor’s (Apple, Inc.) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The General Fund will be used to liquidate this liability. If the District does not pay the debt payments on the date which payments are due, the District shall pay a charge at the rate of 12.00 percent per annum or the highest lawful rate, whichever is less, from such due date until paid. If the District breaches any term of this agreement, the debtor may require that the District return the equipment and pay any and all amounts, which may then be due and payable under the debt, plus all debt payments remaining through the end of the then current fiscal period.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

D. Arbitrage Liability

The District must remit to the Internal Revenue Service any bond proceeds issued at one rate but reinvested at higher rates as arbitrage rebates. These rebates are calculated and remitted every five years and upon maturity of related debt. These rebates will be paid by the Capital Projects – Building Construction Fund. The arbitrage liability relates to the 2023 bond.

E. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including: compensated absences, pensions, and OPEB; the details of which are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund or a trust fund established by the District to finance the OPEB liability.

District employees participate in three defined benefit pension plans, including two state-wide, cost-sharing, multiple-employer plans administered by the PERA and the TRA, and one single-employer plan administered by the District. The net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the current year ended, are as follows:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	\$ 19,510,097	\$ 6,529,249	\$ 6,793,018	\$ 2,578,811
State-wide, multiple-employer – TRA	82,265,016	18,313,722	2,456,538	(2,008,403)
Single-employer – District	190,605	28,939	57,417	20,144
Total	<u>\$ 101,965,718</u>	<u>\$ 24,871,910</u>	<u>\$ 9,306,973</u>	<u>\$ 590,552</u>

F. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Retirements	Balance – End of Year	Due Within One Year
General obligation bonds payable	\$ 102,535,000	\$ –	\$ 5,175,000	\$ 97,360,000	\$ 5,735,000
Certificates of participation payable	–	13,365,000	–	13,365,000	–
Unamortized premiums/discount	6,012,428	291,716	130,156	6,173,988	–
Finance purchases payable	1,728,439	–	693,813	1,034,626	693,813
Arbitrage liability	–	421,634	–	421,634	–
Net/total pension liability	107,398,233	15,773,319	21,205,834	101,965,718	19,532
Compensated absences payable	441,662	25,877	191,803	275,736	64,690
	<u>\$ 218,115,762</u>	<u>\$ 29,877,546</u>	<u>\$ 27,396,606</u>	<u>\$ 220,596,702</u>	<u>\$ 6,513,035</u>

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

G. Minimum Debt Payments

Minimum principal and interest payments for general obligation bonds, certificates of participation, and finance purchases are as follows:

Year Ending June 30,	General Obligation Bonds		Certificates of Participation		Finance Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 5,735,000	\$ 3,398,006	\$ –	\$ 571,916	\$ 693,813	\$ –
2026	6,645,000	3,182,206	565,000	751,423	340,813	–
2027	6,905,000	2,921,106	605,000	713,285	–	–
2028	5,980,000	2,649,306	645,000	672,448	–	–
2029	5,715,000	2,404,556	685,000	628,910	–	–
2030–2034	30,625,000	8,402,238	4,185,000	2,400,265	–	–
2035–2039	27,500,000	3,343,850	5,425,000	1,154,250	–	–
2040–2041	8,255,000	267,300	1,255,000	62,750	–	–
	<u>\$ 97,360,000</u>	<u>\$ 26,568,568</u>	<u>\$ 13,365,000</u>	<u>\$ 6,955,247</u>	<u>\$ 1,034,626</u>	<u>\$ –</u>

NOTE 6 – NET POSITION/FUND BALANCES

A. Net Investment in Capital Assets

The government-wide Statement of Net Position at June 30, 2024 includes the District's net investment in capital assets calculated as follows:

Net investment in capital assets	
Capital assets	
Not depreciated	\$ 18,358,009
Depreciated, net of accumulated depreciation	133,275,850
Less capital related long-term debt outstanding	(117,933,614)
Add debt adjustment for unspent debt proceeds	14,296,611
Less capital related accounts/contracts payable	<u>(1,512,710)</u>
Total net investment in capital assets	<u>\$ 46,484,146</u>

B. Governmental Fund Balance Classifications

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report. When applicable, certain restrictions, which have an accumulated deficit balance at June 30, are included in unassigned fund balance in the District's financial statements in accordance with accounting principles generally accepted in the United States of America. A description of these deficit balance restrictions is included herein since the District has specific authority to future resources for such deficits.

NOTE 6 – NET POSITION/FUND BALANCES (CONTINUED)

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

	General Fund	Food Service Special Revenue Fund	Community Service Special Revenue Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Total
Nonspendable						
Inventory	\$ –	\$ 158,787	\$ –	\$ –	\$ –	\$ 158,787
Prepaid items	141,541	–	9,129	–	–	150,670
Total nonspendable	141,541	158,787	9,129	–	–	309,457
Restricted						
Student activities	58,650	–	–	–	–	58,650
Scholarships	22,546	–	–	–	–	22,546
Capital projects levy	1,447,248	–	–	–	–	1,447,248
Literacy incentive aid	87,908	–	–	–	–	87,908
Operating capital	1,646,065	–	–	–	–	1,646,065
Medical Assistance	291,235	–	–	–	–	291,235
Projects funded by certificates of participation	571,916	–	–	3,435,904	–	4,007,820
Food service	–	1,566,900	–	–	–	1,566,900
Community education programs	–	–	1,341,955	–	–	1,341,955
Early childhood family education programs	–	–	736,182	–	–	736,182
School readiness	–	–	1,648,939	–	–	1,648,939
Long-term facilities maintenance	–	–	–	9,769,631	–	9,769,631
Debt service	–	–	–	–	1,555,504	1,555,504
Total restricted	4,125,568	1,566,900	3,727,076	13,205,535	1,555,504	24,180,583
Assigned						
Site carryover	218,355	–	–	–	–	218,355
Activity accounts	567,983	–	–	–	–	567,983
Construction	912,640	–	–	–	–	912,640
Curriculum adoption	839,359	–	–	–	–	839,359
Subsequent year's budget	224,948	–	–	–	–	224,948
Enrollment	1,250,000	–	–	–	–	1,250,000
Inspired Journey	1,709,193	–	–	–	–	1,709,193
Program initiatives	1,250,000	–	–	–	–	1,250,000
Achievement and integration	118,766	–	–	–	–	118,766
Total assigned	7,091,244	–	–	–	–	7,091,244
Unassigned						
Long-term facilities maintenance restricted account deficit	(637,169)	–	–	–	–	(637,169)
Unassigned	20,758,487	–	–	–	–	20,758,487
Total unassigned	20,121,318	–	–	–	–	20,121,318
Total	<u>\$ 31,479,671</u>	<u>\$ 1,725,687</u>	<u>\$ 3,736,205</u>	<u>\$ 13,205,535</u>	<u>\$ 1,555,504</u>	<u>\$ 51,702,602</u>

C. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent of annual budgeted expenditures. At June 30, 2024, the unassigned fund balance of the General Fund was 15.2 percent of fiscal 2024 expenditures related to the unassigned fund balance category.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

B. Benefits Provided

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

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

1. GERF Benefits

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Tier II Benefits

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

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employee and employer contributions. Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2024, were \$2,290,071. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

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

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2024, were \$6,058,881. The District's contributions were equal to the required contributions for each year as set by state statutes.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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

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

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2024, the District reported a liability of \$19,510,097 for its proportionate share of the General Employees Fund’s net pension liability. The District’s net pension liability reflected a reduction due to the state of Minnesota’s contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The state of Minnesota’s proportionate share of the net pension liability associated with the District totaled \$537,799. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.3489 percent at the end of the measurement period and 0.3401 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$ 19,510,097
State’s proportionate share of the net pension liability associated with the District	<u>537,799</u>
Total	<u>\$ 20,047,896</u>

For the year ended June 30, 2024, the District recognized pension expense of \$2,576,394 for its proportionate share of the GERF’s pension expense. The District also recognized an additional \$2,417 as pension expense and grant revenue for its proportionate share of the state of Minnesota’s pension expense for the annual \$16 million contribution.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

At June 30, 2024, the District reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 636,837	\$ 131,050
Changes in actuarial assumptions	3,079,619	5,347,552
Net collective difference between projected and actual investment earnings on pension plan investments	–	696,248
Changes in proportion	522,722	618,168
District's contributions to the GERF subsequent to the measurement date	2,290,071	–
Total	<u>\$ 6,529,249</u>	<u>\$ 6,793,018</u>

The \$2,290,071 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ 32,378
2026	\$ (2,729,703)
2027	\$ 566,725
2028	\$ (423,240)

2. TRA Pension Costs

At June 30, 2024, the District reported a liability of \$82,265,016 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.9964 percent at the end of the measurement period and 1.0009 percent for the beginning of the period.

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

District's proportionate share of the net pension liability	\$ 82,265,016
State's proportionate share of the net pension liability associated with the District	<u>5,762,568</u>
Total	<u>\$ 88,027,584</u>

For the year ended June 30, 2024, the District recognized negative pension expense of \$2,819,818. It also recognized \$811,415 as an increase to pension expense for the support provided by direct aid.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 799,717	\$ 1,178,630
Changes in actuarial assumptions	9,147,138	–
Net collective difference between projected and actual investment earnings on pension plan investments	663,041	–
Changes in proportion	1,644,945	1,277,908
District’s contributions to the TRA subsequent to the measurement date	6,058,881	–
Total	<u>\$ 18,313,722</u>	<u>\$ 2,456,538</u>

A total of \$6,058,881 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ 1,162,481
2026	\$ 199,533
2027	\$ 9,350,725
2028	\$ (703,810)
2029	\$ (210,626)

E. Long-Term Expected Return on Investment

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

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

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

F. Actuarial Methods and Assumptions

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

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

1. GERF

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

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

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

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

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

2. TRA

Salary increases were based on a service-related table.

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

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

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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

1. GERF

CHANGES IN PLAN PROVISIONS

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

CHANGES IN ACTUARIAL ASSUMPTIONS

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

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

G. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2023 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

H. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.00%	7.00%	8.00%
District's proportionate share of the GERF net pension liability	\$ 34,514,929	\$ 19,510,097	\$ 7,168,053
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	\$ 131,206,649	\$ 82,265,016	\$ 42,200,330

I. Pension Plan Fiduciary Net Position

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

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

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

The District provides pension benefits to certain eligible employees through its Pension Benefits Plan, a single-employer defined benefit plan administered by the District. All pension benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

These benefits are summarized as follows:

Administrative Supervisory Technical (AST) Employees Pension Benefits – AST employees hired before July 1, 1998 are eligible to receive an additional retirement incentive benefit. AST employees accumulate four days of credit for each full year of service to the District. The benefit is based on an employee's rate of pay, less any cumulative employer tax sheltered annuity contributions, with a limitation on total benefits to an individual of 50 percent of base annual salary. Benefits are paid out in a lump sum of 60 percent to a Voluntary Employees' Beneficiary Association (VEBA) account (OPEB) and 40 percent to a 403(b) account (pension).

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

Principal Pension Benefits – Principals hired before July 1, 2016 are eligible to receive an additional retirement incentive benefit. Principals accumulate four days of credit for each full year of service to the District. The benefit is based on an employee’s rate of pay, less any cumulative employer tax sheltered annuity contributions, with a limitation on total benefits to an individual of 50 percent of base annual salary. Benefits are paid out in a lump sum to a 403(b) account.

Eden Prairie Supervisors and Specialists (EPSS) Pension Benefits – EPSS employees hired before July 1, 1999 are eligible to receive an additional retirement incentive benefit. EPSS employees accumulate one day of credit for each full year of service to the District from July 1, 1989. For employees who have completed at least 18 years of continuous service with the District and are at least age 55, the benefit increases to the maximum of one day of credit for each full year of service to the District from July 1, 1989 or 30 days. The benefit is based on an employee’s rate of pay, less any cumulative employer tax sheltered annuity contributions, with a limitation on total benefits to an individual of 50 percent of base annual salary. Benefits are paid out in a lump sum of 50 percent to a VEBA account (OPEB) and 50 percent to a 403(b) account (pension).

B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has not established a trust fund to finance these pension benefits.

C. Membership

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

Retirees and beneficiaries receiving benefits	1
Active plan members	<u>8</u>
Total members	<u><u>9</u></u>

D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation date of July 1, 2022, and update procedures were used to roll forward the total pension liability to the measurement date. The total pension liability was measured as of June 30, 2024, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.10%
20-year municipal bond yield	4.10%
Inflation rate	2.50%
Salary increases	Service graded table

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

E. Discount Rate

The discount rate used to measure the total pension liability was 4.10 percent. The District discount rate used in the prior measurement date was 3.90 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)**F. Changes in the Total Pension Liability**

	Total Pension Liability
Beginning balance – July 1, 2023	\$ 315,423
Changes for the year	
Service cost	13,870
Interest	10,009
Assumption changes	(1,976)
Benefit payments	(146,721)
Total net changes	<u>(124,818)</u>
Ending balance – June 30, 2024	<u><u>\$ 190,605</u></u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.90 percent to 4.10 percent.

G. Total Pension Liability Sensitivity to Discount Rate Changes

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Pension discount rate	3.10%	4.10%	5.10%
Total pension liability	\$ 202,394	\$ 190,605	\$ 178,732

H. Pension Expense and Related Deferred Outflows and Deferred Inflows of Resources

For the current year ended, the District recognized pension expense of \$20,144. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 22,494	\$ 35,195
Changes in actuarial assumptions	<u>6,445</u>	<u>22,222</u>
Total	<u><u>\$ 28,939</u></u>	<u><u>\$ 57,417</u></u>

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to this pension plan, will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ (3,729)
2026	\$ (2,457)
2027	\$ (8,750)
2028	\$ (10,282)
2029	\$ (3,260)

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**A. Plan Description**

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

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

B. Benefits Provided

All retirees of the District upon retirement have the option under state law to continue their medical insurance coverage through the District. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical insurance from the time of retirement until the employee reaches age 65. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District contributes 100 percent of the cost of the negotiated current year premiums for specified coverage levels of eligible retired plan members and their spouses. The District has established the Post-Employment Benefits Trust Fund to finance these obligations. The Post-Employment Benefits Trust Fund reimbursed the General Fund for the actual cost of medical insurance premiums paid for retirees and the implicit rate subsidy for the year ended June 30, 2024.

D. Membership

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

Retirees and beneficiaries receiving benefits	87
Active plan members	<u>1,328</u>
Total members	<u><u>1,415</u></u>

E. Net OPEB Liability (Asset) of the District

The District's net OPEB liability (asset) was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to roll forward the total OPEB liability to the measurement date. The components of the net OPEB liability (asset) of the District at year-end were as follows:

Total OPEB liability	\$ 9,569,143
Plan fiduciary net position	<u>(15,700,351)</u>
District's net OPEB liability (asset)	<u><u>\$ (6,131,208)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>164.1%</u></u>

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, and a measurement date as of June 30, 2024, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	6.40%
Expected long-term investment return	6.40% (net of investment expenses)
20-year municipal bond yield	4.10%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.00% grading to 5.00% over 5 years, then to 4.00% over the next 48 years

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.

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

The District's policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statutes.

The long-term expected rate of return on OPEB Plan investments was set based on the plan's target investment allocation described below, along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic equity	43.00 %	7.94 %
Fixed income	37.00	3.94 %
International equity	14.00	7.34 %
Real estate	6.00	8.10 %
Total	100.00 %	6.40 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 9.40 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

H. Discount Rate

The discount rate used to measure the total OPEB liability was 6.40 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been considered. The District discount rate used in the prior measurement date was 6.30 percent.

I. Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Beginning balance – July 1, 2023	\$ 8,792,094	\$ 14,656,430	\$ (5,864,336)
Changes for the year			
Service cost	576,280	–	576,280
Interest	579,710	–	579,710
Assumption changes	(40,522)	–	(40,522)
Projected investment earnings	–	938,012	(938,012)
Differences between expected and actual experience	–	444,328	(444,328)
Benefit payments – paid by trust	(338,419)	(338,419)	–
Total net changes	777,049	1,043,921	(266,872)
Ending balance – June 30, 2024	\$ 9,569,143	\$ 15,700,351	\$ (6,131,208)

Assumption changes since the prior measurement date include the following:

- The expected long-term investment return was changed from 6.30 percent to 6.40 percent.
- The discount rate was changed from 6.30 percent to 6.40 percent.

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

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB discount rate	5.40%	6.40%	7.40%
Net OPEB liability (asset)	\$ (5,625,239)	\$ (6,131,208)	\$ (6,608,238)

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
OPEB medical trend rate	5.00% decreasing to 4.00% then 3.00%	6.00% decreasing to 5.00% then 4.00%	7.00% decreasing to 6.00% then 5.00%
Net OPEB liability (asset)	\$ (6,964,107)	\$ (6,131,208)	\$ (5,163,949)

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

For the current year ended, the District recognized negative OPEB expense of \$660,992. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ –	\$ 1,486,519
Changes in actuarial assumptions	75,981	186,677
Differences between projected and actual investment earnings on OPEB plan investments	319,216	–
Total	<u>\$ 395,197</u>	<u>\$ 1,673,196</u>

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

Year Ending June 30,	OPEB Expense Amount
2025	\$ (913,525)
2026	\$ 239,520
2027	\$ (419,729)
2028	\$ (143,439)
2029	\$ (17,886)
Thereafter	\$ (22,940)

NOTE 10 – FLEXIBLE BENEFIT PLAN

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

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

All assets of the Plan are held by the District and are administered by an employee of the District. Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated service providers and are accounted for primarily in the District's General Fund. The medical reimbursement and dependent care activity in the financial statements is accounted for in the General Fund.

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

NOTE 11 – INTERFUND BALANCES AND TRANSACTIONS

A. Interfund Receivables and Payables

The General Fund had a receivable of \$338,419 due from the Post-Employment Benefits Trust Fund at June 30, 2024, to reimburse OPEB payments the General Fund made during the year.

The General Fund also had a receivable of \$148,391 due from the Capital Projects – Building Construction Fund at June 30, 2024, to reimburse construction payments the General Fund made during the year.

Such interfund balances are reported in the fund financial statements, but are eliminated as necessary in the government-wide financial statements.

B. Interfund Transfers

The District transferred \$26,524 from the General Fund to the Community Service Special Revenue Fund to help finance various program costs.

Such interfund transfers are reported in the fund financial statements, but are eliminated in the government-wide financial statements.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Revenues

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

B. Legal Claims

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

C. Construction Contracts

At June 30, 2024, the District had commitments totaling \$5,017,673 under various construction contracts for which the work was not yet completed.

D. Purchase Power Commitment

Solar Gardens

During fiscal year 2016, the District entered into five community solar garden subscription agreements. The District is committed to purchasing up to 40 percent of the annual delivered energy of the solar agreement for a period of 25 years from the commercial operation date of January 1, 2018.

During fiscal year 2017, the District entered into five community solar garden subscription agreements. The District is committed to purchasing up to 20 percent of the annual delivered energy of the solar agreement for a period of 25 years from the commercial operation date of January 2019.

During fiscal year 2017, the District entered into five community solar garden subscription agreements. The District is committed to purchasing up to 20 percent of the annual delivered energy of the solar agreement for a period of 25 years from the commercial operation date of February 2019.

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Solar Panels

The District has entered into various power purchase agreements to purchase the energy generated by solar panels contributed to the District and installed on various buildings of the District. At June 30, 2024, the equipment capitalized through these agreements is \$3,351,130, with accumulated depreciation of \$992,524.

Future power purchase commitment related to these agreements is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 199,273
2026	204,315
2027	210,129
2028	216,199
2029	221,815
2030–2034	1,067,032
2035–2039	1,126,479
2040–2044	<u>771,269</u>
	<u><u>\$ 4,016,511</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 272

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

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.3926%	\$ 18,442,381	\$ —	\$ 18,442,381	\$ 20,638,451	89.36%	78.70%
06/30/2016	06/30/2015	0.3524%	\$ 18,263,198	\$ —	\$ 18,263,198	\$ 20,684,774	88.29%	78.20%
06/30/2017	06/30/2016	0.3631%	\$ 29,481,919	\$ 385,105	\$ 29,867,024	\$ 22,396,905	131.63%	68.90%
06/30/2018	06/30/2017	0.3681%	\$ 23,499,261	\$ 295,507	\$ 23,794,768	\$ 23,755,883	98.92%	75.90%
06/30/2019	06/30/2018	0.3705%	\$ 20,553,821	\$ 674,285	\$ 21,228,106	\$ 24,941,557	82.41%	79.50%
06/30/2020	06/30/2019	0.3737%	\$ 20,661,037	\$ 642,139	\$ 21,303,176	\$ 26,428,327	78.18%	80.20%
06/30/2021	06/30/2020	0.3813%	\$ 22,860,679	\$ 705,017	\$ 23,565,696	\$ 27,116,265	84.31%	79.10%
06/30/2022	06/30/2021	0.3402%	\$ 14,528,066	\$ 443,671	\$ 14,971,737	\$ 24,490,636	59.32%	87.00%
06/30/2023	06/30/2022	0.3401%	\$ 26,936,033	\$ 789,750	\$ 27,725,783	\$ 25,472,592	105.75%	76.70%
06/30/2024	06/30/2023	0.3489%	\$ 19,510,097	\$ 537,799	\$ 20,047,896	\$ 27,732,405	70.35%	83.10%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,527,411	\$ 1,527,411	\$ —	\$ 20,684,774	7.38%
06/30/2016	\$ 1,679,027	\$ 1,679,027	\$ —	\$ 22,396,905	7.50%
06/30/2017	\$ 1,778,675	\$ 1,778,675	\$ —	\$ 23,755,883	7.49%
06/30/2018	\$ 1,867,386	\$ 1,867,386	\$ —	\$ 24,941,557	7.49%
06/30/2019	\$ 1,983,618	\$ 1,983,618	\$ —	\$ 26,428,327	7.51%
06/30/2020	\$ 2,033,580	\$ 2,033,580	\$ —	\$ 27,116,265	7.50%
06/30/2021	\$ 1,836,831	\$ 1,836,831	\$ —	\$ 24,490,636	7.50%
06/30/2022	\$ 1,910,597	\$ 1,910,597	\$ —	\$ 25,472,592	7.50%
06/30/2023	\$ 2,079,877	\$ 2,079,877	\$ —	\$ 27,732,405	7.50%
06/30/2024	\$ 2,290,071	\$ 2,290,071	\$ —	\$ 30,544,835	7.50%

INDEPENDENT SCHOOL DISTRICT NO. 272

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

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	1.1120%	\$ 51,240,159	\$ 3,604,593	\$ 54,844,752	\$ 50,758,363	100.95%	81.50%
06/30/2016	06/30/2015	1.0058%	\$ 62,218,677	\$ 7,631,910	\$ 69,850,587	\$ 51,428,891	120.98%	76.80%
06/30/2017	06/30/2016	1.0364%	\$247,206,129	\$ 24,812,446	\$272,018,575	\$ 54,216,148	455.96%	44.88%
06/30/2018	06/30/2017	1.0112%	\$201,853,864	\$ 19,511,695	\$221,365,559	\$ 54,659,806	369.29%	51.57%
06/30/2019	06/30/2018	0.9925%	\$ 62,338,290	\$ 5,856,612	\$ 68,194,902	\$ 54,876,205	113.60%	78.07%
06/30/2020	06/30/2019	0.9591%	\$ 61,133,235	\$ 5,410,224	\$ 66,543,459	\$ 54,469,575	112.23%	78.21%
06/30/2021	06/30/2020	0.9680%	\$ 71,517,137	\$ 5,993,222	\$ 77,510,359	\$ 56,157,098	127.35%	75.48%
06/30/2022	06/30/2021	0.9510%	\$ 41,618,603	\$ 3,510,041	\$ 45,128,644	\$ 56,905,419	73.14%	86.63%
06/30/2023	06/30/2022	1.0009%	\$ 80,146,777	\$ 5,943,452	\$ 86,090,229	\$ 61,875,700	129.53%	76.17%
06/30/2024	06/30/2023	0.9964%	\$ 82,265,016	\$ 5,762,568	\$ 88,027,584	\$ 63,356,101	129.85%	76.42%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 3,828,390	\$ 3,828,390	\$ —	\$ 51,428,891	7.44%
06/30/2016	\$ 4,043,043	\$ 4,043,043	\$ —	\$ 54,216,148	7.46%
06/30/2017	\$ 4,085,938	\$ 4,085,938	\$ —	\$ 54,659,806	7.48%
06/30/2018	\$ 4,106,891	\$ 4,106,891	\$ —	\$ 54,876,205	7.48%
06/30/2019	\$ 4,196,913	\$ 4,196,913	\$ —	\$ 54,469,575	7.71%
06/30/2020	\$ 4,455,324	\$ 4,455,324	\$ —	\$ 56,157,098	7.93%
06/30/2021	\$ 4,625,157	\$ 4,625,157	\$ —	\$ 56,905,419	8.13%
06/30/2022	\$ 5,159,959	\$ 5,159,959	\$ —	\$ 61,875,700	8.34%
06/30/2023	\$ 5,416,811	\$ 5,416,811	\$ —	\$ 63,356,101	8.55%
06/30/2024	\$ 6,058,881	\$ 6,058,881	\$ —	\$ 69,247,194	8.75%

INDEPENDENT SCHOOL DISTRICT NO. 272

Pension Benefits Plan
Schedule of Changes in the District's
Total Pension Liability and Related Ratios
Year Ended June 30, 2024

	District Fiscal Year-End Date							
	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability								
Service cost	\$ 31,507	\$ 30,311	\$ 24,635	\$ 27,541	\$ 25,014	\$ 20,719	\$ 13,833	\$ 13,870
Interest	11,500	9,186	9,931	10,811	8,730	8,340	14,046	10,009
Assumption changes	—	(10,298)	7,441	12,240	(6,680)	(23,493)	(1,908)	(1,976)
Plan changes	—	—	17,075	—	—	—	(38)	—
Difference between expected and actual experience	—	—	42,973	—	23,513	—	(52,795)	—
Benefit payments	(145,219)	(97,642)	(14,859)	(65,461)	(150)	(25,731)	(26,778)	(146,721)
Net change in total pension liability	(102,212)	(68,443)	87,196	(14,869)	50,427	(20,165)	(53,640)	(124,818)
Total pension liability – beginning of year	437,129	334,917	266,474	353,670	338,801	389,228	369,063	315,423
Total pension liability – end of year	<u>\$ 334,917</u>	<u>\$ 266,474</u>	<u>\$ 353,670</u>	<u>\$ 338,801</u>	<u>\$ 389,228</u>	<u>\$ 369,063</u>	<u>\$ 315,423</u>	<u>\$ 190,605</u>
Covered-employee payroll	<u>\$2,478,561</u>	<u>\$2,629,505</u>	<u>\$2,307,920</u>	<u>\$2,377,158</u>	<u>\$1,829,506</u>	<u>\$1,884,391</u>	<u>\$1,226,348</u>	<u>\$1,263,138</u>
Total pension liability as a percentage of covered-employee payroll	<u>13.51%</u>	<u>10.13%</u>	<u>15.32%</u>	<u>14.25%</u>	<u>21.28%</u>	<u>19.59%</u>	<u>25.72%</u>	<u>15.09%</u>

Note 1: The District has not established a trust fund to finance GASB Statement No. 73 related benefits.

Note 2: The District implemented GASB Statement No. 73 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 272

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Net
OPEB Liability and Related Ratios
Year Ended June 30, 2024

	District Fiscal Year-End Date							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability								
Service cost	\$ 542,422	\$ 541,720	\$ 417,686	\$ 450,254	\$ 490,687	\$ 448,457	\$ 567,530	\$ 576,280
Interest	766,806	790,171	853,059	595,685	595,638	419,885	527,322	579,710
Assumption changes	—	(104,010)	159,481	116,815	46,255	(256,823)	(5,955)	(40,522)
Plan changes	—	389,295	(13,266)	—	—	2,098,457	76,069	—
Differences between expected and actual experience	—	—	(4,637,752)	—	(1,753,586)	—	(96,599)	—
Benefit payments – employer-financed	(132,324)	—	(100,000)	—	—	—	—	—
Benefit payments – paid by trust	(714,186)	(1,006,882)	(702,747)	(364,518)	(1,042,563)	(2,341,026)	(1,274,529)	(338,419)
Net change in total OPEB liability	462,718	610,294	(4,023,539)	798,236	(1,663,569)	368,950	(206,162)	777,049
Total OPEB liability – beginning of year	12,445,166	12,907,884	13,518,178	9,494,639	10,292,875	8,629,306	8,998,256	8,792,094
Total OPEB liability – end of year	12,907,884	13,518,178	9,494,639	10,292,875	8,629,306	8,998,256	8,792,094	9,569,143
Plan fiduciary net position								
Contributions – employer	132,324	—	100,000	—	—	—	—	—
Projected investment earnings	1,645,487	1,020,373	999,208	956,494	892,318	1,135,893	934,570	938,012
Differences between expected and actual experience	—	170,558	(185,634)	(247,059)	2,566,475	(3,212,848)	161,943	444,328
Benefit payments – employer-financed	(132,324)	—	(100,000)	—	—	—	—	—
Benefit payments – paid by trust	(714,186)	(1,006,882)	(702,747)	(364,518)	(1,042,563)	(2,341,026)	(1,274,529)	(338,419)
Net change in plan fiduciary net position	931,301	184,049	110,827	344,917	2,416,230	(4,417,981)	(178,016)	1,043,921
Plan fiduciary net position – beginning of year	15,265,103	16,196,404	16,380,453	16,491,280	16,836,197	19,252,427	14,834,446	14,656,430
Plan fiduciary net position – end of year	16,196,404	16,380,453	16,491,280	16,836,197	19,252,427	14,834,446	14,656,430	15,700,351
Net OPEB liability (asset)	<u>\$ (3,288,520)</u>	<u>\$ (2,862,275)</u>	<u>\$ (6,996,641)</u>	<u>\$ (6,543,322)</u>	<u>\$ (10,623,121)</u>	<u>\$ (5,836,190)</u>	<u>\$ (5,864,336)</u>	<u>\$ (6,131,208)</u>
Fiduciary net position as a percentage of the total OPEB liability	<u>125.48%</u>	<u>121.17%</u>	<u>173.69%</u>	<u>163.57%</u>	<u>223.11%</u>	<u>164.86%</u>	<u>166.70%</u>	<u>164.07%</u>
Covered-employee payroll	<u>\$ 72,889,181</u>	<u>\$ 75,075,856</u>	<u>\$ 76,440,507</u>	<u>\$ 78,733,722</u>	<u>\$ 77,105,361</u>	<u>\$ 79,418,522</u>	<u>\$ 84,170,294</u>	<u>\$ 86,695,403</u>
Net OPEB liability (asset) as a percentage of covered-employee payroll	<u>(4.51%)</u>	<u>(3.81%)</u>	<u>(9.15%)</u>	<u>(8.31%)</u>	<u>(13.78%)</u>	<u>(7.35%)</u>	<u>(6.97%)</u>	<u>(7.07%)</u>

Note: The District implemented GASB Statement Nos. 74 and 75 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 272

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2024

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	10.78%
2018	7.40%
2019	5.00%
2020	4.30%
2021	20.50%
2022	(10.80%)
2023	7.40%
2024	9.40%

Note: The District implemented GASB Statement Nos. 74 and 75 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information June 30, 2024

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2023 CHANGES IN PLAN PROVISIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2020 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The COLA was assumed to increase from 2.00 percent annually to 2.50 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50 percent, but remain at 2.00 percent for all future years.
- Adjustments were made to the CSA loads. The active load was reduced from 1.40 percent to zero percent, the vested inactive load increased from 4.00 percent to 7.00 percent, and the nonvested inactive load increased from 4.00 percent to 9.00 percent.

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PENSION BENEFITS PLAN

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.90 percent to 4.10 percent.

2023 CHANGES IN PLAN PROVISIONS

- The matching contribution increased from \$4,500 to \$5,000 per year for Principals.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.80 percent to 3.90 percent.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The salary increase rates for nonteachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.10 percent to 3.80 percent.

PENSION BENEFITS PLAN (CONTINUED)

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN PLAN PROVISIONS

- The Eden Prairie Supervisors and Specialists (EPSS) post-employment lump sum benefit was changed from 100.00 percent paid to a voluntary employees' beneficiary association (VEBA) account, to 50.00 percent paid to a VEBA, and 50.00 percent paid to the 403(b) plan.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.50 percent to 3.10 percent.
- The mortality table was updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.90 percent to 3.50 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 4.00 percent to 2.90 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.30 percent to 6.40 percent.
- The discount rate was changed from 6.30 percent to 6.40 percent.

2023 CHANGES IN PLAN PROVISIONS

- One additional teacher, who was not valued with a \$50,000 early retirement incentive payment payable to a VEBA at June 30, 2022, received this payment during fiscal year 2023.
- The Classified and MSEA contracts added an early retirement incentive payment of \$500 for employees who retire after the first semester and \$1,000 for employees who retire at the end of the 2022–2023 school year, both payable to a VEBA, upon attaining age 55 with 20 years of service. The increase in liability associated with this plan change also includes a corresponding increase in the implicit rate medical subsidy.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The salary increase rates for nonteachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.
- The expected long-term investment return was changed from 5.90 percent to 6.30 percent.
- The discount rate was changed from 5.90 percent to 6.30 percent.

2022 CHANGES IN PLAN PROVISIONS

- Thirty-six teachers, who retired at the end of the 2021–2022 school year after attaining age 55 with 15 years of service, each received an early retirement incentive of \$50,000 (prorated if less than 1.0 FTE), which was paid to a VEBA on June 30, 2022. The increase in the liability associated with this plan change also includes a corresponding increase in the implicit rate medical subsidy.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 5.30 percent to 5.90 percent.
- The discount rate was changed from 5.30 percent to 5.90 percent.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 5.80 percent to 5.30 percent.
- The discount rate was changed from 5.80 percent to 5.30 percent.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.10 percent to 5.80 percent.
- The discount rate was changed from 6.10 percent to 5.80 percent.

2019 CHANGES IN PLAN PROVISIONS

- The EPSS post-employment lump sum benefit was changed from 100.00 percent paid to a VEBA, to 50.00 percent paid to a VEBA, and 50.00 percent paid to the 403(b) plan.
- The classified administrative and support staff post-employment subsidized benefit was extended through June 30, 2019.
- A subsidized lump sum benefit of \$1,000 payable to a VEBA was added for MSEA paraprofessionals retiring before June 30, 2019.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare 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-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 6.30 percent to 6.10 percent.
- The discount rate was changed from 6.30 percent to 6.10 percent.

2018 CHANGES IN PLAN PROVISIONS

- An early retirement incentive was offered for teachers retiring at the end of the 2017–2018 school year. Teachers retiring after age 55 with 10 years of service will receive \$15,000 placed in a VEBA account. Plan A teachers (hired before October 1, 1993) receive the payment on June 30, 2023. Plan B teachers receive the payment no later than June 30, 2018.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.10 percent to 6.30 percent.
- The discount rate was changed from 6.10 percent to 6.30 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 5.50 percent to 6.10 percent.

SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 272

General Fund
Comparative Balance Sheet
as of June 30, 2024 and 2023

	2024	2023
Assets		
Cash and temporary investments	\$ 45,447,340	\$ 43,231,169
Cash and investments held by trustee	571,916	–
Receivables		
Current taxes	24,659,072	23,623,188
Delinquent taxes	236,142	247,475
Accounts and interest	972,921	650,877
Due from other governmental units	18,231,326	16,005,208
Due from other funds	486,810	1,274,529
Lease	1,015,946	1,061,859
Prepaid items	141,541	835,657
Total assets	<u>\$ 91,763,014</u>	<u>\$ 86,929,962</u>
Liabilities		
Salaries payable	\$ 5,700,363	\$ 5,265,149
Accounts and contracts payable	6,814,701	6,142,170
Due to other governmental units	474,456	1,053,347
Unearned revenue	165,937	194,597
Total liabilities	<u>13,155,457</u>	<u>12,655,263</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	45,875,798	43,399,956
Lease revenue for subsequent year	1,015,946	1,061,859
Unavailable revenue – delinquent taxes	236,142	247,475
Total deferred inflows of resources	<u>47,127,886</u>	<u>44,709,290</u>
Fund balances		
Nonspendable for prepaid items	141,541	835,657
Restricted for student activities	58,650	68,921
Restricted for scholarships	22,546	27,567
Restricted for capital projects levy	1,447,248	1,488,503
Restricted for literacy incentive aid	87,908	–
Restricted for operating capital	1,646,065	2,041,334
Restricted for achievement and integration	–	178,176
Restricted for Medical Assistance	291,235	130,740
Restricted for projects funded by certificates of participation	571,916	–
Assigned for site carryover	218,355	861,291
Assigned for activity accounts	567,983	478,613
Assigned for construction	912,640	1,500,000
Assigned for curriculum adoption	839,359	1,200,000
Assigned for subsequent year's budget	224,948	–
Assigned for enrollment	1,250,000	1,250,000
Assigned for Inspired Journey	1,709,193	2,250,000
Assigned for program initiatives	1,250,000	1,000,000
Assigned for achievement and integration	118,766	–
Unassigned – long-term facilities maintenance		
restricted account deficit	(637,169)	–
Unassigned	20,758,487	16,254,607
Total fund balances	<u>31,479,671</u>	<u>29,565,409</u>
Total liabilities, deferred inflows		
of resources, and fund balances	<u>\$ 91,763,014</u>	<u>\$ 86,929,962</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2024		2023	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 47,942,948	\$ 47,455,800	\$ (487,148)	\$ 41,409,487
Investment earnings	1,200,000	2,146,917	946,917	1,221,341
Other	4,044,827	4,611,448	566,621	4,593,528
State sources	99,629,717	100,958,540	1,328,823	89,825,199
Federal sources	6,278,100	7,091,763	813,663	6,908,476
Total revenue	159,095,592	162,264,468	3,168,876	143,958,031
Expenditures				
Current				
Administration				
Salaries	3,182,104	3,152,540	(29,564)	2,998,238
Employee benefits	880,478	1,057,864	177,386	902,857
Purchased services	106,318	127,861	21,543	323,231
Supplies and materials	10,154	12,532	2,378	18,828
Other expenditures	90,267	73,088	(17,179)	71,717
Total administration	4,269,321	4,423,885	154,564	4,314,871
District support services				
Salaries	3,879,723	3,911,200	31,477	3,357,619
Employee benefits	1,818,837	1,764,946	(53,891)	1,064,372
Purchased services	2,316,297	1,968,288	(348,009)	2,261,370
Supplies and materials	1,805,912	1,596,750	(209,162)	1,892,692
Capital expenditures	861,000	1,185,878	324,878	1,129,773
Other expenditures	33,662	29,986	(3,676)	19,346
Total district support services	10,715,431	10,457,048	(258,383)	9,725,172
Elementary and secondary regular instruction				
Salaries	46,747,745	48,592,375	1,844,630	44,594,496
Employee benefits	13,881,353	14,459,773	578,420	12,809,798
Purchased services	2,896,906	2,346,992	(549,914)	1,787,555
Supplies and materials	3,620,545	2,876,786	(743,759)	3,436,921
Capital expenditures	436,024	471,248	35,224	543,071
Other expenditures	319,916	311,218	(8,698)	306,291
Total elementary and secondary regular instruction	67,902,489	69,058,392	1,155,903	63,478,132

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2024		2023
	Budget	Actual	Over (Under) Budget
			Actual
Expenditures (continued)			
Current (continued)			
Vocational education instruction			
Salaries	1,144,132	1,143,942	(190)
Employee benefits	342,205	358,629	16,424
Purchased services	1,020,980	1,109,951	88,971
Supplies and materials	41,750	47,553	5,803
Capital expenditures	—	6,966	6,966
Other expenditures	8,331	6,301	(2,030)
Total vocational education instruction	2,557,398	2,673,342	115,944
Special education instruction			
Salaries	16,939,623	17,123,836	184,213
Employee benefits	5,337,886	5,351,489	13,603
Purchased services	3,193,468	2,733,618	(459,850)
Supplies and materials	134,155	152,617	18,462
Capital expenditures	2,363	23,732	21,369
Other expenditures	108,182	101,805	(6,377)
Total special education instruction	25,715,677	25,487,097	(228,580)
Instructional support services			
Salaries	7,571,651	7,751,120	179,469
Employee benefits	2,283,644	2,244,869	(38,775)
Purchased services	1,341,277	1,320,428	(20,849)
Supplies and materials	235,444	386,642	151,198
Capital expenditures	2,011,592	2,431,162	419,570
Other expenditures	34,049	84,458	50,409
Total instructional support services	13,477,657	14,218,679	741,022
Pupil support services			
Salaries	6,448,646	7,013,388	564,742
Employee benefits	2,513,034	2,506,414	(6,620)
Purchased services	1,042,868	4,582,744	3,539,876
Supplies and materials	891,062	859,049	(32,013)
Capital expenditures	1,822,200	982,085	(840,115)
Other expenditures	27,547	25,478	(2,069)
Total pupil support services	12,745,357	15,969,158	3,223,801

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2024		2023
	Budget	Actual	Over (Under) Budget
			Actual
Expenditures (continued)			
Current (continued)			
Sites and buildings			
Salaries	6,048,718	5,950,436	(98,282)
Employee benefits	2,186,727	1,912,776	(273,951)
Purchased services	9,000,660	6,287,111	(2,713,549)
Supplies and materials	576,070	832,162	256,092
Capital expenditures	614,000	3,105,654	2,491,654
Other expenditures	340,382	(123,663)	(464,045)
Total sites and buildings	18,766,557	17,964,476	(802,081)
Fiscal and other fixed cost programs			
Purchased services	429,624	614,116	184,492
Other expenditures	11,000	11,000	—
Total fiscal and other fixed cost programs	440,624	625,116	184,492
Debt service			
Principal	695,913	693,813	(2,100)
Interest and fiscal charges	—	—	—
Total debt service	695,913	693,813	(2,100)
Total expenditures	157,286,424	161,571,006	4,284,582
Excess (deficiency) of revenue over expenditures	1,809,168	693,462	(1,115,706)
Other financing sources (uses)			
Debt issued	—	571,916	571,916
Sale of capital assets	—	675,408	675,408
Insurance recovery	—	—	—
Transfers (out)	—	(26,524)	(26,524)
Total other financing sources (uses)	—	1,220,800	1,220,800
Net change in fund balances	\$ 1,809,168	1,914,262	\$ 105,094
Fund balances			
Beginning of year		29,565,409	30,857,985
End of year		\$ 31,479,671	\$ 29,565,409

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 1,621,037	\$ 1,027,495
Receivables		
Accounts and interest	9,945	3,302
Due from other governmental units	133,507	630,550
Inventory	<u>158,787</u>	<u>212,115</u>
Total assets	<u><u>\$ 1,923,276</u></u>	<u><u>\$ 1,873,462</u></u>
Liabilities		
Salaries payable	\$ 4,384	\$ 7,689
Accounts and contracts payable	25,972	29,449
Unearned revenue	<u>167,233</u>	<u>234,902</u>
Total liabilities	197,589	272,040
Fund balances		
Nonspendable for inventory	158,787	212,115
Restricted for food service	<u>1,566,900</u>	<u>1,389,307</u>
Total fund balances	<u><u>1,725,687</u></u>	<u><u>1,601,422</u></u>
Total liabilities and fund balances	<u><u>\$ 1,923,276</u></u>	<u><u>\$ 1,873,462</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 30,000	\$ 44,384	\$ 14,384	\$ 26,739
Other – primarily meal sales	1,182,500	953,684	(228,816)	2,961,781
State sources	2,541,990	3,060,391	518,401	181,640
Federal sources	2,215,915	2,690,556	474,641	2,541,572
Total revenue	<u>5,970,405</u>	<u>6,749,015</u>	<u>778,610</u>	<u>5,711,732</u>
Expenditures				
Current				
Salaries	2,111,195	2,240,568	129,373	2,069,996
Employee benefits	876,343	815,955	(60,388)	831,895
Purchased services	472,937	232,044	(240,893)	251,424
Supplies and materials	2,341,992	2,774,578	432,586	2,299,465
Other expenditures	10,293	467,363	457,070	5,079
Capital outlay	35,494	94,242	58,748	74,552
Total expenditures	<u>5,848,254</u>	<u>6,624,750</u>	<u>776,496</u>	<u>5,532,411</u>
Net change in fund balances	<u>\$ 122,151</u>	124,265	<u>\$ 2,114</u>	179,321
Fund balances				
Beginning of year		<u>1,601,422</u>		<u>1,422,101</u>
End of year		<u>\$ 1,725,687</u>		<u>\$ 1,601,422</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 4,991,742	\$ 4,080,140
Receivables		
Current taxes	647,161	625,199
Delinquent taxes	6,284	6,969
Accounts and interest	71,793	360,470
Due from other governmental units	158,770	335,902
Prepaid items	<u>9,129</u>	<u>5,527</u>
Total assets	<u>\$ 5,884,879</u>	<u>\$ 5,414,207</u>
Liabilities		
Salaries payable	\$ 277,245	\$ 392,145
Accounts and contracts payable	101,087	297,875
Unearned revenue	<u>460,258</u>	<u>447,338</u>
Total liabilities	838,590	1,137,358
Deferred inflows of resources		
Property taxes levied for subsequent year	1,303,800	1,262,339
Unavailable revenue – delinquent taxes	<u>6,284</u>	<u>6,969</u>
Total deferred inflows of resources	1,310,084	1,269,308
Fund balances		
Nonspendable for prepaid items	9,129	5,527
Restricted for community education programs	1,341,955	1,301,852
Restricted for early childhood family education programs	736,182	527,680
Restricted for school readiness	<u>1,648,939</u>	<u>1,172,482</u>
Total fund balances	<u>3,736,205</u>	<u>3,007,541</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,884,879</u>	<u>\$ 5,414,207</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 1,296,482	\$ 1,253,803	\$ (42,679)	\$ 1,203,889
Investment earnings	—	141,363	141,363	56,697
Other – primarily tuition and fees	6,437,838	6,800,282	362,444	7,152,179
State sources	853,718	977,914	124,196	883,504
Federal sources	138,494	74,549	(63,945)	450,386
Total revenue	8,726,532	9,247,911	521,379	9,746,655
Expenditures				
Current				
Salaries	5,643,486	5,320,054	(323,432)	4,968,795
Employee benefits	1,705,580	1,561,860	(143,720)	1,479,771
Purchased services	1,002,825	1,418,315	415,490	1,212,904
Supplies and materials	247,864	232,450	(15,414)	191,304
Other expenditures	8,200	8,438	238	2,894
Capital outlay	5,600	4,654	(946)	—
Debt service				
Principal	6,990	—	(6,990)	6,973
Total expenditures	8,620,545	8,545,771	(74,774)	7,862,641
Excess of revenue over expenditures	105,987	702,140	596,153	1,884,014
Other financing sources				
Transfers in	—	26,524	26,524	17,485
Net change in fund balances	\$ 105,987	728,664	\$ 622,677	1,901,499
Fund balances				
Beginning of year		3,007,541		1,106,042
End of year		\$ 3,736,205		\$ 3,007,541

INDEPENDENT SCHOOL DISTRICT NO. 272

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 10,885,910	\$ 15,146,625
Cash and investments held by trustee	3,710,321	–
Receivables		
Accounts and interest	<u>270,405</u>	<u>88,061</u>
Total assets	<u>\$ 14,866,636</u>	<u>\$ 15,234,686</u>
Liabilities		
Accounts and contracts payable	\$ 1,512,710	\$ 2,527,053
Due to other funds	<u>148,391</u>	<u>–</u>
Total liabilities	1,661,101	2,527,053
Fund balances		
Restricted for projects funded by certificates of participation	3,435,904	–
Restricted for long-term facilities maintenance	9,769,631	11,546,802
Restricted for capital projects	<u>–</u>	<u>1,160,831</u>
Total fund balances	<u>13,205,535</u>	<u>12,707,633</u>
Total liabilities and fund balances	<u>\$ 14,866,636</u>	<u>\$ 15,234,686</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 400,000	\$ 588,273	\$ 188,273	\$ 373,992
Other	–	2,650	2,650	–
Total revenue	400,000	590,923	190,923	373,992
Expenditures				
Capital outlay				
Salaries	–	141,297	141,297	–
Employee benefits	–	37,299	37,299	–
Purchased services	2,270,113	2,240,023	(30,090)	2,797,208
Supplies and materials	–	–	–	6,500
Capital expenditures	1,160,831	10,388,996	9,228,165	4,540,910
Debt service				
Fiscal charges and other	–	370,206	370,206	128,699
Total expenditures	3,430,944	13,177,821	9,746,877	7,473,317
Excess (deficiency) of revenue over expenditures	(3,030,944)	(12,586,898)	(9,555,954)	(7,099,325)
Other financing sources				
Debt issued	–	12,793,084	12,793,084	14,528,878
Premium on debt issued	–	291,716	291,716	1,823,932
Total other financing sources	–	13,084,800	13,084,800	16,352,810
Net change in fund balances	\$ (3,030,944)	497,902	\$ 3,528,846	9,253,485
Fund balances				
Beginning of year		12,707,633		3,454,148
End of year		\$ 13,205,535		\$ 12,707,633

INDEPENDENT SCHOOL DISTRICT NO. 272

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 6,262,657	\$ 6,201,795
Receivables		
Current taxes	4,673,807	3,965,064
Delinquent taxes	53,079	54,806
Accounts and interest	32,535	10,148
Due from other governmental units	<u>147</u>	<u>150</u>
Total assets	<u><u>\$ 11,022,225</u></u>	<u><u>\$ 10,231,963</u></u>
Liabilities		
Accounts and contracts payable	\$ 475	\$ —
Deferred inflows of resources		
Property taxes levied for subsequent year	9,413,167	7,997,414
Unavailable revenue – delinquent taxes	<u>53,079</u>	<u>54,806</u>
Total deferred inflows of resources	<u>9,466,246</u>	<u>8,052,220</u>
Fund balances		
Restricted for debt service	<u>1,555,504</u>	<u>2,179,743</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 11,022,225</u></u>	<u><u>\$ 10,231,963</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 7,995,522	\$ 7,919,485	\$ (76,037)	\$ 8,114,588
Investment earnings	—	146,143	146,143	80,108
State sources	—	1,472	1,472	1,494
Total revenue	<u>7,995,522</u>	<u>8,067,100</u>	<u>71,578</u>	<u>8,196,190</u>
Expenditures				
Debt service				
Principal	5,175,000	5,175,000	—	5,110,000
Interest	3,509,039	3,509,039	—	3,096,156
Fiscal charges and other	10,000	7,300	(2,700)	6,350
Total expenditures	<u>8,694,039</u>	<u>8,691,339</u>	<u>(2,700)</u>	<u>8,212,506</u>
Excess (deficiency) of revenue over expenditures	(698,517)	(624,239)	74,278	(16,316)
Other financing sources				
Debt issued	<u>—</u>	<u>—</u>	<u>—</u>	<u>481,122</u>
Net change in fund balances	<u>\$ (698,517)</u>	<u>(624,239)</u>	<u>\$ 74,278</u>	<u>464,806</u>
Fund balances				
Beginning of year		<u>2,179,743</u>		<u>1,714,937</u>
End of year		<u>\$ 1,555,504</u>		<u>\$ 2,179,743</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2024	2023
Assets				
Current assets				
Cash and temporary investments	\$ 9,958,771	\$ 882,343	\$ 10,841,114	\$ 10,736,132
Receivables				
Accounts and interest	65,414	5,999	71,413	25,229
Total current assets	10,024,185	888,342	10,912,527	10,761,361
Liabilities				
Current liabilities				
Accounts payable	2,706	6,145	8,851	72,270
Unearned revenue	1,206,676	100,538	1,307,214	1,171,246
Claims payable	734,944	20,951	755,895	679,137
Total current liabilities	1,944,326	127,634	2,071,960	1,922,653
Net position				
Unrestricted	\$ 8,079,859	\$ 760,708	\$ 8,840,567	\$ 8,838,708

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2024	2023
Operating revenue				
Charges for services				
Contributions from governmental funds	\$ 13,406,953	\$ 1,337,705	\$ 14,744,658	\$ 14,456,421
Operating expenses				
Health benefit claims	13,783,926	—	13,783,926	13,555,207
Dental benefit claims	—	1,276,698	1,276,698	1,258,820
Total operating expenses	<u>13,783,926</u>	<u>1,276,698</u>	<u>15,060,624</u>	<u>14,814,027</u>
Operating income (loss)	(376,973)	61,007	(315,966)	(357,606)
Nonoperating revenue				
Investment earnings	<u>290,864</u>	<u>26,961</u>	<u>317,825</u>	<u>201,716</u>
Change in net position	(86,109)	87,968	1,859	(155,890)
Net position				
Beginning of year	<u>8,165,968</u>	<u>672,740</u>	<u>8,838,708</u>	<u>8,994,598</u>
End of year	<u>\$ 8,079,859</u>	<u>\$ 760,708</u>	<u>\$ 8,840,567</u>	<u>\$ 8,838,708</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2024	2023
Cash flows from operating activities				
Contributions from governmental funds	\$ 13,539,970	\$ 1,340,656	\$ 14,880,626	\$ 14,498,752
Payment for health benefit claims	(13,684,863)	—	(13,684,863)	(13,673,893)
Payment for dental benefit claims	—	(1,362,422)	(1,362,422)	(1,195,695)
Net cash flows from operating activities	(144,893)	(21,766)	(166,659)	(370,836)
Cash flows from investing activities				
Investment income received	248,819	22,822	271,641	181,721
Net change in cash and cash equivalents	103,926	1,056	104,982	(189,115)
Cash and cash equivalents				
Beginning of year	9,854,845	881,287	10,736,132	10,925,247
End of year	\$ 9,958,771	\$ 882,343	\$ 10,841,114	\$ 10,736,132
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ (376,973)	\$ 61,007	\$ (315,966)	\$ (357,606)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets and liabilities				
Accounts payable	93	(63,512)	(63,419)	38,632
Unearned revenue	133,017	2,951	135,968	42,331
Claims payable	98,970	(22,212)	76,758	(94,193)
Net cash flows from operating activities	\$ (144,893)	\$ (21,766)	\$ (166,659)	\$ (370,836)

SECTION III – STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 272's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Indicators

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

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 49,968,770	\$ 46,495,778	\$ 43,813,793	\$ 41,716,939
Restricted	4,820,097	4,148,442	4,598,772	3,970,336
Unrestricted	<u>(65,730,130)</u>	<u>(59,580,118)</u>	<u>(100,181,524)</u>	<u>(124,901,677)</u>
Total governmental activities net position	<u>\$ (10,941,263)</u>	<u>\$ (8,935,898)</u>	<u>\$ (51,768,959)</u>	<u>\$ (79,214,402)</u>

Note 1: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$11.3 million. Prior years were not restated.

Note 2: The District implemented GASB Statement No. 84 in fiscal 2020, reported as a change in accounting principle as a result of implementing this standard, which increased restricted net position by approximately \$91,000. Prior year amounts have not been restated.

Note 3: The District implemented new GASB authoritative literature which changed the requirements for the capitalization of groups of similar capital assets purchased at the same time in fiscal 2024. The District reported a change in accounting principle as a result of implementing this new accounting guidance that increased net position by \$4,341,739.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 38,506,213	\$ 36,712,713	\$ 38,298,795	\$ 41,428,049	\$ 41,081,927	\$ 46,484,146
3,450,332	1,886,182	8,176,157	9,956,996	15,260,907	15,917,698
<u>(87,950,660)</u>	<u>(91,867,161)</u>	<u>(90,389,136)</u>	<u>(84,902,075)</u>	<u>(64,255,910)</u>	<u>(51,523,704)</u>
<u><u>\$ (45,994,115)</u></u>	<u><u>\$ (53,268,266)</u></u>	<u><u>\$ (43,914,184)</u></u>	<u><u>\$ (33,517,030)</u></u>	<u><u>\$ (7,913,076)</u></u>	<u><u>\$ 10,878,140</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Expenses				
Administration	\$ 3,318,266	\$ 3,827,612	\$ 4,736,758	\$ 4,520,405
District support services	6,168,708	5,337,689	5,682,115	5,860,095
Elementary and secondary regular instruction	53,765,254	59,627,119	82,848,774	80,606,299
Vocational education instruction	1,845,940	1,929,401	2,875,255	2,799,977
Special education instruction	18,620,390	19,886,753	27,120,384	26,612,680
Instructional support services	7,201,154	7,722,877	9,535,521	8,946,008
Pupil support services	9,119,888	8,897,020	10,719,258	10,510,787
Sites and buildings	11,811,681	13,696,744	14,574,619	15,048,481
Fiscal and other fixed cost programs	329,667	252,593	312,351	381,996
Food service	4,919,568	4,893,018	5,084,197	4,983,613
Community service	4,156,097	4,492,095	6,168,308	6,674,630
Interest and fiscal charges	2,034,145	2,442,183	2,315,611	2,181,273
Total governmental activities expenses	123,290,758	133,005,104	171,973,151	169,126,244
Program revenues				
Charges for services				
Elementary and secondary regular instruction	1,385,244	1,455,096	1,086,487	1,308,532
Special education instruction	463,135	883,511	843,310	326,560
Pupil support services	127,424	128,862	120,717	118,929
Sites and buildings	38,760	83,193	38,813	123,089
Food service	3,046,821	3,183,516	3,282,523	3,414,483
Community service	2,131,108	2,427,585	2,946,131	3,714,217
Operating grants and contributions	17,531,443	19,955,518	20,243,863	20,056,189
Capital grants and contributions	886,495	869,776	744,095	2,562,744
Total governmental activities program revenues	25,610,430	28,987,057	29,305,939	31,624,743
Net (expense) revenue	(97,680,328)	(104,018,047)	(142,667,212)	(137,501,501)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	25,962,472	33,216,511	33,659,448	34,452,614
Property taxes, levied for community service	1,171,597	1,006,495	1,011,306	839,740
Property taxes, levied for debt service	12,320,333	7,746,601	7,833,737	7,891,071
General grants and aids	60,176,831	61,289,944	65,912,935	63,786,229
Miscellaneous	2,749,324	2,665,055	2,492,689	2,566,249
Unrestricted investment earnings (charges)	35,877	98,806	240,592	520,155
Gain on sale of capital assets	—	—	—	—
Total general revenues and other changes in net position	102,416,434	106,023,412	111,150,707	110,056,058
Change in net position	\$ 4,736,106	\$ 2,005,365	\$ (31,516,505)	\$ (27,445,443)

2019	2020	2021	2022	2023	2024
\$ 2,852,678	\$ 3,949,663	\$ 3,980,844	\$ 4,128,183	\$ 3,655,253	\$ 4,089,856
6,583,609	6,472,025	6,676,889	7,563,582	10,130,596	10,135,146
37,173,654	65,891,819	61,082,057	63,777,351	52,762,413	68,728,614
2,020,289	2,852,493	2,685,131	2,638,448	2,174,701	2,586,285
14,259,908	21,849,529	22,133,695	20,194,009	18,300,983	23,980,926
7,114,901	10,049,498	10,410,693	9,321,195	9,735,846	12,548,607
8,559,073	9,856,855	9,867,763	10,270,044	12,516,027	15,286,330
15,317,919	18,815,863	15,633,381	16,166,096	17,883,620	16,673,974
476,818	391,759	409,603	486,222	530,509	625,116
4,917,671	4,722,595	3,584,309	5,223,293	5,645,599	6,672,402
7,449,706	7,941,070	5,858,097	6,824,657	7,466,497	8,267,310
2,011,137	3,484,725	2,927,736	2,959,221	3,067,315	4,204,709
108,737,363	156,277,894	145,250,198	149,552,301	143,869,359	173,799,275
1,048,161	908,656	536,082	2,139,532	1,472,709	1,615,652
312,860	184,457	179,824	226,363	190,980	372,109
119,335	79,691	31,455	92,281	—	—
80,657	141,160	122,638	118,080	170,524	77,693
3,298,481	2,376,776	281,143	979,752	2,876,406	914,725
5,849,105	4,893,709	3,255,416	5,430,770	6,793,678	6,363,847
20,140,103	22,112,519	25,241,395	26,361,088	25,245,177	33,497,544
1,194,380	1,123,755	1,806,435	961,016	1,902,610	960,800
32,043,082	31,820,723	31,454,388	36,308,882	38,652,084	43,802,370
(76,694,281)	(124,457,171)	(113,795,810)	(113,243,419)	(105,217,275)	(129,996,905)
35,330,344	37,483,741	36,967,459	39,546,476	41,269,733	47,444,467
836,313	974,111	1,063,574	1,139,894	1,199,871	1,253,118
8,889,131	7,899,851	10,069,323	9,185,248	8,075,161	7,917,758
61,010,762	67,105,133	72,603,961	71,381,077	75,413,506	81,165,307
2,905,552	2,066,406	2,005,400	2,457,975	2,902,365	3,239,630
942,466	1,562,411	440,175	(70,097)	1,960,593	3,384,905
—	—	—	—	—	41,197
109,914,568	117,091,653	123,149,892	123,640,573	130,821,229	144,446,382
\$ 33,220,287	\$ (7,365,518)	\$ 9,354,082	\$ 10,397,154	\$ 25,603,954	\$ 14,449,477

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

Governmental Activities Tax Revenues by Source and Levy Type
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Property Tax			
	General Purposes	Community Service	Debt Service	Total
2015	\$ 25,962,472	\$ 1,171,597	\$ 12,320,333	\$ 39,454,402
2016	33,216,511	1,006,495	7,746,601	41,969,607
2017	33,659,448	1,011,306	7,833,737	42,504,491
2018	34,452,614	839,740	7,891,071	43,183,425
2019	35,330,344	836,313	8,889,131	45,055,788
2020	37,483,741	974,111	7,899,851	46,357,703
2021	36,967,459	1,063,574	10,069,323	48,100,356
2022	39,546,476	1,139,894	9,185,248	49,871,618
2023	41,269,733	1,199,871	8,075,161	50,544,765
2024	47,444,467	1,253,118	7,917,758	56,615,343

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 422,808	\$ 462,195	\$ 717,276	\$ 145,362
Restricted	1,256,917	1,207,446	1,871,785	2,106,412
Assigned	3,036,146	2,727,888	2,409,257	1,685,452
Unassigned	10,281,140	13,111,310	14,636,325	16,349,250
Total General Fund	<u>\$ 14,997,011</u>	<u>\$ 17,508,839</u>	<u>\$ 19,634,643</u>	<u>\$ 20,286,476</u>
All other governmental funds				
Nonspendable	\$ 154,926	\$ 199,906	\$ 186,341	\$ 154,757
Restricted	15,064,990	9,241,713	13,284,487	8,120,963
Unassigned, reported in special revenue funds	(184,509)	(321,863)	(321,860)	(304,323)
Total all other governmental funds	<u>\$ 15,035,407</u>	<u>\$ 9,119,756</u>	<u>\$ 13,148,968</u>	<u>\$ 7,971,397</u>
Total all governmental funds	<u>\$ 30,032,418</u>	<u>\$ 26,628,595</u>	<u>\$ 32,783,611</u>	<u>\$ 28,257,873</u>

2019	2020	2021	2022	2023	2024
\$ 1,676,290	\$ 507,235	\$ 686,319	\$ 599,973	\$ 835,657	\$ 141,541
1,403,680	1,461,779	2,198,592	3,220,180	3,935,241	4,125,568
2,826,715	4,320,382	11,053,757	9,997,353	8,539,904	7,091,244
15,751,476	17,207,918	17,811,019	17,040,479	16,254,607	20,121,318
<u>\$ 21,658,161</u>	<u>\$ 23,497,314</u>	<u>\$ 31,749,687</u>	<u>\$ 30,857,985</u>	<u>\$ 29,565,409</u>	<u>\$ 31,479,671</u>
\$ 168,408	\$ 180,119	\$ 235,782	\$ 327,473	\$ 217,642	\$ 167,916
12,316,795	40,319,586	17,595,003	7,369,755	19,278,697	20,055,015
—	(158,931)	(224,649)	—	—	—
<u>\$ 12,485,203</u>	<u>\$ 40,340,774</u>	<u>\$ 17,606,136</u>	<u>\$ 7,697,228</u>	<u>\$ 19,496,339</u>	<u>\$ 20,222,931</u>
<u>\$ 34,143,364</u>	<u>\$ 63,838,088</u>	<u>\$ 49,355,823</u>	<u>\$ 38,555,213</u>	<u>\$ 49,061,748</u>	<u>\$ 51,702,602</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Local sources				
Property taxes	\$ 39,380,714	\$ 42,043,669	\$ 42,513,230	\$ 43,113,033
Investment earnings (charges)	35,818	98,544	235,548	502,542
Other	10,254,894	11,199,258	11,196,024	11,841,851
State sources	74,137,366	77,667,614	78,997,964	80,447,376
Federal sources	3,987,082	4,075,184	4,366,037	4,260,545
Total revenues	127,795,874	135,084,269	137,308,803	140,165,347
Expenditures				
Current				
Administration	3,339,290	3,584,683	3,685,730	3,742,489
District support services	6,252,752	5,494,082	5,420,285	5,793,381
Elementary and secondary regular instruction	52,144,459	57,391,706	57,571,373	56,621,307
Vocational education instruction	1,868,424	1,946,168	2,198,932	2,226,472
Special education instruction	18,874,537	19,999,874	19,933,386	21,373,181
Instructional support services	7,278,407	7,755,337	7,470,572	7,421,018
Pupil support services	9,048,612	9,002,606	9,574,415	9,481,647
Sites and buildings	8,953,223	11,225,225	10,607,283	11,870,809
Fiscal and other fixed cost programs	329,667	252,593	312,351	381,996
Food service	4,806,685	4,834,354	4,903,381	4,872,931
Community service	4,052,806	4,469,778	5,547,410	6,252,847
Capital outlay	6,069,185	5,738,416	6,830,546	4,391,705
Debt service				
Principal	13,544,547	7,424,957	9,790,936	7,767,965
Interest and fiscal charges	2,915,695	2,760,168	2,583,448	2,577,313
Total expenditures	139,478,289	141,879,947	146,430,048	144,775,061
Excess of revenues over (under) expenditures	(11,682,415)	(6,795,678)	(9,121,245)	(4,609,714)
Other financing sources (uses)				
Finance purchases issued	2,925,198	3,321,304	2,620,690	—
Lease issued	—	—	—	—
Debt issued	10,310,000	—	10,940,000	—
Premium on debt issued	263,301	—	326,471	—
(Discount) on debt issued	—	—	—	—
Payment on refunded debt	—	—	—	—
Sale of capital assets	1,935,052	70,551	1,389,100	83,976
Insurance recovery	—	—	—	—
Transfer in	213,684	187,683	162,423	178,419
Transfer (out)	(213,684)	(187,683)	(162,423)	(178,419)
Total other financing sources (uses)	15,433,551	3,391,855	15,276,261	83,976
Net change in fund balances	\$ 3,751,136	\$ (3,403,823)	\$ 6,155,016	\$ (4,525,738)
Debt service as a percentage of noncapital expenditures	12.6%	7.7%	9.0%	7.4%

2019	2020	2021	2022	2023	2024
\$ 45,070,839	\$ 46,293,901	\$ 48,341,731	\$ 49,582,452	\$ 50,727,964	\$ 56,629,088
873,891	1,497,305	437,482	(104,802)	1,758,877	3,067,080
13,820,831	10,891,879	6,143,412	11,582,518	14,707,488	12,368,064
82,421,906	85,399,143	85,554,833	87,880,626	90,891,837	104,998,317
4,094,548	4,681,309	12,911,731	10,901,733	9,900,434	9,856,868
146,282,015	148,763,537	153,389,189	159,842,527	167,986,600	186,919,417
3,821,305	3,866,118	3,963,186	4,398,769	4,314,871	4,423,885
6,614,803	6,382,404	6,580,214	7,431,664	9,725,172	10,457,048
55,929,788	60,587,905	55,797,331	64,538,489	63,478,132	69,058,392
2,621,806	2,768,252	2,608,998	2,741,151	2,637,381	2,673,342
20,817,558	21,280,844	21,733,158	21,432,555	22,210,690	25,487,097
8,816,341	9,872,363	10,288,448	9,834,100	11,082,005	14,218,679
10,058,348	10,051,078	10,008,666	10,359,843	12,745,943	15,969,158
11,583,684	13,242,276	13,058,211	15,481,390	16,810,462	17,964,476
476,818	391,759	409,603	486,222	530,509	625,116
4,999,856	4,668,771	3,619,295	5,170,666	5,457,859	6,530,508
8,082,430	7,866,888	5,928,843	7,130,524	7,855,668	8,541,117
5,873,791	11,572,617	34,833,668	15,030,205	7,419,170	12,906,511
8,317,049	7,419,298	7,126,171	7,022,886	6,812,395	5,868,813
2,401,758	3,432,915	3,540,392	3,596,267	3,288,931	3,886,545
150,415,335	163,403,488	179,496,184	174,654,731	174,369,188	198,610,687
(4,133,320)	(14,639,951)	(26,106,995)	(14,812,204)	(6,382,588)	(11,691,270)
—	3,354,150	—	2,422,250	—	—
—	—	—	1,287,803	—	—
18,405,000	37,765,000	26,285,000	—	15,010,000	13,365,000
550,011	3,013,235	1,803,574	—	1,823,932	291,716
—	—	(21,754)	—	—	—
(8,960,000)	—	(16,910,000)	—	—	—
23,800	110,923	467,910	276,663	47,687	675,408
—	—	—	24,878	7,504	—
151,257	221,638	889,510	3,271,224	17,485	26,524
(151,257)	(221,638)	(889,510)	(3,271,224)	(17,485)	(26,524)
10,018,811	44,243,308	11,624,730	4,011,594	16,889,123	14,332,124
\$ 5,885,491	\$ 29,603,357	\$ (14,482,265)	\$ (10,800,610)	\$ 10,506,535	\$ 2,640,854
7.4%	7.1%	7.5%	6.7%	6.2%	5.5%

INDEPENDENT SCHOOL DISTRICT NO. 272

General Governmental Tax Revenues by Source and Levy Type
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax			
	General Fund	Community Service Fund	Debt Service Fund	Total
2015	\$ 25,919,031	\$ 1,168,409	\$ 12,293,274	\$ 39,380,714
2016	33,239,697	1,010,283	7,793,689	42,043,669
2017	33,662,761	1,012,447	7,838,022	42,513,230
2018	34,390,488	838,786	7,883,759	43,113,033
2019	35,340,872	837,071	8,892,896	45,070,839
2020	37,422,242	973,575	7,898,084	46,293,901
2021	37,156,080	1,068,589	10,117,062	48,341,731
2022	39,318,935	1,133,396	9,130,121	49,582,452
2023	41,409,487	1,203,889	8,114,588	50,727,964
2024	47,455,800	1,253,803	7,919,485	56,629,088

INDEPENDENT SCHOOL DISTRICT NO. 272

Assessed and Actual Value of Taxable Property
Last Ten Fiscal Years

Payable Year	(1) Residential Property	(1) Commercial Property	(1) Total Assessed Value	(2) Estimated Actual Taxable Value	Total Direct Tax Rate
2015	\$ 6,585,945,500	\$ 2,041,177,200	\$ 8,627,122,700	\$ 8,402,678,939	22.03 %
2016	6,412,304,300	2,666,034,900	9,078,339,200	8,898,122,781	20.95
2017	6,839,600,000	2,793,643,700	9,633,243,700	9,129,810,474	21.87
2018	6,929,195,500	2,943,607,000	9,872,802,500	9,476,978,643	20.53
2019	6,809,813,100	3,399,801,800	10,209,614,900	9,927,938,697	20.76
2020	7,382,068,800	3,281,195,300	10,663,264,100	10,389,399,230	21.56
2021	7,873,430,100	3,248,404,900	11,121,835,000	10,715,931,040	21.72
2022	7,786,468,900	3,646,337,700	11,432,806,600	11,093,544,120	21.00
2023	9,232,160,900	2,564,850,600	11,797,011,500	12,758,954,510	19.24
2024	9,678,031,600	3,807,553,900	13,485,585,500	13,637,553,750	19.67

(1) Source: City of Eden Prairie assessor. Includes all properties within the city boundaries. This breakdown is not available for property within the District boundaries. Residential includes single-family homes, townhomes, and condominiums, and all other property, including vacant land, farm, utilities, personal property, and railroad property. Commercial property above includes both commercial and industrial property.

(2) Source: Hennepin County. Includes all properties within the District boundaries.

INDEPENDENT SCHOOL DISTRICT NO. 272

Property Tax Rates – Direct and Overlapping Governments Last Ten Fiscal Years

Tax Collection Calendar Year	ISD No. 272 Direct Rate (1)				Overlapping Rates	
	General Fund	Community Service	General Obligation Debt Service	Total Direct School Tax Rate	City of Bloomington	City of Chanhassen
2015	12.349%	1.109%	8.572%	22.030%	47.336%	24.634%
2016	11.824%	1.041%	8.083%	20.948%	45.909%	24.253%
2017	13.100%	0.844%	7.921%	21.865%	42.484%	23.856%
2018	11.331%	0.791%	8.403%	20.525%	42.127%	22.667%
2019	12.789%	0.874%	7.093%	20.756%	41.581%	21.105%
2020	11.926%	0.920%	8.709%	21.555%	41.082%	21.176%
2021	13.146%	0.946%	7.625%	21.717%	41.335%	22.113%
2022	13.446%	0.975%	6.574%	20.995%	42.351%	22.414%
2023	12.832%	0.874%	5.537%	19.243%	39.422%	20.196%
2024	12.741%	0.843%	6.086%	19.670%	40.601%	20.956%

(1) Tax capacity rate method.

(2) Special districts include Metropolitan Mosquito Control District, Metropolitan Council, and Metro Transit.

Sources: Overlapping rate data provided by the District’s financial advisor, Ehlers & Associates, and the School Tax Report from the County Auditor’s office.

City of Eden Prairie	City of Edina	Special Districts (2)	Hennepin County	Three Rivers Park District	Other	Total Eden Prairie Resident
33.954%	26.605%	3.006%	46.398%	3.789%	2.990%	112.167%
32.327%	27.137%	2.899%	45.356%	3.601%	4.263%	109.394%
32.667%	28.271%	2.821%	44.087%	3.365%	4.390%	109.195%
32.526%	27.849%	2.683%	42.808%	3.161%	4.333%	106.036%
31.690%	27.499%	2.542%	41.861%	2.961%	3.047%	102.857%
31.676%	28.082%	2.461%	41.084%	2.859%	2.899%	102.534%
31.589%	28.939%	2.268%	38.210%	2.793%	2.752%	99.329%
32.475%	29.088%	2.240%	38.535%	2.787%	2.822%	99.854%
29.039%	28.194%	2.880%	34.542%	2.473%	1.851%	90.028%
28.600%	28.544%	1.853%	34.681%	2.399%	1.777%	88.980%

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
United Healthcare Services, Inc.	\$ 2,557,030	1	1.56 %	\$ 629,250	6	0.59 %
Arrive Eden Prairie Apartments	1,106,350	2	0.67	—	—	—
Fountain Place Apartments	1,100,489	3	0.67	—	—	—
Eden Prairie Mall	1,092,450	4	0.67	2,503,440	2	2.36
Elevate Apartments	908,585	5	0.55	—	—	—
Flagstone-Presbyterian Homes	881,438	6	0.54	—	—	—
UGH Headquarters	807,250	7	0.49	—	—	—
Flying Cloud Corporate Campus	775,620	8	0.47	—	—	—
Park at City West Apartments	686,909	9	0.42	—	—	—
Arrive Watertown Apartments	677,845	10	0.41	—	—	—
Liberty Property Limited Partnership	—	—	—	2,509,100	1	2.37
AGNL Health	—	—	—	1,394,430	3	1.32
CPE Holding 32607 LLC, Etal	—	—	—	815,130	4	0.77
PRIT Core Realty Holdings LLC	—	—	—	747,088	5	0.71
Lifetouch, Inc.	—	—	—	594,962	7	0.56
Gelco Corporation	—	—	—	559,740	8	0.53
Windsor Plaza, LLC	—	—	—	536,298	9	0.51
IRET Properties	—	—	—	472,660	10	0.45
Total principal taxpayers	10,593,966		6.45	10,762,098		10.16
All other taxpayers	153,561,659		93.55	95,200,983		89.84
Total	\$ 164,155,625		100.00 %	\$ 105,963,081		100.00 %

Source: City of Eden Prairie

INDEPENDENT SCHOOL DISTRICT NO. 272

Property Tax Levies, Collections, and Receivables
Last Ten Fiscal Years

For Taxes Collectible	Taxes Levied for the Fiscal Year					Collected Within the First Year of Levy	
	General Fund Basic Levy	Community Service Levy	Debt Service Levy	OPEB/Pension Levy	Total Tax Levy	Current Tax Collection	Percentage of Levy
2015	\$ 33,319,644	\$ 1,022,125	\$ 4,092,167	\$ 3,808,316	\$ 42,242,252	\$ 20,739,473	49.1 %
2016	33,574,885	1,030,212	4,079,271	3,920,004	42,604,372	21,408,517	50.2
2017	34,640,296	852,158	3,968,095	4,029,712	43,490,261	21,844,359	50.2
2018	35,153,927	837,634	4,890,176	4,008,136	44,889,873	24,600,000	54.8
2019	37,754,091	979,789	7,951,882	—	46,685,762	23,500,000	50.3
2020	36,996,190	1,071,298	10,141,208	—	48,208,696	23,200,000	48.1
2021	38,927,029	1,146,519	9,241,236	—	49,314,784	24,700,000	50.1
2022	41,031,592	1,211,627	8,169,706	—	50,412,925	25,500,000	50.6
2023	47,653,698	1,262,339	7,997,414	—	56,913,451	28,700,000	50.4
2024	49,663,072	1,303,801	9,413,167	—	60,380,040	30,400,000	50.3

Note: Delinquent taxes are written off after seven years.

Source: State of Minnesota School Tax Report

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percent	Outstanding Current Taxes	Percent
	Total Tax Collection	Percentage of Levy				
\$ 21,502,779	\$ 42,242,252	100.0 %	\$ —	— %	\$ —	— %
21,195,855	42,604,372	100.0	—	—	—	—
21,589,145	43,433,504	99.9	56,757	0.1	—	—
20,280,545	44,880,545	100.0	9,328	—	—	—
23,172,635	46,672,635	100.0	13,127	—	—	—
24,991,521	48,191,521	100.0	17,175	—	—	—
24,580,395	49,280,395	99.9	34,389	0.1	—	—
24,867,832	50,367,832	99.9	45,093	0.1	—	—
28,093,815	56,793,815	99.8	119,636	0.2	—	—
—	30,400,000	50.3	<u>—</u>	—	<u>29,980,040</u>	49.7
			<u>\$ 295,505</u>		<u>\$ 29,980,040</u>	

INDEPENDENT SCHOOL DISTRICT NO. 272

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation (1)	Capital Improvement Loans	Finance Purchases	Lease			
2015	\$ 67,926,290	\$ —	\$ 475,351	\$ 4,573,346	\$ —	\$ 72,974,987	— %	\$ 1,163
2016	62,311,892	—	243,044	6,047,000	—	68,601,936	—	1,096
2017	67,930,803	—	—	4,489,798	—	72,420,601	—	1,133
2018	61,744,640	—	—	2,616,833	—	64,361,473	—	1,019
2019	64,869,056	—	—	759,784	—	65,628,840	—	1,030
2020	99,445,559	—	—	2,504,636	—	101,950,195	—	1,607
2021	103,520,125	—	—	1,673,465	—	105,193,590	—	1,651
2022	97,142,125	—	—	3,259,542	1,420,653	101,822,320	—	1,586
2023	108,547,428	—	—	1,728,439	—	110,275,867	—	1,719
2024	103,242,272	13,656,716	—	1,034,626	—	117,933,614	—	1,842

(1) Presented net of issuance premiums and discounts.

(2) Personal income information for residents living within the District is not available.

(3) See Demographics and Economic Statistics table for source of estimated population.

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Ratio of Net General Obligation Bonded Debt to
Market Value and Net General Obligation Bonded Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt (1)	Less Debt Service Funds on Hand (2)	Net Bonded Debt	Estimated Actual Taxable Value (3)	Percent of Net Debt to Estimated Actual Taxable Value	Estimated Population (4)	Net Bonded Debt per Capita
2015	\$ 67,926,290	\$ 764,935	\$ 67,161,355	\$8,402,678,939	0.80 %	62,729	\$ 1,071
2016	62,311,892	522,897	61,788,995	8,898,122,781	0.69	62,593	987
2017	67,930,803	795,792	67,135,011	9,129,810,474	0.74	63,914	1,050
2018	61,744,640	389,446	61,355,194	9,476,978,643	0.65	63,163	971
2019	64,869,056	844,841	64,024,215	9,927,938,697	0.64	63,726	1,005
2020	99,445,559	101,512	99,344,047	10,389,399,230	0.96	63,456	1,566
2021	103,520,125	611,780	102,908,345	10,715,931,040	0.96	63,726	1,615
2022	97,142,125	517,032	96,625,093	11,093,544,120	0.87	64,198	1,505
2023	108,547,428	845,398	107,702,030	12,758,954,510	0.84	64,142	1,679
2024	103,242,272	764,662	102,477,610	13,637,553,750	0.75	64,023	1,601

(1) Presented net of issuance premiums and discounts.

(2) Amount is the governmental activities net position restricted for debt service.

(3) See Assessed and Actual Value of Taxable Property table for estimated actual taxable value.

(4) See Demographics and Economic Statistics table for source of estimated population.

Source: Annual school district census and U.S. Census

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

Direct and Overlapping Debt
as of June 30, 2024

Governmental Unit	2023–2024 Taxable Net Tax Capacity	General Obligation Debt	Percent Allocable to ISD No. 272	Portion Allocable to ISD No. 272
Independent School District No. 272	\$ 154,598,368	\$ 117,933,614	100.00 %	\$ 117,933,614
Overlapping debt				
Hennepin County	2,859,451,218	1,071,970,000	4.35	46,579,902
City of Bloomington	202,722,254	80,090,000	0.24	193,190
City of Chanhassen	69,101,884	26,870,000	1.54	412,722
City of Eden Prairie	162,123,729	14,174,000	73.00	10,346,620
City of Edina	190,714,801	65,814,000	0.62	408,661
Metropolitan Council	6,313,906,529	191,435,000	1.92	3,671,106
Three Rivers Park District	2,052,772,775	54,980,000	5.90	3,242,930
Total overlapping debt				<u>64,855,130</u>
Total direct and overlapping debt				<u>\$ 182,788,744</u>

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

Source: Taxable value data used to estimate applicable percentages and debt outstanding data provided by the District's financial advisor, Ehlers & Associates.

INDEPENDENT SCHOOL DISTRICT NO. 272

Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year			
	2015	2016	2017	2018
Debt limit	\$ 1,285,487	\$ 1,354,606	\$ 1,388,302	\$ 1,438,249
Total debt applicable to the limit	66,315	60,970	66,540	60,645
Legal debt margin	<u>\$ 1,219,172</u>	<u>\$ 1,293,636</u>	<u>\$ 1,321,762</u>	<u>\$ 1,377,604</u>
Total debt applicable to the limit as a percentage of debt limit	5.16%	4.50%	4.79%	4.22%

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 15 percent of total market property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: State of Minnesota School Tax Report

2019	2020	2021	2022	2023	2024
\$ 1,503,556	\$ 1,570,049	\$ 1,618,221	\$ 1,672,218	\$ 1,914,284	\$ 2,044,304
63,630	94,164	96,511	90,920	100,355	95,804
<u>\$ 1,439,926</u>	<u>\$ 1,475,885</u>	<u>\$ 1,521,710</u>	<u>\$ 1,581,298</u>	<u>\$ 1,813,929</u>	<u>\$ 1,948,500</u>

4.23%	6.00%	5.96%	5.44%	5.24%	4.69%
-------	-------	-------	-------	-------	-------

Legal Debt Margin Calculation for Fiscal Year 2024

Market value	\$ 13,628,693
Debt limit (15% of market value)	2,044,304
Debt applicable to the limit	
General obligation bonds	97,360
Less amount set aside for repayment of general obligation debt	(1,556)
Total net debt applicable to the limit	<u>95,804</u>
Legal debt margin	<u>\$ 1,948,500</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City of Eden Prairie			School Enrollment	Unemployment Rate
	Population	Personal Income (1)	Per Capita Personal Income (1)		
2015	62,729	\$ —	\$ —	8,941	2.4 %
2016	62,593	—	—	8,844	2.3
2017	63,914	—	—	8,835	2.6
2018	63,163	—	—	8,780	2.4
2019	63,726	—	—	8,861	2.6
2020	63,456	—	—	8,759	2.2
2021	63,726	—	—	8,534	3.4
2022	64,198	—	—	8,748	2.8
2023	64,142	—	—	8,834	1.7
2024	64,023	—	—	8,869	2.4

(1) Personal income information for residents living within the District is not available.

Note: Enrollment is as of October 1.

Source: City of Eden Prairie

INDEPENDENT SCHOOL DISTRICT NO. 272

Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year					
	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Optum	3,312	1	17.55 %	4,400	1	28.28 %
Eden Prairie Mall LLC	2,329	2	12.34	—	—	—
ISD No. 272 (Eden Prairie)	2,329	2	12.34	1,583	3	10.17
C.H. Robinson	2,200	4	11.66	1,536	4	9.87
United Natural Foods, Inc.	2,000	5	10.60	—	—	—
Starkey Labs	1,500	6	7.95	2,000	2	12.85
Emerson Process Management	1,500	6	7.95	—	—	—
Tennant Company	1,500	6	7.95	—	—	—
Element Fleet Management	1,200	9	6.36	—	—	—
MTS Systems Corporation	1,000	10	5.30	833	9	5.35
Rosemount Emerson	—	—	—	1,500	5	9.64
SuperValu Stores Inc.	—	—	—	1,100	6	7.07
Cigna	—	—	—	950	7	6.11
Eaton Corporation	—	—	—	850	8	5.46
Kroll Ontrack	—	—	—	808	10	5.19
Total	18,870		100.00 %	15,560		100.00 %
Total ISD No. 272 population (see the Demographic and Economic Statistics)	64,023			62,729		
Percent of principal employers to total ISD No. 272 population	29.5%			24.8%		

Note: Total number of employees working for employers in the District's boundaries is not readily available. The District has provided total population to provide a comparison to reference between current year and nine years ago.

Source: Ehlers & Associates

INDEPENDENT SCHOOL DISTRICT NO. 272

Employees by Classification
Last Ten Fiscal Years

Licensed Employees	Fiscal Year			
	2015	2016	2017	2018
Administrative staff	24.5	24.5	20.8	19.8
Support service staff	51.0	53.0	51.9	53.5
Classroom teachers	544.9	570.7	558.2	557.2
Special education teachers	19.0	20.7	25.5	34.1
Total	639.4	668.9	656.4	664.6

Source: Minnesota Department of Education STARS report (October 1)

2019	2020	2021	2022	2023	2024
21.0	22.0	22.0	23.0	26.0	25.0
54.8	53.7	51.2	51.4	59.0	58.5
558.8	561.0	557.3	560.0	570.3	603.6
34.6	35.4	35.8	41.2	43.5	42.0
669.2	672.1	666.3	675.6	698.8	729.1

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Total Governmental Funds Expenditures	Cost per Pupil	Per Pupil Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2015	8,941	\$ 139,478,289	\$ 15,600	1.5 %	544.9	16.4
2016	8,844	141,879,947	16,043	2.8	570.7	15.5
2017	8,835	146,430,048	16,574	3.3	558.2	15.8
2018	8,780	144,775,061	16,489	(0.5)	557.2	15.8
2019	8,861	150,415,335	16,975	2.9	558.8	15.9
2020	8,759	163,403,488	18,655	9.9	561.0	15.6
2021	8,534	179,496,184	21,033	12.7	557.3	15.3
2022	8,748	174,654,731	19,965	(5.1)	560.0	15.6
2023	8,834	174,369,188	19,738	(1.1)	570.3	15.5
2024	8,869	198,610,687	22,394	13.5	603.6	14.7

Note: Enrollment is as of October 1.

Source: District records

INDEPENDENT SCHOOL DISTRICT NO. 272

School Building Information
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Elementary Schools				
Eden Lake (1987)				
Enrollment (1)	881.27	727.95	803.15	823.88
Square feet	110,469	110,469	110,469	110,469
Forest Hills (1972)				
Enrollment (1)	752.10	773.48	636.19	650.28
Square feet	93,000	93,000	93,000	93,000
Prairie View (1965)				
Enrollment (1)	657.17	682.87	709.83	727.42
Square feet	95,063	95,063	95,063	95,063
Cedar Ridge (1987)				
Enrollment (1)	750.92	723.29	673.38	631.72
Square feet	115,599	115,599	115,599	115,599
Oak Point Facility (1990)				
Square feet	278,887	278,887	278,887	278,887
Oak Point Elementary				
Enrollment (1)	757.16	757.58	738.30	740.28
Eagle Heights Spanish Immersion				
Enrollment (1)	808.76	814.13	824.38	830.05
EP Distance Learning Academy (2021)				
Enrollment (1)	—	—	—	—
Middle School				
Central Middle School (1960)				
Enrollment (1)	1,415.40	1,377.65	1,368.09	1,341.93
Square feet	242,699	242,699	242,699	242,699
High School				
Eden Prairie High School (1981)				
Enrollment (1)	3,026.64	2,893.37	2,989.96	2,937.77
Square feet	693,771	693,771	693,771	693,771
Total enrollment	9,049.42	8,750.32	8,743.28	8,683.33
Total square feet	1,629,488	1,629,488	1,629,488	1,629,488
Athletics				
Football fields	2	2	2	2
Soccer fields	5	5	5	5
Running tracks	2	2	2	2
Baseball/softball	2	2	2	2
Swimming pools	1	1	1	1
Playgrounds	6	6	6	6

- (1) Enrollment reflects average daily membership (ADM) served by site. Resident students served under tuition agreements are excluded from this enrollment data.

Source: Square footage, capacity, and athletic statistics are derived from district records. Enrollment was obtained from a combination of district records and school ADM reports available on the Minnesota Department of Education website.

2019	2020	2021	2022	2023	2024
773.34	779.38	550.65	624.45	653.24	605.33
110,469	110,469	110,469	110,469	110,469	110,469
694.65	617.64	398.54	511.80	529.28	553.10
93,000	93,000	93,000	93,000	93,000	93,000
728.39	753.58	557.67	630.98	621.08	615.90
95,063	95,063	95,063	95,063	95,063	95,063
641.40	632.36	450.16	492.70	473.60	497.87
115,599	115,599	115,599	115,599	115,599	115,599
278,887	278,887	278,887	278,887	278,887	278,887
742.68	813.15	499.09	586.71	654.65	643.20
825.85	815.57	798.88	677.39	712.96	726.95
—	—	1,029.30	516.97	439.09	556.30
1,317.97	1,321.25	1,317.16	1,893.18	1,912.46	1,867.79
242,699	242,699	242,699	334,358	334,358	334,358
2,962.76	2,904.26	2,825.94	2,769.89	2,757.32	2,703.63
693,771	693,771	693,771	693,771	693,771	693,771
8,687.04	8,637.19	8,427.39	8,704.07	8,753.68	8,770.07
1,629,488	1,629,488	1,629,488	1,721,147	1,721,147	1,721,147
2	2	2	2	2	2
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
6	6	6	6	6	6

INDEPENDENT SCHOOL DISTRICT NO. 272

Food Service
School Lunch Program Data
Last Ten Fiscal Years

Year Ended June 30,	Program Adult Meals	Meals Served Students	Full Price Meals Served	Free Meals Served	Reduced-Price Meals Served
2015	5,633	845,853	578,949	222,388	44,516
2016	3,707	811,294	546,690	219,430	45,174
2017	4,083	798,449	543,414	210,444	44,591
2018	17,224	782,399	524,985	213,101	44,313
2019	17,556	770,876	518,229	211,279	41,368
2020	14,319	556,852	371,326	151,699	33,827
2021 (1)	5,153	746,803	—	746,803	—
2022 (1)	11,097	1,174,180	—	1,174,180	—
2023	11,253	1,011,659	603,281	359,576	48,802
2024	11,634	1,244,010	816,424	380,707	46,879

Year Ended June 30,	Student Regular Lunch Prices		
	Elementary	Middle	High School (2)
2015	\$ 2.60	\$ 2.85	\$ 2.85
2016	2.70	3.05	3.05
2017	2.70	3.05	3.05
2018	2.85	3.20	3.20
2019	2.85	3.20	3.20
2020	3.00	3.35	3.35
2021	3.00	3.35	3.35
2022	3.00	3.35	3.35
2023	3.00	3.35	3.35
2024 (3)	—	—	—

(1) In fiscal 2021 and 2022, all student meals served through the District's child nutrition program were reimbursed through pandemic-related federal awards.

(2) Includes new generation and ethnic food options.

(3) The state-wide Free School Meals for Kids Program began July 1, 2023.

INDEPENDENT SCHOOL DISTRICT NO. 272

Student Enrollment
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served or Tuition Paid)					Total Pupil Units
	Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	
2015	65.38	653.08	3,889.68	4,445.20	9,053.34	9,942.38
2016	76.11	610.80	3,880.82	4,379.74	8,947.47	9,825.39
2017	72.84	605.20	3,791.63	4,466.26	8,935.93	9,829.18
2018	71.78	614.82	3,804.19	4,350.39	8,841.18	9,711.27
2019	95.62	619.28	3,807.70	4,393.78	8,916.38	9,795.13
2020	66.52	642.01	3,788.77	4,337.11	8,834.41	9,701.86
2021	63.62	597.41	3,700.07	4,237.29	8,598.39	9,445.85
2022	78.15	634.50	3,816.49	4,408.51	8,937.65	9,819.37
2023	89.75	652.70	3,835.55	4,445.86	9,023.86	9,913.00
2024	101.08	605.75	3,870.78	4,443.64	9,021.25	9,909.98

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: ADM is weighted as follows in computing pupil units:

	Pre-Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1-6	Secondary 7-12+
Fiscal 2015 through 2024	1.000	0.550	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system

THIS PAGE INTENTIONALLY LEFT BLANK

Management Report
for
Independent School District No. 272
Eden Prairie, Minnesota
June 30, 2024

THIS PAGE INTENTIONALLY LEFT BLANK

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 272, Eden Prairie, Minnesota's (the District) financial statements for the year ended June 30, 2024. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota
November 13, 2024

THIS PAGE INTENTIONALLY LEFT BLANK

AUDIT SUMMARY

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

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

AUDIT OPINIONS AND FINDINGS

Based on our audit of the District's basic financial statements for the year ended June 30, 2024:

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

- We reported one finding based on our testing of the District’s compliance with Minnesota laws and regulations:
 - For 5 of 40 disbursements tested, the District was not in compliance with Minnesota Statutes requiring payment of invoices within 35 days from the receipt of goods or services, or the invoices for goods or services, for districts with governing boards that meet at least once a month.

FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

As a part of our audit of the District’s financial statements for the year ended June 30, 2024, we performed procedures to follow-up on any findings and recommendations that resulted from the prior year audit. We reported the following findings that were corrected by the District in the current year:

- During our audit for the year ended June 30, 2023, 1 of 6 contracts selected for testing that were completed during the 2023 fiscal year, the statutory requirement to obtain a Form IC134 or Contractor’s Withholding Affidavit prior to making the final payment to a contractor, was not met. Based on our testing, there was no similar finding in the current year.
- During our audit for the year ended June 30, 2023, 1 of 3 contracts selected for testing that were awarded during the year, the District did not obtain performance and payment bonds from the contractor as required by state statutes. Based on our testing, there was no similar finding in the current year.

SIGNIFICANT ACCOUNTING POLICIES

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

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2024. However, the District implemented the following GASB guidance change during the year:

As described in Note 1 of the notes to basic financial statements, the District implemented new GASB guidance related to capital assets during the fiscal year ended June 30, 2024. This new guidance requires governments to capitalize groups of similar assets if significant, even when individually they are below the government’s capitalization threshold. This change resulted in a restatement, which increased beginning net position in the government-wide financial statements by \$4,341,739 in the current year.

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

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

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

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies described in GASB Statement Nos. 68, 73, 74, and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

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

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

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

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

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

DISAGREEMENTS WITH MANAGEMENT

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated November 13, 2024.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

OTHER AUDIT FINDINGS OR ISSUES

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

OTHER MATTERS

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

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

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

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL TRENDS IN PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

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

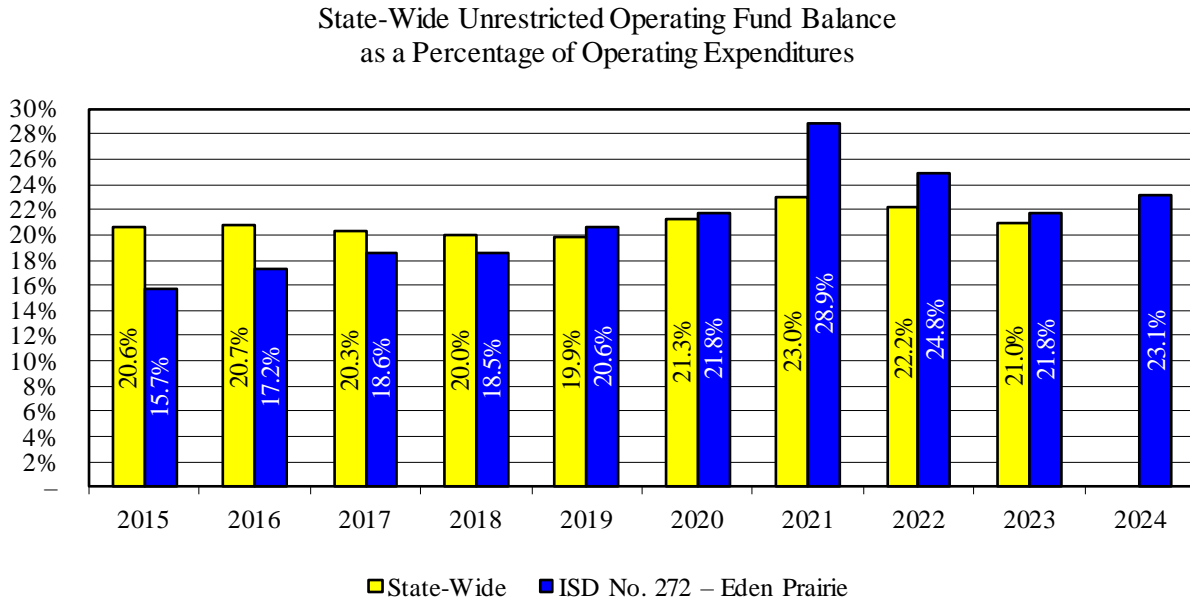
The table below presents a summary of the formula allowance for the past decade and as approved for the next fiscal year. The Legislature approved a per pupil increase of \$143 for fiscal 2025. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts.

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

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

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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



Note: State-wide information is not available for fiscal 2024.

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

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts has been relatively stable over the last decade, ranging from 20.6 percent at the end of fiscal 2015 to 21.0 percent at the end of fiscal 2023, with a slight uptick during the fiscal years impacted by the COVID-19 pandemic.

As of June 30, 2024, this ratio was 23.1 percent for the District, as compared to 21.8 percent at the end of the previous year.

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

GOVERNMENTAL FUNDS REVENUE

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

Governmental Funds Revenue per Student (ADM) Served								
	State-Wide		Metro Area		ISD No. 272 – Eden Prairie			
	2022	2023	2022	2023	2022	2023	2024	
General Fund								
Property taxes	\$ 2,645	\$ 2,760	\$ 3,506	\$ 3,704	\$ 4,374	\$ 4,559	\$ 5,237	
Other local sources	571	742	446	595	504	640	746	
State	10,504	10,771	10,536	10,792	9,668	9,888	11,142	
Federal	1,335	1,344	1,397	1,441	596	761	783	
Total General Fund	15,055	15,617	15,885	16,532	15,142	15,848	17,908	
Special revenue funds								
Food Service	803	676	770	649	713	629	745	
Community Service	731	795	836	919	901	1,073	1,021	
Debt Service Fund	1,508	1,579	1,537	1,595	1,018	902	890	
Total revenue	<u>\$ 18,097</u>	<u>\$ 18,667</u>	<u>\$ 19,028</u>	<u>\$ 19,695</u>	<u>\$ 17,774</u>	<u>\$ 18,452</u>	<u>\$ 20,564</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>8,990</u>	<u>9,084</u>	<u>9,061</u>	
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.								
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE								

ADM used in the table above and on the next page are based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables.

The mix of local and state revenues vary from year to year primarily based on funding formulas and the state's financial condition. The mix of revenue components from district to district varies, due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The District earned \$186,328,494 in the governmental funds reflected above in fiscal 2024, an increase of \$18,715,886 (11.2 percent) from the prior year, or an increase of \$2,112 per ADM served. Revenues were up in each category of the General Fund as presented in the table above. General Fund state revenue increased \$1,254 per ADM, with improved funding in special education aid and general education aid. Property taxes increased \$678 per ADM, due to the increased levy. General Fund revenues in other local sources increased over the prior year, largely due to more investment earnings. Food service revenues were up with state legislative changes effective in the current year to provide free meals for all students. A decrease in program participation contributed to the decrease in the Community Service Special Revenue Fund. Debt Service Fund revenues decreased \$12 per ADM, due to a reduction in property tax levies for debt service.

GOVERNMENTAL FUNDS EXPENDITURES

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

Governmental Funds Expenditures per Student (ADM) Served								
	State-Wide		Metro Area		ISD No. 272 – Eden Prairie			
	2022	2023	2022	2023	2022	2023	2024	
General Fund								
District and school administration	\$ 1,249	\$ 1,300	\$ 1,300	\$ 1,320	\$ 1,247	\$ 1,421	\$ 1,511	
Elementary and secondary								
regular instruction	6,494	6,646	6,838	7,019	6,852	6,928	7,569	
Vocational education instruction	210	224	191	198	304	290	294	
Special education instruction	2,724	2,892	2,883	3,059	2,384	2,444	2,810	
Instructional support services	816	861	939	1,030	1,001	1,093	1,301	
Pupil support services	1,429	1,553	1,558	1,712	1,138	1,381	1,654	
Sites and buildings and other	1,113	1,201	1,076	1,171	1,471	1,934	1,785	
Total General Fund – noncapital	14,035	14,677	14,785	15,509	14,397	15,491	16,924	
General Fund capital expenditures	876	960	897	959	923	503	906	
Total General Fund	14,911	15,637	15,682	16,468	15,320	15,994	17,830	
Special revenue funds								
Food Service	670	706	659	693	585	609	731	
Community Service	689	763	774	865	794	866	943	
Debt Service Fund	1,599	1,626	1,561	1,652	1,066	904	959	
Total expenditures	<u>\$ 17,869</u>	<u>\$ 18,732</u>	<u>\$ 18,676</u>	<u>\$ 19,678</u>	<u>\$ 17,765</u>	<u>\$ 18,373</u>	<u>\$ 20,463</u>	
ADM served per MDE School District Profiles Report (current year estimated)					8,990	9,084	9,061	
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.								
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE								

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs. The differences from program to program reflect the District's particular character, such as its community service programs, as well as the fluctuations from year to year for such things as capital expenditures.

The District spent \$185,432,866 in the governmental funds reflected above in fiscal 2024, an increase of \$18,536,995 (11.1 percent) from the prior year, or an increase of \$2,090 per ADM served. General Fund expenditures, excluding capital, increased \$1,433 per ADM, with additional expenditures for elementary and secondary regular instruction (\$641 per ADM) and special education instruction (\$366 per ADM), mainly in salaries and benefits, due to negotiated contract changes and added positions throughout the District. Pupil support services expenditures increased \$273 per ADM, due to increased transportation costs. General Fund capital expenditures increased \$403 per ADM, due to increased long-term facilities maintenance costs and additional technology purchases in the current year. Expenditures in the Food Service Special Revenue Fund increased, consistent with the increase in revenues. Expenditures in the Community Service Special Revenue Fund increased, mainly in personnel costs. Debt service increased as planned in approved debt financing plans.

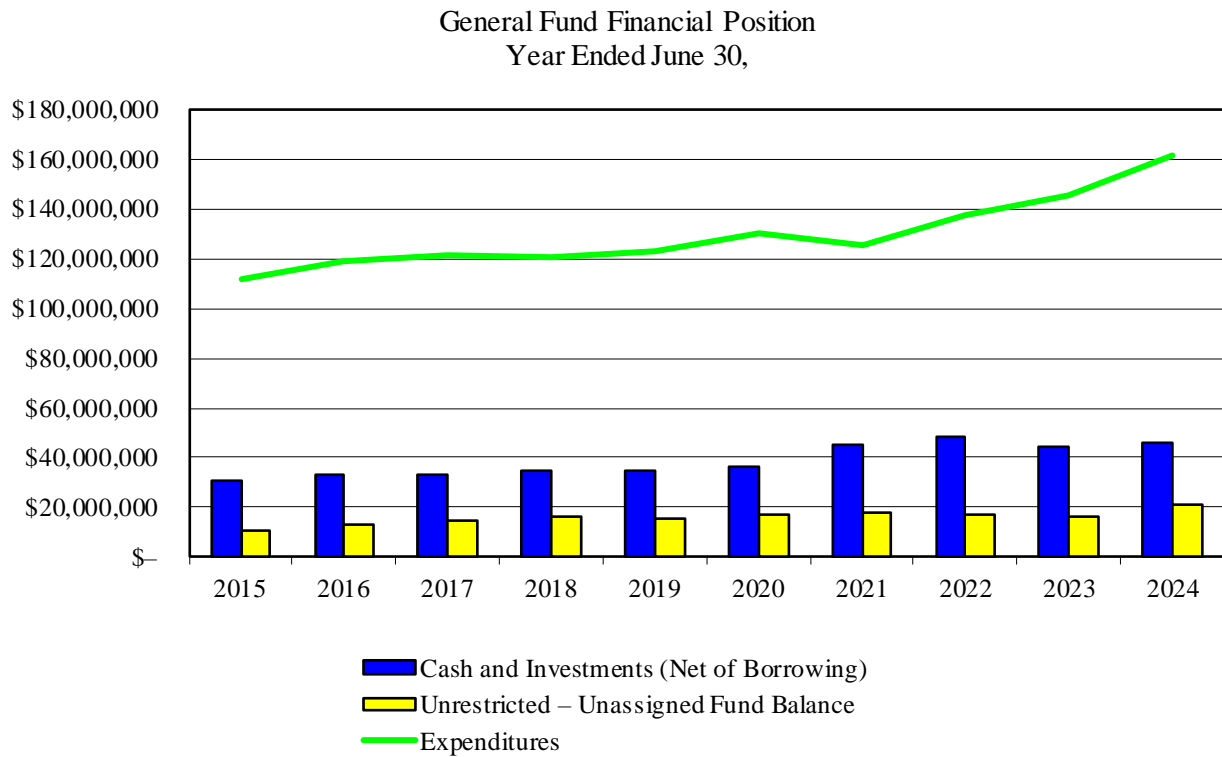
SUMMARY

District school boards and administrators continue to face significant financial challenges as they strive to provide a safe and effective learning environment for their students. Factors such as the sunset of large pandemic-related federal funding programs, state legislative funding changes and mandates, shifting student populations, tight labor markets, heightened safety concerns, increasing transportation costs, and other inflationary pressures continue to make it difficult to allocate limited resources amongst many competing demands.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

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



The General Fund cash balance (net of interfund borrowing and excluding cash and investments held by trustee) at the end of fiscal year 2024 was \$45,934,150, an increase of \$1,428,452 from the prior year.

Total fund balance at year-end was \$31,479,671, an increase of \$1,914,262, compared to an increase of \$1,809,168 approved in the final budget. The year-end unassigned fund balance, excluding restricted account deficits, was \$20,758,487.

GENERAL FUND COMPONENTS OF FUND BALANCE

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

	June 30,				
	2020	2021	2022	2023	2024
Nonspendable fund balances	\$ 507,235	\$ 686,319	\$ 599,973	\$ 835,657	\$ 141,541
Restricted fund balances (1)	1,461,779	2,198,592	3,220,180	3,935,241	3,488,399
Unrestricted fund balances					
Assigned	4,320,382	11,053,757	9,997,353	8,539,904	7,091,244
Unassigned	17,207,918	17,811,019	17,040,479	16,254,607	20,758,487
Total fund balance	<u>\$ 23,497,314</u>	<u>\$ 31,749,687</u>	<u>\$ 30,857,985</u>	<u>\$ 29,565,409</u>	<u>\$ 31,479,671</u>
Total expenditures	<u>\$ 130,053,168</u>	<u>\$ 125,297,301</u>	<u>\$ 137,728,612</u>	<u>\$ 145,288,313</u>	<u>\$ 161,571,006</u>
Unrestricted fund balances as a percentage of expenditures	<u>16.6%</u>	<u>23.0%</u>	<u>19.6%</u>	<u>17.1%</u>	<u>17.2%</u>
Unassigned fund balances as a percentage of expenditures	<u>13.2%</u>	<u>14.2%</u>	<u>12.4%</u>	<u>11.2%</u>	<u>12.8%</u>
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

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

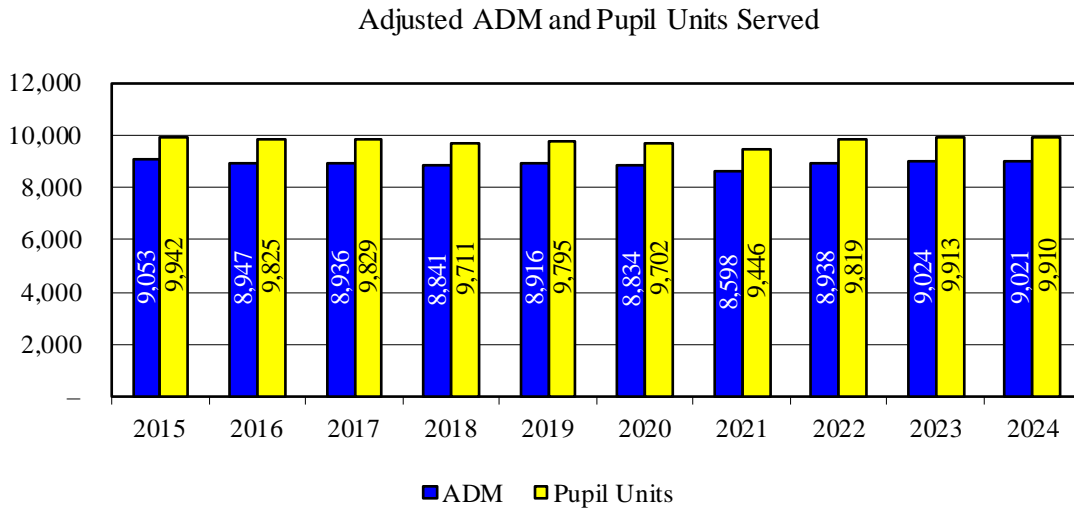
The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls. At June 30, 2024, unrestricted fund balances in the General Fund represented 17.2 percent of annual expenditures, or slightly less than 9 weeks of operations, assuming level spending throughout the year.

Minimum Fund Balance Policy

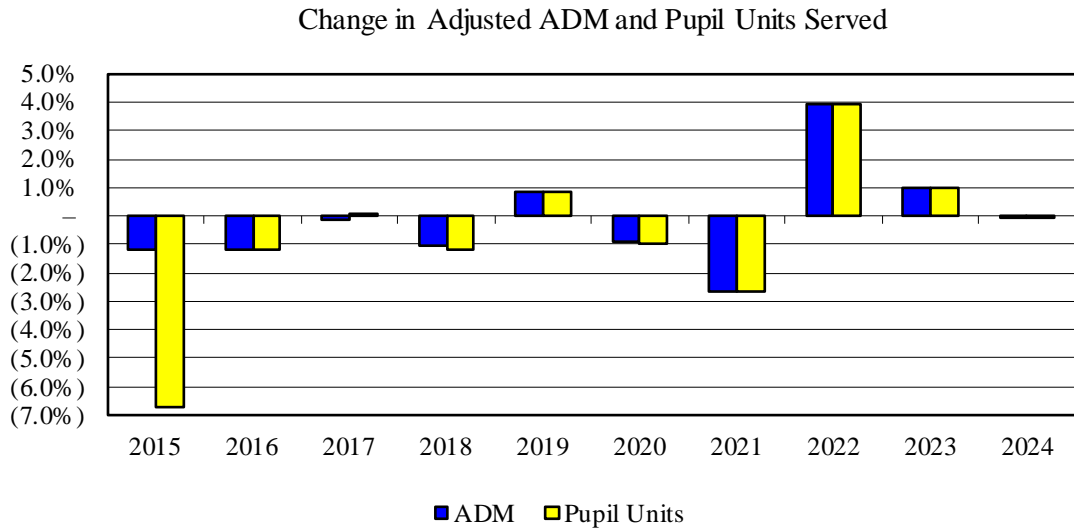
The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent of annual budgeted expenditures. At June 30, 2024, the unassigned fund balance of the General Fund was 15.2 percent of fiscal 2024 expenditures related to the unassigned fund balance category.

AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

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



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



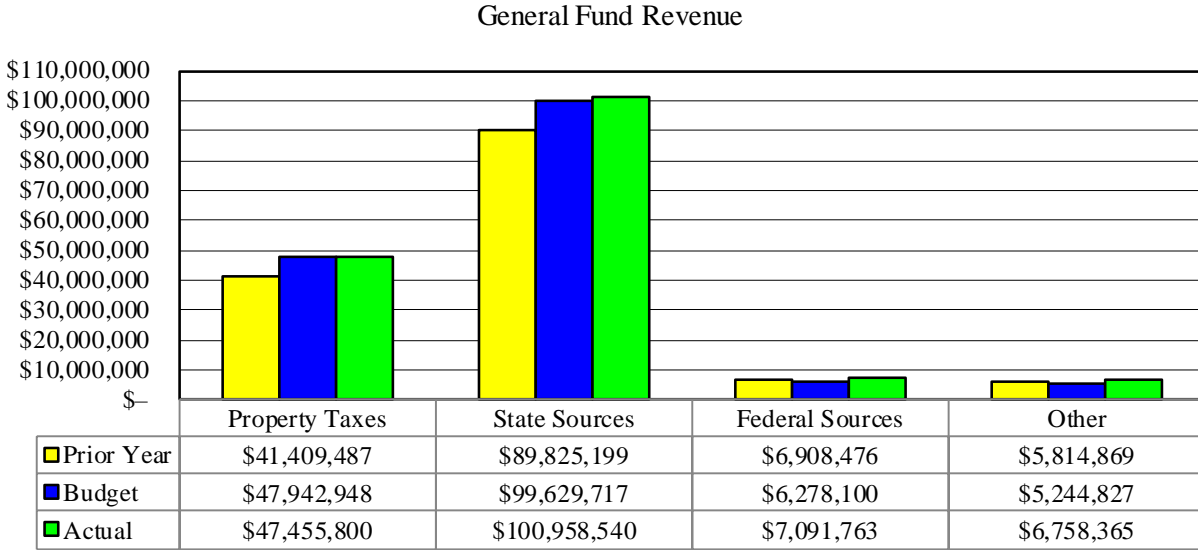
The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

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

The District served an estimated adjusted ADM of 9,021 in 2024, a decrease of 3 from the previous year. The resulting pupil units served by the District decreased by 3 to 9,910.

GENERAL FUND REVENUES

The following graph summarizes the District's General Fund revenue for 2024:

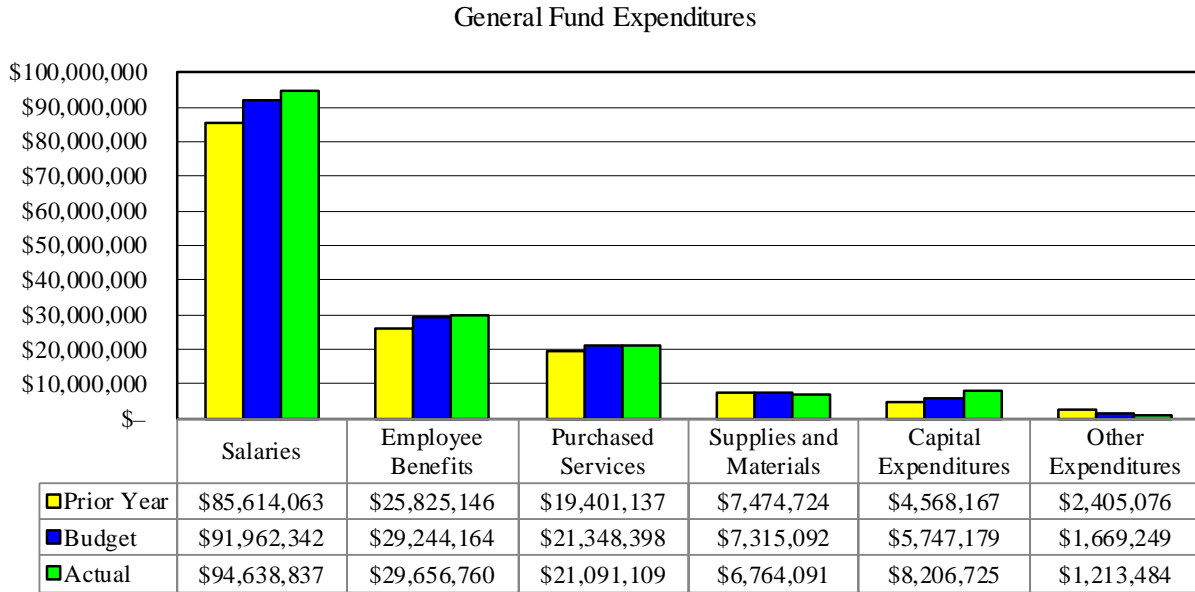


Total General Fund revenues were \$162,264,468 for the year ended June 30, 2024, which was \$3,168,876 (2.0 percent) over the final budget. Other local sources were \$1,513,538 over budget, mainly due to improved investment earnings in the current year and the District collecting more fees and charges than anticipated. State sources were over budget \$1,328,823, due to conservative budgeting in general education and special education aid.

General Fund total revenues were \$18,306,437 (12.7 percent) more than the previous year. State sources were up \$11,133,341, due to funding improvements in the basic general education formula allowance and increased special education funding. Property tax revenue increased \$6,046,313, due to the increased levy in the current year. Revenues from other local sources increased with improved investment earnings in the current year.

GENERAL FUND EXPENDITURES

The following graph summarizes the District's General Fund expenditures for 2024:

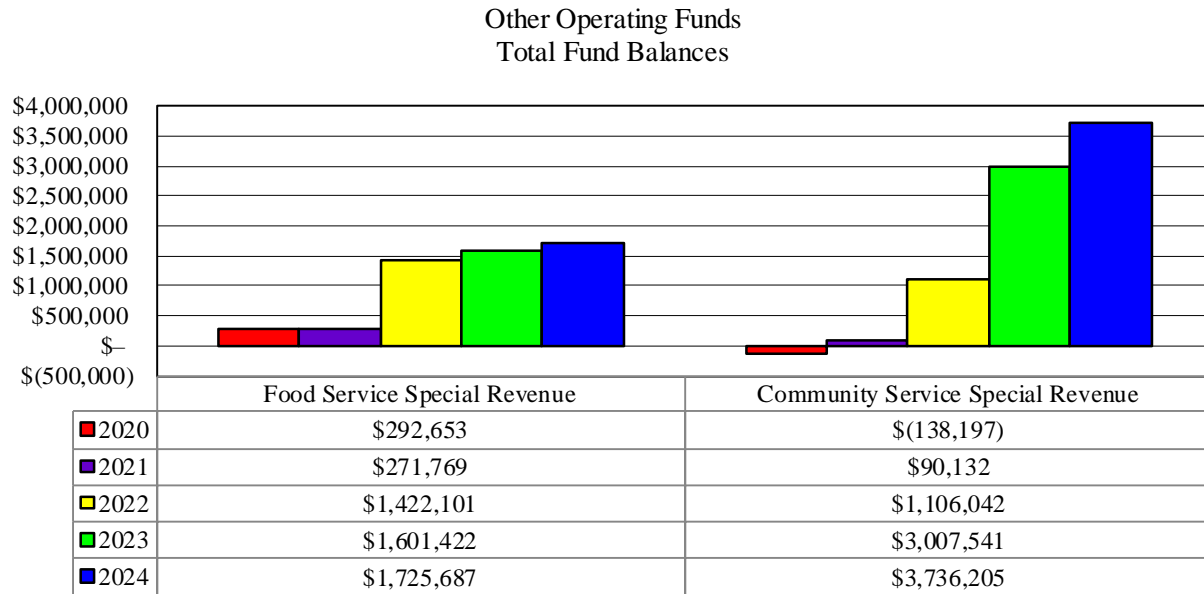


Total General Fund expenditures for 2024 were \$161,571,006, an increase of \$16,282,693 (11.2 percent) from the prior year. Personnel-related costs were \$12,856,388 (11.5 percent) higher than last year, mainly due to investments made in collectively bargained agreements, along with investment in smaller class sizes. Capital expenditures increased \$3,638,558, mainly due to increased long-term facilities maintenance costs and additional technology purchases in the current year. Purchased services expenditures were \$1,689,972 higher than the previous year, mainly due to increased transportation costs.

Total General Fund expenditures were over budget by \$4,284,582 (2.7 percent) in 2024, which was spread across several programs and object categories. Personnel-related costs were \$3,089,091 over budget, mainly due to the above referenced investments in collective bargained agreements. Capital expenditures were \$2,459,546 over budget, due to the completion of planned capital investments related to long-term facilities maintenance costs, investments in operational equipment, and technology enhancements.

OTHER FUNDS OF THE DISTRICT

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



Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund ended fiscal 2024 with a fund balance of \$1,725,687, which is an increase of \$124,265 from last year, compared to a planned fund balance increase of \$122,151. Food service revenue was \$6,749,015, which was over budget by \$778,610, mainly in state and federal sources. Total expenditures of \$6,624,750 were \$776,496 over budget, mainly in supplies and materials (including food costs) and other expenditures. Participation levels were difficult to anticipate with programming changes financing school nutrition programs contributing to the variances in revenues and expenditures compared to budget and the prior year.

Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended the year with a fund balance of \$3,736,205, an increase of \$728,664 from the prior year, compared to a budgeted increase of \$105,987. A current year transfer of \$26,524 was made from the General Fund to help support program activity in the Community Service Special Revenue Fund. Actual revenues were more than projected amounts by \$521,379, while actual expenditures were less than budget by \$74,774. Conservative budgeting for other revenue sources, primarily tuition and fees, contributed to the revenue budget variance. Expenditures were under budget, mainly in personnel costs offset by purchased services.

Over the years, we have emphasized to our clients that food service and community service operations should be self-sustaining, and should not become an additional burden on general education funds. This would include the accumulation of fund balance for future capital improvements and to provide a cushion in the event of a negative trend in operations.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund reported a fund balance increase of \$497,902 in fiscal 2024, compared to a budgeted decrease of \$3,030,944, due to the issuance of certificates of participation to finance the acquisition and betterment of school sites and facilities offset by the spend down of prior year bond proceeds. The year-end fund balance of \$13,205,535 is restricted for projects funded by certificates of participation (\$3,435,904) and restricted for long-term facilities maintenance (\$9,769,631).

Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. Fund balance decreased \$624,239 in 2024 to a year-end balance of \$1,555,504, which is restricted to the payment of outstanding debt obligations of the District.

Internal Service Funds

The internal service funds are considered proprietary funds used to account for health and dental insurance offered by the District to its employees as self-insured plans.

At June 30, 2024, the Self-Insured Dental Benefits Internal Service Fund had accumulated \$882,343 of cash and investments available to pay future dental benefits for the participating members of the District, including estimated claims payable of \$20,951 accrued at year-end. The Self-Insured Dental Benefits Internal Service Fund ended the year with a net position of \$760,708.

At June 30, 2024, the Self-Insured Health Benefits Internal Service Fund had accumulated \$9,958,771 of cash and investments available to pay future health benefits for the participating members of the District, including estimated claims payable of \$734,944 accrued at year-end. The Self-Insured Health Benefits Internal Service Fund ended the year with a net position of \$8,079,859.

Post-Employment Benefits Trust Fund

The District has established a Post-Employment Benefits Trust Fund to account for an irrevocable trust account established to finance the District's liability for post-employment healthcare benefits. At year-end, trust net position of \$15,700,351 is available for future OPEB payments.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	June 30,		
	2024	2023	Change
Net position – governmental activities			
Total fund balances – governmental funds	\$ 51,702,602	\$ 49,061,748	\$ 2,640,854
OPEB asset, net of deferments	4,853,209	4,192,217	660,992
Total capital assets, net of depreciation	151,633,859	136,921,722	14,712,137
Bonds, certificates, finance purchases and unamortized premiums/discount	(117,933,614)	(110,275,867)	(7,657,747)
Pension liability, net of deferments	(86,400,781)	(95,130,041)	8,729,260
Other adjustments	7,022,865	7,317,145	(294,280)
Total net position – governmental activities	<u>\$ 10,878,140</u>	<u>\$ (7,913,076)</u>	<u>\$ 18,791,216</u>
Net position			
Net investment in capital assets	\$ 46,484,146	\$ 41,081,927	\$ 5,402,219
Restricted	15,917,698	15,260,907	656,791
Unrestricted	<u>(51,523,704)</u>	<u>(64,255,910)</u>	<u>12,732,206</u>
Total net position	<u>\$ 10,878,140</u>	<u>\$ (7,913,076)</u>	<u>\$ 18,791,216</u>

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

Total net position increased \$18,791,216 in fiscal 2024. The District's net investment in capital assets increased \$5,402,219 this year. The change in this category of net position is typically determined by the relationship between the depreciation of capital assets and the repayment of the debt issued to construct or acquire the assets.

Restricted net position increased \$656,791, primarily in amounts restricted for food service, community service, OPEB, and other state funding restrictions.

Unrestricted net position increased \$12,732,206, mainly due to changes in the District's proportionate share of the Public Employees Retirement Association's and the Teachers Retirement Association's pension plan liabilities and related deferments.

ACCOUNTING AND AUDITING UPDATES

The following is a summary of Governmental Accounting Standards Board (GASB) standards expected to be implemented in the next few years.

GASB STATEMENT NO. 101, *COMPENSATED ABSENCES*

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

This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used, but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used, but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

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

The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB STATEMENT NO. 102, *CERTAIN RISK DISCLOSURES*

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This new guidance defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosures should include actions by the government to mitigate the risk. The requirements of this statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided.

The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

GASB STATEMENT NO. 103, *FINANCIAL REPORTING MODEL IMPROVEMENTS*

This statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

- Management's discussion and analysis
- Unusual or infrequent items
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position
- Information about major component units in basic financial statements
- Budgetary comparison information
- Financial trends information in the statistical section

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

The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Special Purpose Audit Report



EDEN PRAIRIE SCHOOLS
Inspiring each student every day

2024

Eden Prairie Schools | ³⁸⁵ISD #272 | Eden Prairie, MN
Fiscal Year Ending June 30, 2024

INDEPENDENT SCHOOL DISTRICT NO. 272
EDEN PRAIRIE, MINNESOTA

Special Purpose Audit Reports

Year Ended
June 30, 2024

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

Special Purpose Audit Reports
Year Ended June 30, 2024

Table of Contents

	Page
Schedule of Expenditures of Federal Awards	1
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2–3
Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	4–6
Independent Auditor's Report on Minnesota Legal Compliance	7–8
Schedule of Findings and Questioned Costs	9–10
Independent Auditor's Report on Uniform Financial Accounting and Reporting Standards Compliance Table	11–12
Uniform Financial Accounting and Reporting Standards Compliance Table	13–14

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures
U.S. Department of Agriculture		
Passed through Minnesota Department of Education		
Child nutrition cluster		
School Breakfast Program	10.553	\$ 310,081
National School Lunch Program	10.555	<u>2,376,571</u>
Total child nutrition cluster		\$ 2,686,652
Local Food for Schools Cooperative Agreement Program	10.185	3,903
COVID-19 – Pandemic EBT Administrative Costs	10.649	3,256
U.S. Department of the Treasury		
Passed through Minnesota Department of Education		
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	114,805
U.S. Department of Education		
Passed through Minnesota Department of Education		
Special education cluster		
Special Education Grants to States	84.027	2,256,443
Special Education Preschool Grants	84.173	<u>61,284</u>
Total special education cluster		2,317,727
Special Education – Grants for Infants and Families	84.181	86,325
Title I Grants to Local Educational Agencies	84.010	1,239,690
Supporting Effective Instruction State Grants	84.367	208,049
English Language Acquisition State Grants	84.365	127,301
Student Support and Academic Enrichment Program	84.424	76,445
Education Stabilization Fund		
COVID-19 – American Rescue Plan – Elementary and Secondary		
School Emergency Relief (ARP ESSER) Fund	84.425U	2,930,078
COVID-19 – American Rescue Plan – Elementary and Secondary		
School Emergency Relief – Homeless Children and Youth Fund	84.425W	<u>16,093</u>
Total ALN 84.425		2,946,171
Passed through Intermediate District No. 287		
Career and Technical Education – Basic Grants to States	84.048	<u>49,149</u>
Total federal awards		<u><u>\$ 9,859,473</u></u>

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: All pass-through entities listed above use the same federal Assistance Listing Number (ALN) as the federal grantors to identify these grants.

Note 3: The District did not elect to use the 10 percent de minimis indirect cost rate.

Note 4: The District had \$397,837 of noncash assistance included in the National School Lunch Program, federal ALN 10.555.

THIS PAGE INTENTIONALLY LEFT BLANK

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

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

(continued)

REPORT ON COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
November 13, 2024



PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

OPINION ON EACH MAJOR FEDERAL PROGRAM

We have audited Independent School District No. 272's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

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

BASIS FOR OPINION ON EACH MAJOR FEDERAL PROGRAM

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance requirements referred to above.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to on the previous page occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to on the previous page is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to on the previous page and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

(continued)

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise District's basic financial statements. We issued our report thereon dated November 13, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Minneapolis, Minnesota
November 13, 2024

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2024.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, we noted that the District failed to comply with provisions of the claims and disbursements section of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to the Minnesota Statutes § 6.65, insofar as they relate to accounting matters as described in the Schedule of Findings and Questioned Costs as finding 2024-001. Also, in connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, 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.

DISTRICT'S RESPONSE TO FINDING

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

(continued)

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota

November 13, 2024

INDEPENDENT SCHOOL DISTRICT NO. 272

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

A. SUMMARY OF AUDIT RESULTS

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

Financial Statements

What type of auditor's report is issued? X Unmodified
 Qualified
 Adverse
 Disclaimer

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to the financial statements noted? Yes X No

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major programs?

U.S. Department of Agriculture – Child Nutrition Cluster Unmodified
U.S. Department of Education – Title I Grants to Local Educational Agencies Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Programs tested as major programs:

Program or Cluster(s)	Federal ALN
U.S. Department of Agriculture – Child Nutrition Cluster consisting of:	
– School Breakfast Program	10.553
– National School Lunch Program	10.555
U.S. Department of Education – Title I Grants to Local Educational Agencies	84.010
Threshold for distinguishing type A and B programs.	<u>\$750,000</u>
Does the auditee qualify as a low-risk auditee? <u> X </u> Yes <u> </u> No	

INDEPENDENT SCHOOL DISTRICT NO. 272

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2024

B. FINANCIAL STATEMENT FINDINGS

None.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

D. MINNESOTA LEGAL COMPLIANCE FINDINGS

2024-001 PAYMENT OF INVOICES

Criteria – Minnesota Statutes § 471.425 requires prompt payment of local government bills within a standard payment period of thirty-five days from the receipt of goods and services, or the invoice for goods or services, for districts with governing boards that meet at least once a month. If such obligations are not paid within the appropriate time period, districts must pay interest on the unpaid obligations at the rate of 1.5 percent per month or part of a month.

Condition – Five of forty disbursements selected for testing were not paid within the required thirty-five days from the receipt of goods and services.

Questioned Costs – Not applicable.

Context – Five of forty disbursements tested were not paid within the required thirty-five-day period.

Repeat Finding – This is a current year and prior year finding.

Cause – This was an oversight by district personnel.

Effect – Independent School District No. 272 (the District) did not pay claims within the timeframe allowed by state statutes.

Recommendation – We recommend that the District review its procedures for paying invoices to ensure that all bills are paid within the statutory time limit.

View of Responsible Official and Planned Corrective Actions – The District agrees with the finding. The District will review its procedures relating to processing disbursements to ensure compliance in the future. The District has separately issued a Corrective Action Plan related to this finding.

INDEPENDENT AUDITOR'S REPORT ON
UNIFORM FINANCIAL ACCOUNTING AND
REPORTING STANDARDS COMPLIANCE TABLE

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2024.

Auditing standards referred to in the previous paragraph require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education (MDE), and is not a required part of the basic financial statements of the District. The UFARS Compliance Table 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 UFARS Compliance Table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(continued)

The purpose of this report on the UFARS Compliance Table required by the MDE is solely to describe the scope of our testing of the UFARS Compliance Table and the results of that testing based on our audit. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota

November 13, 2024

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT SCHOOL DISTRICT NO. 272

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

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		\$ 162,264,468	\$ 162,264,470	\$ (2)
Total expenditures		\$ 161,571,006	\$ 161,571,006	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 141,541	\$ 141,541	\$ –
Restricted				
401	Student activities	\$ 58,650	\$ 58,650	\$ –
402	Scholarships	\$ 22,546	\$ 22,546	\$ –
403	Staff development	\$ –	\$ –	\$ –
407	Capital projects levy	\$ 1,447,248	\$ 1,447,248	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
412	Literacy incentive aid	\$ 87,908	\$ 87,908	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
420	American Indian education aid	\$ –	\$ –	\$ –
424	Operating capital	\$ 1,646,065	\$ 1,646,065	\$ –
426	\$25 taconite	\$ –	\$ –	\$ –
427	Disabled accessibility	\$ –	\$ –	\$ –
428	Learning and development	\$ –	\$ –	\$ –
434	Area learning center	\$ –	\$ –	\$ –
435	Contracted alternative programs	\$ –	\$ –	\$ –
436	State approved alternative program	\$ –	\$ –	\$ –
438	Gifted and talented	\$ –	\$ –	\$ –
439	English learner	\$ –	\$ –	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
441	Basic skills programs	\$ –	\$ –	\$ –
443	School library aid	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
449	Safe schools levy	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459	Basic skills extended time	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ (637,169)	\$ (637,169)	\$ –
471	Student support personnel	\$ –	\$ –	\$ –
472	Medical Assistance	\$ 291,235	\$ 291,235	\$ –
464	Restricted fund balance	\$ 571,916	\$ 571,916	\$ –
475	Title VII – impact aid	\$ –	\$ –	\$ –
476	PILT	\$ –	\$ –	\$ –
Committed				
418	Committed for separation	\$ –	\$ –	\$ –
461	Committed fund balance	\$ –	\$ –	\$ –
Assigned				
462	Assigned fund balance	\$ 7,091,244	\$ 7,091,244	\$ –
Unassigned				
422	Unassigned fund balance	\$ 20,758,487	\$ 20,758,487	\$ –
Food Service				
Total revenue		\$ 6,749,015	\$ 6,749,016	\$ (1)
Total expenditures		\$ 6,624,750	\$ 6,624,750	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 158,787	\$ 158,787	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 1,566,900	\$ 1,566,900	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Community Service				
Total revenue		\$ 9,247,911	\$ 9,247,911	\$ –
Total expenditures		\$ 8,545,771	\$ 8,545,771	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 9,129	\$ 9,129	\$ –
Restricted				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ 1,341,955	\$ 1,341,955	\$ –
432	ECFE	\$ 736,182	\$ 736,182	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
444	School readiness	\$ 1,648,939	\$ 1,648,939	\$ –
447	Adult basic education	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

INDEPENDENT SCHOOL DISTRICT NO. 272

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

		Audit	UFARS	Audit – UFARS
Building Construction				
Total revenue		\$ 590,923	\$ 590,923	\$ –
Total expenditures		\$ 13,177,821	\$ 13,177,821	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
407	Capital projects levy	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ 3,435,904	\$ 3,435,904	\$ –
467	Long-term facilities maintenance	\$ 9,769,631	\$ 9,769,630	\$ 1
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Debt Service				
Total revenue		\$ 8,067,100	\$ 8,067,099	\$ 1
Total expenditures		\$ 8,691,339	\$ 8,691,339	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
425	Bond refundings	\$ –	\$ –	\$ –
433	Maximum effort loan	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 1,555,504	\$ 1,555,504	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Trust				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
401	Student activities	\$ –	\$ –	\$ –
402	Scholarships	\$ –	\$ –	\$ –
422	Net position	\$ –	\$ –	\$ –
Custodial Fund				
Total revenue		\$ 783	\$ 783	\$ –
Total expenditures		\$ 783	\$ 783	\$ –
401	Student activities	\$ –	\$ –	\$ –
402	Scholarships	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Internal Service				
Total revenue		\$ 15,062,483	\$ 15,062,483	\$ –
Total expenditures		\$ 15,060,624	\$ 15,060,623	\$ 1
422	Net position	\$ 8,840,567	\$ 8,840,567	\$ –
OPEB Revocable Trust Fund				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
422	Net position	\$ –	\$ –	\$ –
OPEB Irrevocable Trust Fund				
Total revenue		\$ 1,382,340	\$ 1,382,340	\$ –
Total expenditures		\$ 338,419	\$ 338,419	\$ –
422	Net position	\$ 15,700,351	\$ 15,700,351	\$ –
OPEB Debt Service Fund				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
425	Bond refundings	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

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

THIS PAGE INTENTIONALLY LEFT BLANK