

INDEPENDENT SCHOOL DISTRICT NO. 281  
ROBBINSDALE AREA SCHOOLS  
NEW HOPE, MINNESOTA

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024

4148 WINNETKA AVENUE NORTH  
NEW HOPE, MINNESOTA 55427-1288



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ROBBINSDALE AREA SCHOOLS  
NEW HOPE, MINNESOTA

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024

MARTI VOIGHT  
INTERIM SUPERINTENDENT OF SCHOOLS

REPORT PREPARED BY

FINANCE DEPARTMENT

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 New Hope, Minnesota  
 Annual Comprehensive Financial Report  
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INTRODUCTORY SECTION

INDEPENDENT SCHOOL DISTRICT No. 281  
ROBBINSDALE AREA SCHOOLS  
NEW HOPE, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

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## Robbinsdale Area Schools

Independent School District 281

4148 Winnetka Ave N.  
New Hope, MN 55427  
763-504-8000 | rdale.org

January 28, 2025

To: Independent School District No. 281, Robbinsdale Area Schools School Board Members,  
Citizens and Employees

### INTRODUCTION

The Annual Comprehensive Financial Report (ACFR) of Independent School District No. 281, Robbinsdale Area Schools (the district) presents the financial position of the district as of June 30, 2024, and the results of its operations for the fiscal year then ended. This report is prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. State law requires the district to publish a complete set of audited financial statements within six months of the close of the district's fiscal year.

This report consists of management's representations concerning the finances of the district. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the district has established internal controls. The internal controls are designed to protect the district's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the district's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not be more than the benefits, the district's internal controls are designed to provide reasonable, rather than absolute, assurance that these financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this ACFR is complete and reliable, in all material respects.

These financial statements have been audited by Abdo, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the district for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the district's financial statements for the fiscal year ended June 30, 2024, are fairly presented, in conformity with accounting principles generally accepted in the United States of America.

## **FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT**

The independent audit of the financial statements of the district was part of a broader, federally mandated, "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited district's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The district is also required to undergo an annual Minnesota State Legal Compliance Audit under Minnesota Statutes, Section 6.65. These reports are available in separate documents.

## **REPORT FORMAT**

The ACFR is presented in three sections: introductory, financial, and statistical. The introductory section contains this letter of transmittal, organizational chart, information on the School Board and Administration, a map of the district, and the Certificate of Excellence in Financial Reporting Award. The financial section contains the independent auditor's report, management's discussion and analysis (MD&A), basic financial statements, required supplementary information, and combining and individual fund statements and schedules presented as supplementary information. The statistical section contains supplemental financial and other statistical data, generally presented on a multi-year basis.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of the District can be found immediately following the report of the independent auditors.

## **DISTRICT GOALS**

**The Mission** of the District is to inspire and educate all learners to develop their unique potential and positively contribute to their community.

**Unified District Vision:** The district is committed to ensuring every student graduates career and college ready. We believe each student has limitless possibilities and we strive to ignite the potential in every student. We expect high intellectual performance from all our students. We are committed to ensuring an equitable and respectful educational experience for every student, family, and staff member.

## **The Unified District Vision Consists of Four Key Themes:**

- Academic Achievement
- Student Engagement and Wellness
- Collaboration and Partnerships
- Staff Investment and Impact

The School Board determines the mission and vision of the district and establishes themes. These themes are then monitored through workshops and frequent reports at public School Board meetings. The established district themes are used as guides in setting the annual superintendent goals. The School Board evaluates its performance and the performance of the superintendent annually.

The laws of the state of Minnesota give authority to the District's School Board, whose members are elected officials, to direct the district's business operations and educational functions. The School Board has the authority to levy taxes, set fees, approve budgets, and staff positions, along with other business and educational functions without prior approval from any other governmental unit. The School Board can issue debt generally with prior district voter approval. The Minnesota Department of Education (MDE) does have some minor oversight responsibility over the district that is generally related to compliance and approval of certain laws and procedures, but not substantive in nature.

The financial reporting entity includes all the funds of the primary government (the district). Component units are legally separate entities for which the district (primary government) is financially accountable. There are no organizations considered to be component units of the district.

## **LOCATION AND LEARNING ENVIRONMENT**

The district is in Hennepin County, which is one of seven counties that make up the Twin Cities metropolitan area. This seven-county area is the most populated area of Minnesota with service division jobs constituting the greatest growth of the area's employment. Within the metropolitan area, health services, business services, and retail trade are the most significant industries.

As a Minneapolis suburban school district, the district serves a general population of approximately 104,686. The geographic boundary, spanning about 32 square miles, entirely covers the cities of Crystal, New Hope, and Robbinsdale, and partially the cities of Brooklyn Center, Brooklyn Park, Golden Valley, and Plymouth. The district is Minnesota's ninth largest school district, in terms of student numbers, serving 10,589 students during the 2023–2024 school year. The enrollment reflects a decline of 169 students. The decline reflects changes in live birth rates, an aging population and expanded enrollment choice options in recent years. The district is projected to serve 10,300 students for the 2024–2025 school year based on its October 2024, enrollment.

The district owns 22 facilities and operates 24 facilities in Brooklyn Center, Crystal, Golden Valley, New Hope, Plymouth, and Robbinsdale. For the audit period covered in this report, the district operated the following configuration of buildings: 4 high schools (2 traditional high schools, an alternative high school, and a fully accredited online high school), 4 middle schools, 11 elementary schools, 2 learning centers, 1 warehouse, an administration building, and bus garage. Most of the district's facilities were originally constructed between 1954 and 1971, except for one middle school constructed in 2000 and one elementary school constructed in 2005.

The district provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through Grade 12. These include regular and enriched academic education, special education for exceptional children, and career/vocational education. Child nutrition, transportation, and before and after school care are provided as supporting programs. The district's community education program also provides early childhood and family education programs, an adult basic education program, and a myriad of classes for lifelong learning and engagement experiences for children and adults within the community.

The district is an award-winning district committed to academic excellence. We take pride in the options we provide students, families, and our community:

- The district has received the 2020 Best Communities for Music Education designation.
- Robbinsdale Cooper High School is an International Baccalaureate (IB) site. The academic curriculum of an IB site must follow an international standard and, as such, our IB diplomas are recognized world-wide.
- Robbinsdale Armstrong High School is designated as an Advanced Placement (AP) Capstone school, one of the first two schools in Minnesota to offer this program from the College Board. There is a full continuum of AP courses and one of the largest course selections in the state of Minnesota.
- The School of Engineering and Arts has received the prestigious National School of Excellence Blue Ribbon and Green Ribbon designation.
- The district has a fully authorized K–12 IB Programme, including the Primary Years, Middle Years, and Diploma Programmes. The Middle Years Programme was recognized by the international organization in Geneva for outstanding program design. The District's Middle Years Programme is the only one in Minnesota to achieve this distinction and was one of four schools chosen world-wide to be used as a model for a Harvard University publication on best practices of interdisciplinary teaching methods among IB Middle Years Programs.
- The district offers Advancement Via Individual Determination (AVID) programming in both of our middle schools and both of our high schools. This program accelerates student learning, uses research-based methods of effective instruction, raises expectations of students, and puts in place a system of supports that help students succeed.
- Students in our district regularly achieve great success in enrichment programs. We have teams in *FIRST* LEGO League and Destination Imagination that have competed in national competitions. We have students who have placed nationally in competitions, such as National History Day, and students in world language who consistently rank at the top in national exams.
- Teachers in our district have also been recognized for their dedication to excellence in teaching, representing Minnesota in national and international institutes in such areas as economics and history.

## **BUDGETARY PROCESS**

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 unrestricted revenue resources. Many 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 plan is developed as a partnership between the School Board members and the district's administration, which follows a timeline with completion and adoption in June, prior to the start of the school year.

Enrollment is a critical factor in determining funding levels. Approximately 70 percent of the General Fund revenue is enrollment driven and, as such, the administration places a high premium on enrollment projections as a determinant of both the funding and staffing levels needed for the forthcoming year. A preliminary financial forecast is prepared by the chief financial officer and staffing levels are determined, keeping the financial projection in focus. The administration then recommends staffing and other budgetary changes in line with the district's mission to the School Board for approval.

The chief financial officer has responsibility for the financial integrity of the district. 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 15,000 accounts have been defined within the district's chart of accounts. Each site and department administrator have access to the finance system to extract reports and review detailed budget activity specific to their area of responsibility.

The revenue and expenditure budgets are monitored and modified as conditions change. All revisions to the budget are approved by the School Board. The 2024 governmental funds revenue budget was \$267.0 million, and the expenditures were \$268.1 million. It is the goal of the chief financial officer to monitor these budgets for control and to submit the ACFR within 6 months of year end.

## **ECONOMIC FACTORS**

The state of Minnesota guarantees each school district a base amount of funding per pupil unit through the General Education Funding Program. This funding relationship intertwines the district's economic outlook to that of the state. The funding increases in the biennium, while modest, still fall short of the inflationary costs incurred by school districts. The basic formula allowance was increased 4.00 percent for the 2023–2024 school year.

Minnesota school districts also have the ability to raise additional revenue through voter-approved excess levy referendums. The referendum formula determines the amount of the referendum that is state aid as compared to local levy; a process called equalization. For fiscal 2024, the district had voter-approved authority of \$2,058.84 per pupil unit of excess levy authority, which raises a total of approximately \$23.7 million. Most of this revenue is provided from property taxes.

## **CONFORMANCE WITH STATE ACCOUNTING REGULATIONS**

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

## FINANCIAL POLICIES

The cash management policy of the district is to invest idle funds. Cash is invested in certificates of deposit, mutual funds, external investment pools, and interest-bearing checking accounts. Short-term borrowing, which is sometimes needed by the district, was not utilized for fiscal year 2024.

The district has adopted a formal fund balance policy that establishes the district will strive to maintain a minimum unassigned General Fund balance of 6.5 percent of the annual projected expenditures. On June 30, 2024, the unassigned fund balance of the General Fund (excluding any restricted fund balance account deficits while including fund balance assigned for subsequent year's budget) was 0.4 percent of the budgeted expenditures for the year then ended.

## AWARDS AND ACKNOWLEDGEMENTS

The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its ACFR for the fiscal year ended June 30, 2023. To be awarded a Certificate of Excellence, the district published an easily readable and efficiently organized ACFR. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Excellence is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Excellence Program's requirements, and we are submitting it to the ASBO International to determine its eligibility for another certificate.

This report could not have been completed without the dedicated services of the district's finance department. We would like to express our sincere thanks to all members of the district who assisted and contributed to the preparation of this report.

Our appreciation is also given to the School Board for its continued support in leading the district in sound and responsible financial management as well as academic excellence.

Respectfully submitted,



Kristen Hoheisel  
Chief Financial Officer



Teri Staloch  
Superintendent

Independent School District No. 281  
New Hope, Minnesota  
Board of Education and Administration For  
the Year June 30, 2024

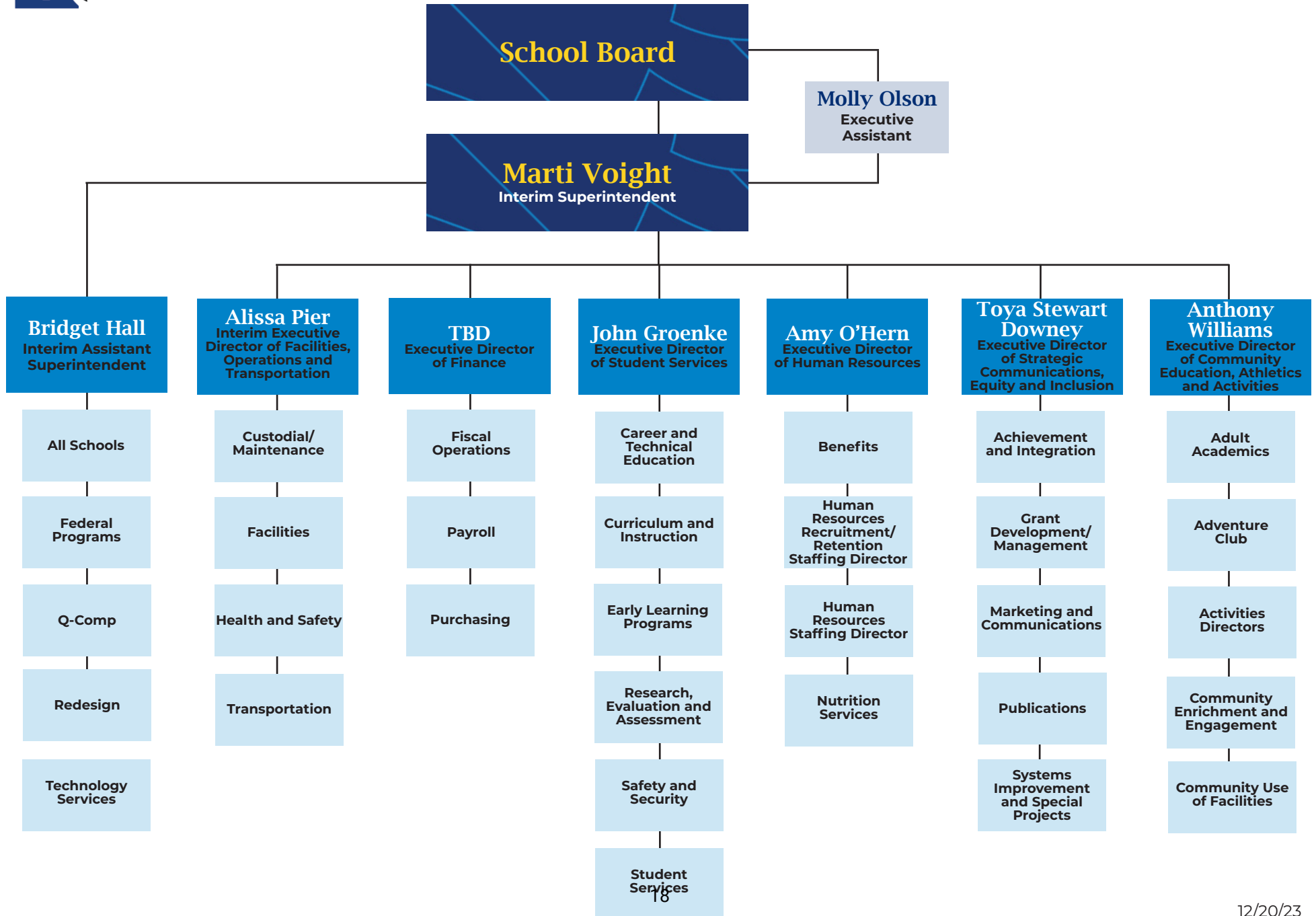
**SCHOOL BOARD**

<u>Name</u>	<u>Positions</u>
ReNae Bowman	Chair
Kim Holmes	Vice Chair
Greta Evans-Becker	Clerk
John Vento	Treasurer
Helen Bassett	Director
Sharon Brooks	Director
Caroline Long	Director

**ADMINISTRATION**

Marti Voight	Interim Superintendent
--------------	------------------------

# INTERIM SUPERINTENDENT'S ORGANIZATIONAL CHART





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Independent School District No. 281,  
Robbinsdale Area Schools**

**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

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FINANCIAL SECTION  
INDEPENDENT SCHOOL DISTRICT NO. 281  
ROBBINSDALE AREA SCHOOLS  
NEW HOPE, MINNESOTA  
FOR THE YEAR ENDED  
JUNE 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education  
Independent School District No. 281  
New Hope, Minnesota

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Independent School District No. 281 (the District), New Hope, Minnesota as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Independent School District No. 281 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 27 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, the Schedules of Funding Progress, the Schedule of Changes in the District's Net OPEB Liability (Asset) and Related Ratios, Schedule of District's Contributions and the Schedule of Investment Returns, starting on page 90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying combining and individual fund financial statements, schedules and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund financial statements, schedules and schedule of expenditures of federal awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.



### **Other Information**

Management is responsible for the other information in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statement 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



**Abdo**  
Minneapolis, Minnesota  
January 22, 2025



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## **Management's Discussion and Analysis**

As management of the Independent School District No. 281 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

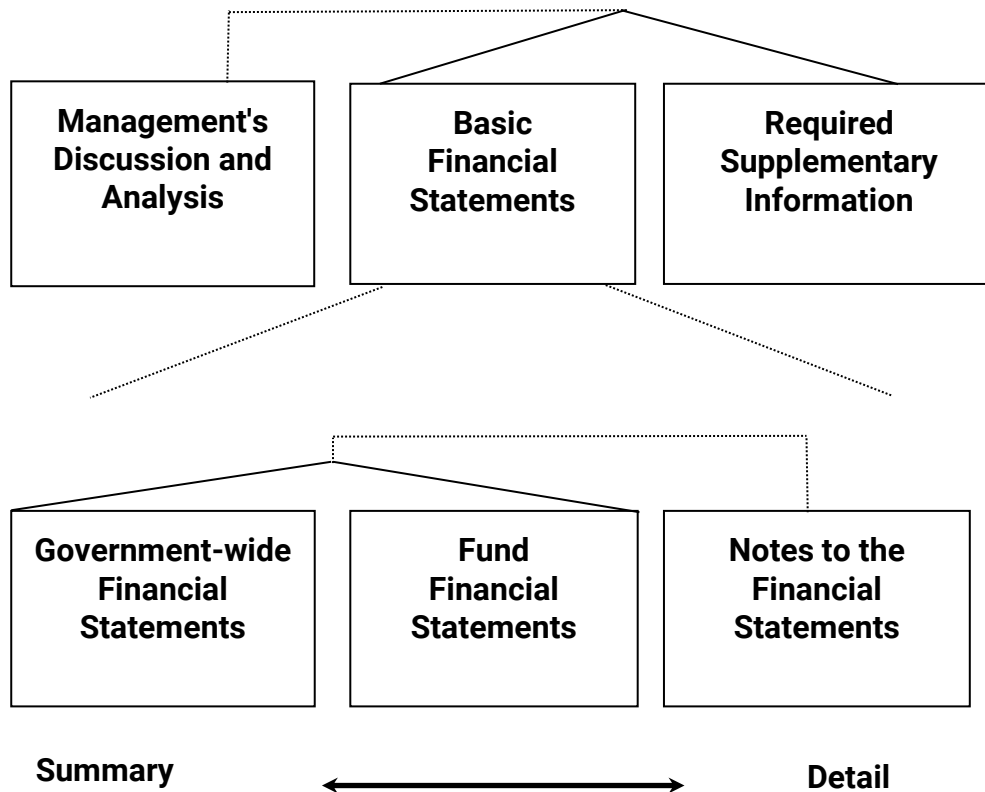
### **Financial Highlights**

- The assets and deferred outflows of resources of the District were greater than its liabilities and deferred inflows of resources of resources at the close of the most recent fiscal year.
- The District's total net position increased. This increase is largely attributable to the GASB 68 pension liability adjustment and the adjustment to the construction in progress account that was materially understated in the prior year.
- As of the close of the current fiscal year, the District's governmental fund balances are shown in the Financial Analysis of the District's fund section of the MD&A. The total fund balance decreased in comparison with the prior year. This decrease was largely due to negative budget variances in the General fund.
- At the end of the current fiscal year, unassigned fund balance for the General fund, as shown in the financial analysis of the District's funds section, decreased from prior year.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) District-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplemental information in addition to the basic financial statements themselves. The following chart shows how the various parts of this annual report are arranged and related to one another:

### Organization of Independent School District No. 281 Annual Financial Report



The following chart summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements:

**Figure 2  
Major Features of the District-wide and Fund Financial Statements**

	<b>Fund Financial Statements</b>			
	<b>District-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statements of Revenues, Expenses, and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid

**District-wide Financial Statements.** The *district-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

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

In the district-wide financial statements, the District activities are shown in one category titled "governmental activities":

- **Governmental Activities:** The District's basic services are reported here, including administration, district support services, elementary and secondary regular instruction, vocational education instruction, special education instruction, community education and services, instructional support services, pupil support services, sites and buildings, fiscal and other fixed cost programs, and interest and fiscal charges on long-term debt. Property taxes and State aids finance most of these activities.

The district-wide financial statements start on page 40 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact by the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund and Debt Service fund, both of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its General fund, Food Service fund, Community Service fund, Debt Service fund, and Building Construction fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 44 of this report.

**Proprietary Funds.** The *internal service funds* accounts for the District's self-insurance dental plan and health benefits plan. Both District and employee insurance premiums are deposited into and paid from these funds.

The basic proprietary fund financial statements start on page 115 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Custodial funds are *not* reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those whom the assets belong. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements start on page 52 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements start on page 55 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Independent School District No. 281's share of net pension liabilities (assets) for defined benefits plans, schedules of contributions, and progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found starting on page 90 of this report.

**Other Information.** The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 100 of this report.

### **District-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources as shown in the summary of net position below at the close of the most recent fiscal year.

By far, the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Independent School District No. 281's Net Position

	2024	2023	Increase (Decrease)
<b>Assets</b>			
Current and other assets	\$ 130,220,366	\$ 127,275,933	\$ 2,944,433
Capital assets	308,266,950	304,251,617	4,015,333
<b>Total Assets</b>	<b>438,487,316</b>	<b>431,527,550</b>	<b>6,959,766</b>
 Deferred Outflows of Resources	 36,604,392	 42,802,772	 (6,198,380)
<b>Liabilities</b>			
Noncurrent liabilities outstanding	353,556,012	358,444,631	(4,888,619)
Other liabilities	17,691,819	17,579,452	112,367
<b>Total Liabilities</b>	<b>371,247,831</b>	<b>376,024,083</b>	<b>(4,776,252)</b>
 Deferred Inflows of Resources	 85,134,446	 99,451,048	 (14,316,602)
<b>Net Position</b>			
Net investment in capital assets	94,003,062	102,505,704	(8,502,642)
Restricted	27,645,249	19,107,831	8,537,418
Unrestricted	(102,938,880)	(122,758,344)	19,819,464
<b>Total Net Position</b>	<b>\$ 18,709,431</b>	<b>\$ (1,144,809)</b>	<b>\$ 19,854,240</b>
 <b>Net Position as a Percent of Total Net Investment in</b>			
Capital Assets	502.4 %	(8,954.0) %	
Restricted	147.8	(1,669.1)	
Unrestricted	(550.2)	10,723.1	
	<b>100.0 %</b>	<b>100.0 %</b>	

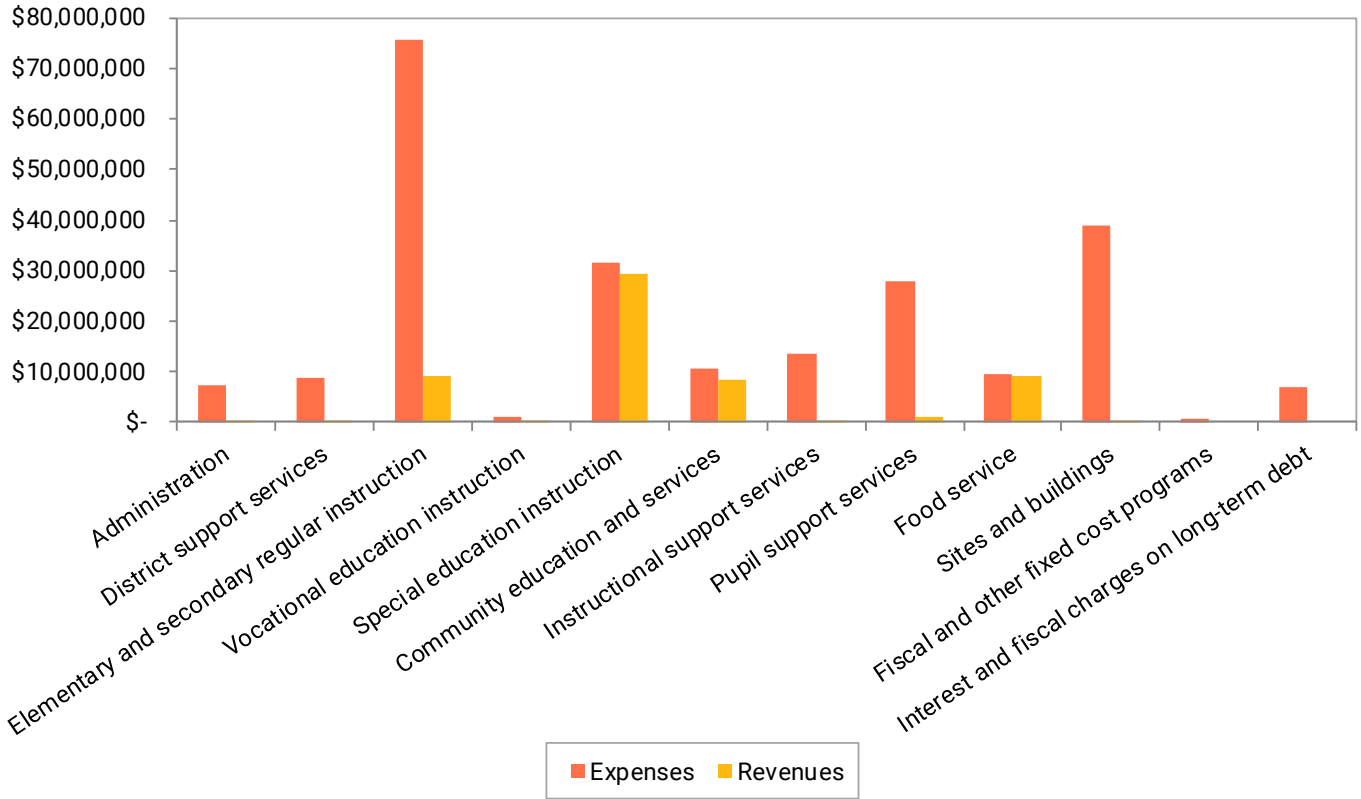
At the end of the current fiscal year, the District is able to report positive balances in two categories of net position with the unrestricted balance reporting a deficit as shown above.

**Governmental Activities.** Governmental activities increased the District’s net position as shown below in the summary of changes in net position. Key elements of this increase are shown in the table below.

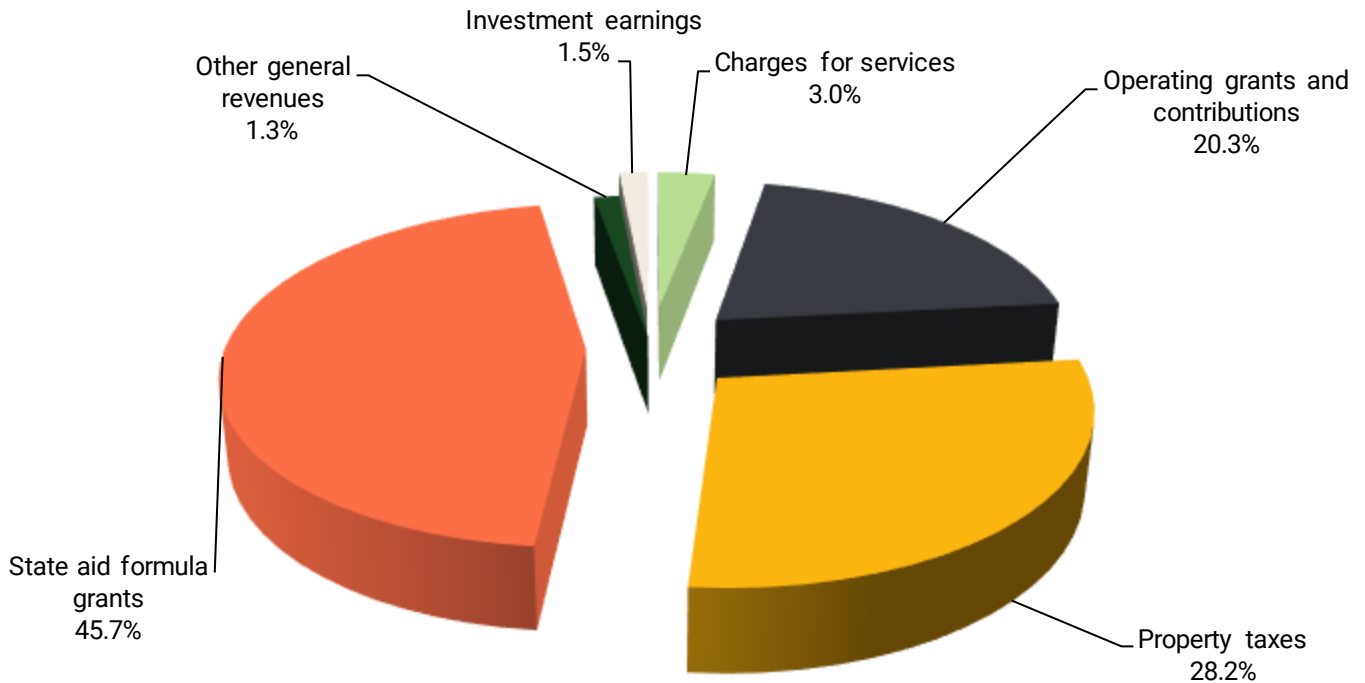
### Independent School District No. 281’s Changes in Net Position

	2024	2023	Increase (Decrease)
Revenues			
Program Revenues			
Charges for services	\$ 7,509,828	\$ 7,715,184	\$ (205,356)
Operating grants and contributions	50,300,968	34,457,865	15,843,103
General Revenues			
Property taxes	69,811,917	67,238,749	2,573,168
State aid-formula grants	113,173,344	120,609,840	(7,436,496)
Other	7,024,827	4,058,843	2,965,984
Total Revenues	<u>247,820,884</u>	<u>234,080,481</u>	<u>13,740,403</u>
Expenses			
Administration	7,397,397	6,341,329	1,056,068
District support services	8,788,541	7,642,191	1,146,350
Elementary and secondary regular instruction	75,652,036	64,957,769	10,694,267
Vocational education instruction	1,214,561	940,887	273,674
Special education instruction	31,390,605	24,573,782	6,816,823
Community education and services	10,472,210	9,682,718	789,492
Instructional support services	13,713,275	12,247,396	1,465,879
Pupil support services	27,945,670	23,397,500	4,548,170
Food service	9,536,206	7,238,539	2,297,667
Sites and buildings	38,878,593	44,587,236	(5,708,643)
Fiscal and other fixed cost programs	600,584	591,978	8,606
Interest and fiscal charges on long-term debt	6,793,800	5,490,978	1,302,822
Total Expenses	<u>232,383,478</u>	<u>207,692,303</u>	<u>24,691,175</u>
Change in Net Position	15,437,406	26,388,178	(10,950,772)
Net Position, July 1	(1,144,809)	(27,532,987)	26,388,178
Error Correction (Note 7)	4,416,834	-	4,416,834
Net Position, June 30	<u>\$ 18,709,431</u>	<u>\$ (1,144,809)</u>	<u>\$ 19,854,240</u>

## Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities



## Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** 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 spending at the end of the fiscal year.

	General Fund	Debt Service	Building Construction	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances							
Nonspendable	\$ 358,405	\$ -	\$ -	\$ 73,317	\$ 431,722	\$ 1,140,184	\$ (708,462)
Restricted	10,708,014	1,711,412	12,624,806	8,019,982	33,064,214	29,274,623	3,789,591
Assigned	1,354,137	-	-	-	1,354,137	1,734,895	(380,758)
Unassigned	(666,485)	-	-	-	(666,485)	5,644,195	(6,310,680)
	<u>\$ 11,754,071</u>	<u>\$ 1,711,412</u>	<u>\$ 12,624,806</u>	<u>\$ 8,093,299</u>	<u>\$ 34,183,588</u>	<u>\$ 37,793,897</u>	<u>\$ (3,610,309)</u>

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances shown above. Additional information on the District's fund balance can be found in Note 1 and Note 3.

The General fund is the chief operating fund of the District. At the end of the current year, unassigned fund balance of the General fund was (\$666,485), while total fund balance was \$11,754,071. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents (0.32) percent of expenditures while total fund balance represents 5.6 percent of that same amount.

### General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues	\$ 202,324,363	\$ 204,236,426	\$ 202,408,819	\$ (1,827,607)
Expenditures	<u>201,529,331</u>	<u>206,064,437</u>	<u>210,050,185</u>	<u>(3,985,748)</u>
Excess (deficiency) of revenues over (under) expenditures	795,032	(1,828,011)	(7,641,366)	(5,813,355)
Other financing sources				
Sale of capital assets	-	1,500	1,773	273
Insurance recovery	-	-	53,002	53,002
Lease issued	-	-	1,050,060	1,050,060
Total Other Financing Sources	<u>-</u>	<u>1,500</u>	<u>1,104,835</u>	<u>1,103,335</u>
Net Change in Fund Balances	795,032	(1,826,511)	(6,536,531)	(4,710,020)
Fund Balances, July 1	<u>18,290,602</u>	<u>18,290,602</u>	<u>18,290,602</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 19,085,634</u>	<u>\$ 16,464,091</u>	<u>\$ 11,754,071</u>	<u>\$ (4,710,020)</u>

Over the course of the year the District revised their budget. The original budget called for a \$795,032 increase in fund balance. The final budget also called for a decrease in fund balance of \$1,826,511. Revenues were \$1,827,607 under the final budget and expenditures were \$3,985,748 over the final budget. Fund balance decreased \$6,536,531.

- The deficiency of revenues under budgeted revenues was mostly due to lower than budgeted receipts from property tax levies.
- The excess of expenditures over budgeted expenditures was mostly due to payroll costs exceeding budgeted amounts in various programs, as well as transportation contracts.

### Capital Asset and Debt Administration

**Capital Assets.** The District’s investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$308,226,950 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements and machinery and equipment. The following is a schedule of capital assets as of June 30, 2024.

#### Independent School District No. 281’s Capital Assets (Net of Depreciation)

	2024	2023	Increase (Decrease)
Land	\$ 1,218,930	\$ 1,218,930	\$ -
Construction in Progress	9,740,707	9,507,107	233,600
Buildings and Improvements	4,512,709	4,323,134	189,575
Equipment	12,797,317	8,639,015	4,158,302
Building (right to use)	272,472,426	271,925,874	546,552
Equipment (right to use)	-	160,869	(160,869)
Vehicles (right to use)	7,524,861	8,476,688	(951,827)
<b>Total</b>	<b><u>\$ 308,266,950</u></b>	<b><u>\$ 304,251,617</u></b>	<b><u>\$ 4,015,333</u></b>

Additional information on the District’s capital assets can be found in Note 3D on page 67 of this report.

**Long-term Debt.** At the end of the current fiscal year, the District’s long-term liabilities consisted of general obligation bonds, capital leases and severance payable. Balances of the liabilities are shown below.

#### Independent School District No. 281’s Outstanding Debt General Obligation Bonds and Liabilities

	2024	2023	Increase (Decrease)
General obligation bonds	\$ 192,195,000	\$ 188,495,000	\$ 3,700,000
Certificates of participation	4,820,000	5,440,000	(620,000)
Bond premium	8,712,672	9,099,167	(386,495)
Financed purchase	2,886,078	2,358,554	527,524
Lease Payable	7,979,865	8,893,597	(913,732)
Compensated absences payable	1,240,561	1,543,846	(303,285)
Severance payable	1,339,749	1,529,845	(190,096)
<b>Total</b>	<b><u>\$ 219,173,925</u></b>	<b><u>\$ 217,360,009</u></b>	<b><u>\$ 1,813,916</u></b>

The District’s total long-term debt increased \$1,813,916. The main reason for the increase was due to bond and finance purchase issuances.

Additional information on the District’s long-term debt can be found in Note 3E starting on page 68 of this report.

## **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Superintendent, Independent School District No. 281, 4148 Winnetka, New Hope, Minnesota 55427.

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DISTRICT-WIDE FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 281  
ROBBINSDALE AREA SCHOOLS  
NEW HOPE, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

Independent School District No. 281  
New Hope, Minnesota  
Statement of Net Position  
For the Year Ended June 30, 2024

	Governmental Activities
<b>Assets</b>	
Cash and temporary investments	\$ 59,995,471
Receivables	
Taxes	38,494,577
Accounts	1,786,781
Due from other governments	839,658
Due from Department of Education	14,672,543
Due from Federal Government	7,100,921
Due from post-employment benefits trust	1,643,605
Inventory	333,633
Prepaid items	98,089
Net other post employment benefit asset	5,255,088
Capital assets	
Land and construction in progress	10,959,637
Buildings, improvements and equipment (net of accumulated depreciation / amortization)	297,307,313
Total Assets	438,487,316
<b>Deferred Outflows of Resources</b>	
Deferred pension resources	35,688,824
Deferred other post employment benefit resources	915,568
Total Deferred Outflows of Resources	36,604,392
<b>Liabilities</b>	
Salaries and wages payable	5,776,869
Accounts and other payables	7,920,837
Accrued interest payable	2,998,474
Due to other governments	699,051
Unearned revenue	296,588
Noncurrent liabilities	
Due within one year	
Long-term liabilities	18,469,456
Due in more than one year	
Long-term liabilities	200,945,229
Net pension liability	134,141,327
Total Liabilities	371,247,831
<b>Deferred Inflows of Resources</b>	
Property taxes levied for subsequent year	75,873,133
Deferred pension resources	8,450,119
Deferred other post employment benefit resources	811,194
Total Deferred Inflows of Resources	85,134,446
<b>Net Position</b>	
Net investment in capital assets	94,003,062
Restricted for	
Educational purposes	10,708,014
Food service	4,598,310
Community service	3,507,120
Capital asset acquisition	8,831,805
Unrestricted	(102,938,880)
Total Net Position	\$ 18,709,431

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281

New Hope, Minnesota

Statement of Activities

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Administration	\$ 7,397,397	\$ 328	\$ -	\$ -	\$ (7,397,069)
District support services	8,788,541	77,724	-	-	(8,710,817)
Elementary and secondary regular instruction	75,652,036	839,170	8,338,901	-	(66,473,965)
Vocational education instruction	1,214,561	-	23,806	-	(1,190,755)
Special education instruction	31,390,605	7,117	29,448,170	-	(1,935,318)
Community education and services	10,472,210	4,172,967	4,208,671	-	(2,090,572)
Instructional support services	13,713,275	69,629	200,331	-	(13,443,315)
Pupil support services	27,945,670	157,435	935,073	-	(26,853,162)
Food service	9,536,206	2,149,691	7,146,016	-	(240,499)
Sites and buildings	38,878,593	35,767	-	-	(38,842,826)
Fiscal and other fixed cost programs	600,584	-	-	-	(600,584)
Interest and fiscal charges on long term debt	6,793,800	-	-	-	(6,793,800)
<b>Total Governmental Activities</b>	<b>\$ 232,383,478</b>	<b>\$ 7,509,828</b>	<b>\$ 50,300,968</b>	<b>\$ -</b>	<b>(174,572,682)</b>
General Revenues					
Taxes					
Property taxes, levied for general purpose					46,802,266
Property taxes, levied for community service					1,676,849
Property taxes, levied for debt service					21,332,802
State aid-formula grants					113,173,344
Other general revenues					3,154,137
Investment earnings					3,815,915
Insurance recovery					53,002
Sale of capital assets					1,773
<b>Total General Revenues</b>					<b>190,010,088</b>
Change in Net Position					15,437,406
Net Position, July 1					(1,144,809)
Error Correction (Note 7)					4,416,834
<b>Net Position, June 30</b>					<b>\$ 18,709,431</b>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
ROBBINSDALE AREA SCHOOLS  
NEW HOPE, MINNESOTA  
  
FOR THE YEAR ENDED  
JUNE 30, 2024

Independent School District No. 281

New Hope, Minnesota

Balance Sheet

Governmental Funds

For the Year Ended June 30, 2024

	General	Debt Service	Building Construction	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and temporary investments	\$ 21,389,727	\$ 13,289,306	\$ 14,093,630	\$ 8,637,092	\$ 57,409,755
Receivables					
Taxes	25,399,875	11,880,925	-	1,213,777	38,494,577
Accounts	1,469,447	-	-	317,334	1,786,781
Due from other government	813,514	-	-	26,144	839,658
Due from Department of Education	14,177,108	90,010	-	405,425	14,672,543
Due from Federal Government	6,424,097	-	-	676,824	7,100,921
Due from post-employment benefits trust	1,643,605	-	-	-	1,643,605
Inventory	260,911	-	-	72,722	333,633
Prepaid items	97,494	-	-	595	98,089
<b>Total Assets</b>	<b>\$ 71,675,778</b>	<b>\$ 25,260,241</b>	<b>\$ 14,093,630</b>	<b>\$ 11,349,913</b>	<b>\$ 122,379,562</b>
<b>Liabilities</b>					
Salaries and wages payable	\$ 5,495,052	\$ -	\$ 5,550	\$ 276,267	\$ 5,776,869
Severance payable	240,760	-	-	-	240,760
Accounts and other payables	3,133,022	475	1,463,274	291,536	4,888,307
Due to other governments	698,522	-	-	529	699,051
Unearned revenue	16,875	-	-	279,713	296,588
<b>Total Liabilities</b>	<b>9,584,231</b>	<b>475</b>	<b>1,468,824</b>	<b>848,045</b>	<b>11,901,575</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - delinquent property taxes	278,845	130,290	-	12,131	421,266
Property taxes levied for subsequent year	50,058,631	23,418,064	-	2,396,438	75,873,133
<b>Total Deferred Inflows of Resources</b>	<b>50,337,476</b>	<b>23,548,354</b>	<b>-</b>	<b>2,408,569</b>	<b>76,294,399</b>
<b>Fund Balances</b>					
Nonspendable	358,405	-	-	73,317	431,722
Restricted	10,708,014	1,711,412	12,624,806	8,019,982	33,064,214
Assigned	1,354,137	-	-	-	1,354,137
Unassigned	(666,485)	-	-	-	(666,485)
<b>Total Fund Balances</b>	<b>11,754,071</b>	<b>1,711,412</b>	<b>12,624,806</b>	<b>8,093,299</b>	<b>34,183,588</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 71,675,778</b>	<b>\$ 25,260,241</b>	<b>\$ 14,093,630</b>	<b>\$ 11,349,913</b>	<b>\$ 122,379,562</b>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281

New Hope, Minnesota

Reconciliation of the Balance Sheet

to the Statement of Net Position

Governmental Funds

For the Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of net position are different because

Total Fund Balances - Governmental Funds	\$ 34,183,588
Long-term assets from net other post employment benefits reported in governmental activities are not financial resources and therefore are not reported as assets in the funds.	5,255,088
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	611,950,693
Less: accumulated depreciation / amortization	(303,683,743)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities assets in the funds.	
Noncurrent liabilities assets at year-end consist of	
Compensated absences	(1,240,561)
Severance payable	(1,339,749)
Leases payable	(10,865,943)
Bonds payable	(197,015,000)
Bond premium net of accumulated amortization	(8,712,672)
Net pension liability	(134,141,327)
Internal service funds are used by management to charge the cost of dental premiums to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(446,814)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	421,266
Governmental funds do not report long-term amounts due for other post employment benefits.	
Deferred outflows of other post employment benefits	915,568
Deferred inflows of other post employment benefits	(811,194)
Governmental funds do not report long-term amounts due for pensions.	
Deferred outflows of pension resources	35,688,824
Deferred inflows of pension resources	(8,450,119)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(2,998,474)</u>
Total Net Position - Governmental Activities	<u>\$ 18,709,431</u>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281

New Hope, Minnesota

Statement of Revenues, Expenditures and  
Changes in Fund Balances Governmental  
Funds

For the Year Ended June 30, 2024

	General	Debt Service	Building Construction	Other Governmental Funds	Total
<b>Revenues</b>					
Local property tax levies	\$ 46,820,022	\$ 21,332,752	\$ -	\$ 1,676,849	\$ 69,829,623
Other local and county revenue					
Investment earnings	939,999	466,755	826,545	414,779	2,648,078
Other	5,219,250	-	60,210	5,305,316	10,584,776
Revenue from state sources	138,778,005	900,097	-	5,560,478	145,238,580
Revenue from federal sources	10,651,543	-	-	7,628,761	18,280,304
<b>Total Revenues</b>	<b>202,408,819</b>	<b>22,699,604</b>	<b>886,755</b>	<b>20,586,183</b>	<b>246,581,361</b>
<b>Expenditures</b>					
<b>Current</b>					
Administration	8,257,077	-	-	-	8,257,077
District support services	7,758,732	-	-	-	7,758,732
Elementary and secondary regular instruction	86,585,538	-	-	-	86,585,538
Vocational education instruction	1,415,984	-	-	-	1,415,984
Special education instruction	35,503,067	-	-	-	35,503,067
Community education and services	28,281	-	-	10,955,114	10,983,395
Instructional support services	15,693,705	-	-	-	15,693,705
Pupil support services	28,240,764	-	-	8,931,586	37,172,350
Sites and buildings	16,776,162	-	1,072,736	-	17,848,898
Fiscal and other fixed cost programs	577,621	-	-	-	577,621
<b>Total current</b>	<b>200,836,931</b>	<b>-</b>	<b>1,072,736</b>	<b>19,886,700</b>	<b>221,796,367</b>
<b>Capital outlay</b>					
District support services	3,875,435	-	-	-	3,875,435
Elementary and secondary regular instruction	1,017,784	-	-	-	1,017,784
Vocational education instruction	6,553	-	-	-	6,553
Special education instruction	252,822	-	-	-	252,822
Community education and services	-	-	-	31,290	31,290
Instructional support services	86,318	-	-	-	86,318
Pupil support services	1,522,795	-	-	604,620	2,127,415
Sites and buildings	555,055	-	16,124,271	-	16,679,326
<b>Total capital outlay</b>	<b>7,316,762</b>	<b>-</b>	<b>16,124,271</b>	<b>635,910</b>	<b>24,076,943</b>
<b>Debt service</b>					
Principal	1,277,704	16,180,000	-	-	17,457,704
Interest and other	618,788	6,766,944	-	-	7,385,732
Bond issuance costs	-	10,938	360,830	-	371,768
<b>Total debt service</b>	<b>1,896,492</b>	<b>22,957,882</b>	<b>360,830</b>	<b>-</b>	<b>25,215,204</b>
<b>Total Expenditures</b>	<b>210,050,185</b>	<b>22,957,882</b>	<b>17,557,837</b>	<b>20,522,610</b>	<b>271,088,514</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(7,641,366)</b>	<b>(258,278)</b>	<b>(16,671,082)</b>	<b>63,573</b>	<b>(24,507,153)</b>
<b>Other Financing Sources</b>					
Sale of capital assets	1,773	-	-	-	1,773
Bonds issued	-	-	19,260,000	-	19,260,000
Premium on bonds issued	-	-	532,009	-	532,009
Lease issued	1,050,060	-	-	-	1,050,060
Insurance Recovery	53,002	-	-	-	53,002
<b>Total Other Financing Sources</b>	<b>1,104,835</b>	<b>-</b>	<b>19,792,009</b>	<b>-</b>	<b>20,895,071</b>
<b>Net Change in Fund Balances</b>	<b>(6,536,531)</b>	<b>(258,278)</b>	<b>3,120,927</b>	<b>63,573</b>	<b>(3,610,309)</b>
<b>Fund Balances, July 1</b>	<b>18,290,602</b>	<b>1,969,690</b>	<b>9,503,879</b>	<b>8,029,726</b>	<b>37,793,897</b>
<b>Fund Balances, June 30</b>	<b>\$ 11,754,071</b>	<b>\$ 1,711,412</b>	<b>\$ 12,624,806</b>	<b>\$ 8,093,299</b>	<b>\$ 34,183,588</b>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281  
 New Hope, Minnesota  
 Reconciliation of the Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 to the Statement of Activities  
 Governmental Funds  
 For the Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because

Total Net Change in Fund Balances - Governmental Funds	\$ (3,610,309)
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Capital outlay	22,360,653
Depreciation/amortization	(22,601,285)
<p>Governmental funds report a gain (loss) on sale of capital assets to the extent of cash exchanged, whereas the disposition of the assets book value is included in the total gain (loss) in the statement of activities.</p>	
Book value of disposal of capital assets	(160,869)
Leased asset disposal	158,564
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts below are the effects of these differences in the treatment of long-term debt and related items.</p>	
Principal repayments on bonds	16,180,000
Principal repayments on financed purchase agreements	522,536
Issuance of long-term debt	(20,310,060)
Lease payments	755,168
Premium on issuance of long-term debt	(532,009)
Amortization of bond premiums, discounts, and gain on refunded debt	918,504
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	(53,037)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	21,322,718
Direct aid contributions	1,108,928
<p>Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.</p>	
	(17,756)
<p>Internal service funds are used by management to charge the costs of dental premiums to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>	
	(577,470)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	493,381
Other post employment benefits	(520,251)
	\$ 15,437,406
Change in Net Position - Governmental Activities	\$ 15,437,406

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281  
New Hope, Minnesota  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
General Fund  
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Local property tax levies	\$ 48,846,655	\$ 48,846,655	\$ 46,820,022	\$ (2,026,633)
Other local and county revenue				
Investment earnings (loss)	50,000	813,560	939,999	126,439
Other	4,569,267	5,173,875	5,219,250	45,375
Revenue from state sources	137,563,633	139,081,313	138,778,005	(303,308)
Revenue from federal sources	11,294,808	10,321,023	10,651,543	330,520
<b>Total Revenues</b>	<u>202,324,363</u>	<u>204,236,426</u>	<u>202,408,819</u>	<u>(1,827,607)</u>
<b>Expenditures</b>				
<b>Current</b>				
Administration	8,024,317	8,631,061	8,257,077	373,984
District support services	13,856,738	7,931,972	7,758,732	173,240
Elementary and secondary regular instruction	86,481,778	87,350,720	86,585,538	765,182
Vocational education instruction	1,225,572	1,481,303	1,415,984	65,319
Special education instruction	34,076,169	33,996,869	35,503,067	(1,506,198)
Community education and services	-	2,500	28,281	(25,781)
Instructional support services	12,383,570	15,447,742	15,693,705	(245,963)
Pupil support services	20,865,279	25,639,511	28,240,764	(2,601,253)
Sites and buildings	14,408,823	16,526,288	16,776,162	(249,874)
Fiscal and other fixed cost programs	684,369	1,507,234	577,621	929,613
<b>Total current</b>	<u>192,006,615</u>	<u>198,515,200</u>	<u>200,836,931</u>	<u>(2,321,731)</u>
<b>Capital outlay</b>				
District support services	4,390,388	2,523,841	3,013,433	(1,351,594)
Elementary and secondary regular instruction	447,178	893,295	1,017,784	(124,489)
Vocational education instruction	-	-	6,553	(6,553)
Special education instruction	111,143	337,342	252,822	84,520
Instructional support services	3,000	28,375	86,318	(57,943)
Pupil support services	-	473,000	1,522,795	(1,049,795)
Sites and buildings	2,143,959	544,029	555,055	(11,026)
<b>Total capital outlay</b>	<u>7,095,668</u>	<u>4,799,882</u>	<u>7,316,762</u>	<u>(2,516,880)</u>
<b>Debt service</b>				
Principal	1,896,524	2,376,586	1,277,704	1,098,882
Interest and other	530,524	372,769	618,788	(246,019)
<b>Total debt service</b>	<u>2,427,048</u>	<u>2,749,355</u>	<u>1,896,492</u>	<u>852,863</u>
<b>Total Expenditures</b>	<u>201,529,331</u>	<u>206,064,437</u>	<u>210,050,185</u>	<u>(3,985,748)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>795,032</u>	<u>(1,828,011)</u>	<u>(7,641,366)</u>	<u>(5,813,355)</u>
<b>Other Financing Source</b>				
Sale of capital assets	-	1,500	1,773	273
Insurance recovery	-	-	53,002	53,002
Lease issued	-	-	1,050,060	1,050,060
<b>Total Other Financing Sources</b>	<u>-</u>	<u>1,500</u>	<u>1,104,835</u>	<u>1,103,335</u>
<b>Net Change in Fund Balances</b>	795,032	(1,826,511)	(6,536,531)	(4,710,020)
Fund Balances, July 1	18,290,602	18,290,602	18,290,602	-
Fund Balances, June 30	<u>\$ 19,085,634</u>	<u>\$ 16,464,091</u>	<u>\$ 11,754,071</u>	<u>\$ (4,710,020)</u>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281  
New Hope, Minnesota  
Statement of Net Position  
Internal Service Funds  
For the Year Ended June 30, 2024

Current Assets	
Cash and temporary investments	\$ 2,585,716
Current Liabilities	
Claims payable	<u>3,032,530</u>
Net Position	
Unrestricted	<u><u>\$ (446,814)</u></u>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281  
New Hope, Minnesota  
Statement of Revenues, Expenses and Changes in Net Position  
Internal Service Funds  
For the Year Ended June 30, 2024

Operating Revenues		
Charges to other funds		
Contributions from governmental funds		\$ 21,858,744
<hr/>		
Operating Expenses		
Dental Benefit Claims		1,321,789
Health Benefit Claims		21,208,001
Total operating expenses		<u>22,529,790</u>
Operating Loss		(671,046)
Nonoperating Revenues		
Interest earned on investments		<u>93,576</u>
Change in Net Position		(577,470)
Net Position, July 1		<u>130,656</u>
Net Position, June 30		<u><u>\$ (446,814)</u></u>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281

New Hope, Minnesota  
 Statement of Cash Flows  
 Internal Service Funds  
 For the Year Ended June 30, 2024

Cash Flows from Operating Activities	
Receipts from interfund premiums	\$ 21,858,744
Payments for dental claims	(1,319,107)
Payments for health claims	<u>(20,640,042)</u>
Net Cash Provided (Used) by Operating Activities	(100,405)
Cash Flows from Investing Financing Activities	
Interest received on investments	<u>93,576</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,829)
Cash and Cash Equivalents, July 1	<u>2,592,545</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 2,585,716</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating income (loss)	\$ (671,046)
Adjustments to reconcile operating income to net cash	
provided (used) by operating activities	
(Increase) Decrease in liabilities	
Accounts payable	<u>570,641</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (100,405)</u></u>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281  
New Hope, Minnesota  
Statement of Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2024

	<u>Other Post Employee Benefit Trust Funds</u>
Assets	
Investments	
Mutual funds	\$ 14,109,443
Liabilities	
Due to other funds	<u>1,643,605</u>
Net Position	
Held in trust for employee benefits	<u>\$ 12,465,838</u>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281  
 New Hope, Minnesota  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Year Ended June 30, 2024

	<u>Other Post Employee Benefit Trust Funds</u>
Additions	
Investment earnings	\$ 1,131,424
Less: investment costs	<u>(34,699)</u>
Net investment income	<u>1,096,725</u>
 Deductions	
Retirement benefits	<u>1,643,605</u>
 Change in Net Position	 (546,880)
 Net Position, July 1	 <u>13,012,718</u>
 Net Position, June 30	 <u>\$ 12,465,838</u>

The notes to the financial statements are an integral part of this statement.

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# Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

## Note 1: Summary of Significant Accounting Policies

### A. Reporting Entity

Independent School District No. 281 (the District), New Hope, Minnesota was incorporated under the laws of the State of Minnesota (the State). The District operates under a Board of Education form of government for the purpose of providing educational services to individuals within the area. Located in Hennepin County, the District serves pre-kindergarten through Grade 12 students in all or parts of the cities of Brooklyn Center, Brooklyn Park, Crystal, Golden Valley, New Hope, Plymouth, and Robbinsdale. The District is governed by an elected Board of Education of seven members. The District has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The District has no component units that meet the GASB criteria.

### B. District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. State revenue is recognized in the year to which it applies according to Minnesota statutes and accounting principles generally accepted in the United States of America. Minnesota statutes include State aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure was made. Other revenue is considered available if collected within one year.

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Description of Funds***

The various District funds have been established by the State of Minnesota Department of Education. Each fund is accounted for as an independent entity. Descriptions of the funds included in this report are as follows:

***Major Governmental Funds***

The *General fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Debt Service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The other post-employment benefits (OPEB) debt service account is used for OPEB bond issues. The regular debt service account is used for all other general obligation bonds debt service.

The *Building Construction fund* accounts for the financial resources used for the acquisition or construction of major capital facilities authorized by bond issue or under the long-term facilities maintenance program.

***Nonmajor Governmental Funds***

The *Food Service special revenue fund* is used to account for food service revenue and expenditures.

The *Community Service special revenue fund* accounts for services provided to residents in the areas of recreation, civic activities, non-public pupils, adult or early childhood programs, or other similar services.

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

*Proprietary Fund*

The *Internal Service fund* accounts for the District's self-insurance dental and health plans. Both District and employee insurance premiums are deposited into and paid from this fund.

*Fiduciary funds* account for assets held by the District in a trustee capacity or as an agent on behalf of others:

The *Employee Benefit Trust fund* is used to administer assets held in an irrevocable trust to fund post-employment benefits for eligible employees.

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance**

***Deposits and Investments***

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

Cash balances from all funds are pooled and invested to the extent available in certificates of deposits and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The District may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.

## Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

### Note 1: Summary of Significant Accounting Policies (Continued)

8. Repurchase or reverse repurchase 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, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The MN Trust Term Series, Investment Shares Series and Limited Term Duration Series portfolios are separate portfolios with a fixed investment term and a designated maturity. These are external investment pools regulated by Minnesota Statutes and not registered with the Securities and Exchange Commission. A Term Series Portfolio consists of investments in certificates of deposit, obligations of the U.S. Government, its agencies and instrumentalities, and municipal obligations. These investments are reported at amortized cost. There are no restrictions or limitations on withdrawals from the MN Trust Investment Shares Portfolio. The MN Trust Term Series are intended to be held until maturity; a participant's withdrawal prior to maturity will require 7-days' notice of redemption and will likely carry a penalty, which could be substantial in that it would be intended to allow the Term Series to recoup any associated penalties, charges, losses, or other costs associated with the early redemption of the investments therein.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's recurring fair value measurements are listed in detail on page 56 and are valued using quoted market prices (Level 1 inputs) and matrix pricing models (Level 2 inputs).

#### **Property Taxes**

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

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

Current property taxes receivable is the uncollected portion of the taxes levied in 2023 and collectible in 2024. This levy is offset with a deferred inflow of resources, property taxes levied for subsequent year. Delinquent property taxes receivable is the uncollected portion of the taxes levied prior to 2023 and not yet collected. Delinquent property taxes receivable is offset with a deferred inflow of resources, unavailable revenue delinquent property taxes.

#### **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible. No allowance for uncollectible has been recorded. The only receivable not expected to be collected within one year are currently property taxes receivable.

***Inventories and Prepaid Items***

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. Prepaid items are accounting for under the purchases method.

***Net Other Postemployment Benefit Asset***

For purposes of measuring the net other postemployment benefit (OPEB) asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District’s Retiree Benefits Plan (“the Plan”) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. See the investment note for fair value measurements.

***Capital Assets***

Capital assets include property, plant, equipment, infrastructure assets (e.g., roads, parking lots, sidewalks and similar items) and right to use leased assets. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Right to use assets are recorded at the value of the related lease liability. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Assets	Useful Lives in Years
Buildings	20 - 50
Improvements other than Buildings	20 - 50
Equipment and Machinery	5 - 20

Right to use assets are amortized over the remaining life of the asset or the related lease term, whichever is shorter.

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Deferred Outflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other post-employment benefit resources, are reported only in the statement of net position. These items result from actuarial calculations and current year pension and OPEB contributions made subsequent to the measurement date.

***Pensions***

Teachers Retirement Association (TRA)

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

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. The General fund is typically used to liquidate the governmental net pension liability. Additional information can be found in Note 4.

Public Employees Retirement Association (PERA)

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. 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 General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the General Employee Plan (GERP) and Teachers Retirement Association (TRA) is as follows:

	GERP	TRA	Total All Plans
District's proportionate share	\$ 2,477,859	\$ (9,798,826)	\$ (7,320,967)
Proportionate share of State's contribution	2,627	1,106,301	1,108,928
Total pension expense	\$ 2,480,486	\$ (8,692,525)	\$ (6,212,039)

# Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

## Note 1: Summary of Significant Accounting Policies (Continued)

### ***Compensated Absences Payable***

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

### ***Deferred Inflows of Resources***

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has five types of items that qualifies for reporting in this category. Accordingly, one of the items, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: delinquent property taxes. The other type of deferred inflows reported in the governmental funds balance sheet and statement of net position is property taxes levied for subsequent years. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are the deferred pension and deferred other post-employment benefit resources reported in the statement of net position of the government-wide statements. These items result from the difference between expected and actual experience, the net difference between projected and actual investments earnings on pension and OPEB plan investments, changes in assumptions and changes in proportion and differences between entity contributions and proportionate share of contributions.

### ***Long-term Obligations***

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### ***Self-Insurance***

The District has established two internal service funds to account for and finance its uninsured risk of loss for respective employee dental and health insurance plans. The plans provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans. The District makes premium payments to the internal service funds on behalf of program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

District claim liabilities are reported when it is probable that a loss has occurred, and the amount can be reasonably estimated. Liabilities include an estimate 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 consider 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:

<u>Fiscal Year Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2023	\$ 42,572	\$ 1,302,617	\$ 1,321,303	\$ 23,886
2024	23,886	1,321,789	1,319,107	26,568

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

<u>Fiscal Year Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2023	\$ 2,067,625	\$ 19,228,089	\$ 18,857,711	\$ 2,438,003
2024	2,438,003	21,208,001	20,640,042	3,005,962

**Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Fund Balance***

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

*Nonspendable* - Amounts that cannot be spent because they are not in spendable form, such as prepaid items and inventory.

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

*Committed* - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the Board of Education, which is the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board of Education modifies or rescinds the commitment by resolution.

*Assigned* - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Board of Education itself or by an official to which the governing body delegates the authority. The Board of Education has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Superintendent or Director of Business Services.

*Unassigned* - The residual classification for the General fund and also negative residual amounts in other funds.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District has formally adopted a fund balance policy for the General fund. The District's policy is to maintain a minimum unassigned fund balance of 6.5 percent of expenditures.

**Note 2: Stewardship, Compliance and Accountability**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund, special revenue funds and the Debt Service fund. All annual appropriations lapse at fiscal year-end.

Budgets are prepared for the General, special revenue, capital projects and Debt Service funds on the same basis and using the same accounting practices that are used in accounting and preparing financial statements for the funds.

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 2: Stewardship, Compliance and Accountability (Continued)**

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

1. Prior to July 1, the budget is prepared by the Business Manager to be adopted by the Board of Education.
2. Budgets for all General, special revenue and Debt Service funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
3. Budgeted amounts are as amended.
4. Budget appropriations lapse at year-end.
5. The legal level of control is the fund level.
6. The District does not use encumbrance accounting.

**B. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2024, expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Major			
General fund	\$ 206,064,437	\$ 210,050,185	\$ 3,985,748
Debt Service	22,297,708	22,957,882	660,174

The excess of expenditures over appropriations were funded by revenues in excess of budget and available fund balance.

**Note 3: Detailed Notes on All Funds**

**A. Deposits and Investments**

**Deposits**

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the District’s deposits and investments may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Board of Education, the District maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all District deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

- General obligation securities of any state or local government with taxing powers which is rated “A” or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank’s public debt is rated “AA” or better by Moody’s Investors Service, Inc., or Standard & Poor’s Corporation; and
- Time deposits that are fully insured by any Federal agency.

At year end the District’s carrying amount of deposits was \$7,546,211 and the bank balance was \$9,276,179. Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a 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 selection should be approved by the government entity. The collateral coverage was sufficient for 2024.

**Investments**

At year end, the District had the following investments that are insured or registered, or securities held by the District’s agent in the District’s name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	6/30/2024	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Net Asset Value (NAV)						
MN Trust TERM Series	N/A	Less than 1 year	\$46,456,694	\$ -	\$ -	\$ -
Broker Money Market	N/A	Less than 1 year	14,109,259	-	-	-
Non-pooled Investments at Fair Value						
Brokered Certificates of Deposit	N/A	1 to 3 years	5,992,750	-	5,992,750	-
Total Investments			<u>\$66,558,703</u>	<u>\$ -</u>	<u>\$ 5,992,750</u>	<u>\$ -</u>

(1) Ratings are provided by various credit ratings agencies where applicable to indicate association’s credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

The investments of the District are subject to the following risks:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes limit the District’s investments to the list on page 64 of the notes.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.
- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer.

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.
- *Foreign Currency Risk.* Foreign currency risk is the financial risk arising from fluctuations in the value of a base currency against a foreign currency in which an asset or obligation is held.

A reconciliation of cash and temporary investments as shown on the financial statements for the District follows:

Carrying Amount of Deposits	\$ 7,546,211
Carrying Amount of Investments	<u>66,558,703</u>
 Total Carrying Amount	 <u>\$ 74,104,914</u>
 As Reported in the Basic Financial Statements	
Statement of net position	
Cash and temporary investments	\$ 59,995,471
Statement of fiduciary net position	
Cash and temporary investments	<u>14,109,443</u>
 Total Cash and Temporary Investments	 <u>\$ 74,104,914</u>

**B. Interfund Receivables and Payable**

Receivable Fund	Payable Fund	Amount
Primary Government	Custodial Fund	
General	OPEB Irrevocable Trust Fund	<u>\$ 1,643,605</u>

The amounts due from OPEB Irrevocable Trust fund represents health insurance costs set to be paid back to the General fund as of June 30, 2024.

**C. Property Taxes**

Current property taxes receivable are recorded for uncollected taxes levied in 2023 and payable in 2024. The total levy is deferred for subsequent years' operations.

Delinquent property taxes receivable represents uncollected taxes from the previous six years' property tax levies.

	Major Funds		Other	Total
	General	Debt Service	Governmental Funds	
Current Taxes	\$ 24,987,464	\$ 11,711,700	\$ 1,173,968	\$ 37,873,132
Delinquent Taxes	<u>412,411</u>	<u>169,225</u>	<u>39,809</u>	<u>621,445</u>
 Total Reported Taxes Receivable	 <u>\$ 25,399,875</u>	 <u>\$ 11,880,925</u>	 <u>\$ 1,213,777</u>	 <u>\$ 38,494,577</u>

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

**D. Capital Assets**

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

	Beginning Balance	Error Correction	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>					
Capital Assets not Being Depreciated / Amortized					
Land	\$ 1,218,930	\$ -	\$ -	\$ -	\$ 1,218,930
Construction in progress	9,507,107	4,416,834	15,638,175	(19,821,409)	9,740,707
Total Capital Assets, not Being Depreciated / Amortized	<u>10,726,037</u>	<u>4,416,834</u>	<u>15,638,175</u>	<u>(19,821,409)</u>	<u>10,959,637</u>
Capital Assets Being Depreciated / Amortized					
Buildings and improvements	10,768,823	-	544,984	-	11,313,807
Equipment	38,328,686	-	6,214,261	-	44,542,947
Buildings	515,623,853	-	19,784,642	-	535,408,495
Equipment (right to use)	457,272	-	-	(457,272)	-
Buildings and improvements (right to use)	9,725,807	-	-	-	9,725,807
Total Capital Assets Being Depreciated / Amortized	<u>574,904,441</u>	<u>-</u>	<u>26,543,887</u>	<u>(457,272)</u>	<u>600,991,056</u>
Less Accumulated Depreciation / Amortized for					
Buildings and improvements	(6,445,689)	-	(355,409)	-	(6,801,098)
Equipment	(29,689,671)	-	(2,055,959)	-	(31,745,630)
Buildings	(243,697,979)	-	(19,238,090)	-	(262,936,069)
Equipment (right to use)	(296,403)	-	-	296,403	-
Buildings and improvements (right to use)	(1,249,119)	-	(951,827)	-	(2,200,946)
Total Accumulated Depreciation / Amortization	<u>(281,378,861)</u>	<u>-</u>	<u>(22,601,285)</u>	<u>296,403</u>	<u>(303,683,743)</u>
Total Capital Assets Being Depreciated / Amortized, Net	<u>293,525,580</u>	<u>-</u>	<u>3,942,602</u>	<u>(160,869)</u>	<u>297,307,313</u>
Governmental Activities Capital Assets, Net	<u>\$ 304,251,617</u>	<u>\$ 4,416,834</u>	<u>\$ 19,580,777</u>	<u>\$ (19,982,278)</u>	<u>\$ 308,266,950</u>

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

Administration	\$ 1,115
District support services	618,086
Elementary and secondary regular instruction	123,900
Vocational education instruction	1,381
Special education instruction	19,272
Pupil support services	217,559
Instructional Support	20,544
Sites and Buildings	<u>21,599,428</u>
Total Depreciation / Amortization Expense - Governmental Activities	<u>\$ 22,601,285</u>

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

Construction Commitments

The District is committed to a number of contracts for the construction and improvement of various district properties. At June 30, 2024, the remaining commitment under these contracts is approximately \$4,151,331.

**E. Long-term Liabilities**

Lease Payable

Liabilities related to Leases as of June 30, 2024 :

Description	Total Lease Liability	Interest Rate	Issue Date	Final Maturity	Balance at Year End
Building Lease - 5420-5440 HWY 169	\$ 3,807,083	2.95 %	04/01/23	05/31/33	\$ 3,466,575
Building Lease - Crystal Learning CTR	5,917,942	3.72	09/06/16	09/30/31	<u>4,513,290</u>
					<u><u>\$ 7,979,865</u></u>

On 07/01/2021, Robbinsdale School District 281, MN entered into a 123 month lease as Lessee for the use of the Crystal Learning center. The monthly fixed payments are \$53,215. The lease has an interest rate of 3.7200%.

On 04/01/2023, Robbinsdale School District 281, MN entered into a 122 month lease as Lessee for the use of Building - 5420-5440 HWY 169 N. The monthly fixed payments are \$32,594. The lease has an interest rate of 3.5600%.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Leases Payable		
	Principal	Interest	Total
2025	\$ 807,183	\$ 277,951	\$ 1,085,134
2026	860,660	247,496	1,108,156
2027	916,494	215,049	1,131,543
2028	974,304	181,001	1,155,305
2029	1,035,612	143,844	1,179,456
2030 - 2032	<u>3,385,612</u>	<u>203,660</u>	<u>3,589,272</u>
	<u><u>\$ 7,979,865</u></u>	<u><u>\$ 1,269,001</u></u>	<u><u>\$ 9,248,866</u></u>

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bond.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End	Due within One Year
<b>G.O. Alternative Facility</b>						
Series 2014A	\$ 13,425,000	3.00 %	5/1/2014	2/1/2026	\$ 13,325,000	\$ 6,755,000
Series 2015A	17,100,000	3.00 - 4.00	8/25/2015	2/1/2028	17,100,000	2,200,000
Series 2016C	40,800,000	2.00 - 3.00	6/1/2016	2/1/2032	40,800,000	-
Series 2018A	14,200,000	3.00 - 5.00	5/30/2018	2/1/2032	11,685,000	1,650,000
Series 2019B	16,605,000	3.00 - 5.00	12/19/2019	2/1/2040	13,965,000	310,000
Series 2020A	16,760,000	2.00 - 4.00	11/19/2020	2/1/2041	16,055,000	50,000
Series 2021A	21,200,000	2.00 - 5.00	10/21/2021	2/1/2042	20,645,000	320,000
Series 2022A	18,060,000	4.375 - 5.000	10/27/2022	2/1/2040	18,060,000	265,000
Series 2023A	19,260,000	4.125 - 5.000	11/9/2023	2/1/2044	19,260,000	-
<b>G.O. Refunding Bonds</b>						
Series 2016B (2006B)	4,655,000	2.00 - 5.00	6/1/2016	2/1/2027	2,475,000	795,000
Series 2017A (2008A and 2008B)	9,045,000	2.00 - 5.00	5/24/2017	2/1/2029	5,710,000	1,195,000
Series 2018B - OPEB Refunding	8,835,000	3.00 - 3.30	11/6/2018	2/1/2025	1,700,000	1,700,000
Series 2020B (2011A and 2012A)	13,270,000	2.00 - 5.00	11/19/2020	2/1/2032	4,495,000	490,000
<b>G.O. Capital Bonds</b>						
Series 2016A Capital Bonds	8,910,000	2.00 - 4.00	3/9/2016	2/1/2031	6,920,000	790,000
<b>Certificates of Participation</b>						
2016D	9,535,000	2.00 - 2.500	7/19/2016	4/1/2031	<u>4,820,000</u>	<u>645,000</u>
Total Bonds					<u>\$ 197,015,000</u>	<u>\$17,165,000</u>

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

Year Ending June 30,	General Obligation Bonds		Certificates of Participation		Total
	Principal	Interest	Principal	Interest	
2025	\$ 16,520,000	\$ 6,826,650	\$ 645,000	\$ 106,256	\$ 24,097,906
2026	17,150,000	6,029,064	660,000	93,356	23,932,420
2027	16,080,000	5,443,164	675,000	80,156	22,278,320
2028	16,635,000	4,895,764	685,000	66,656	22,282,420
2029	17,185,000	4,342,596	700,000	52,100	22,279,696
2030 - 2034	59,150,000	13,508,930	1,455,000	53,852	74,167,782
2035 - 2039	31,645,000	6,578,454	-	-	38,223,454
2040 - 2044	17,830,000	1,576,382	-	-	19,406,382
Total	<u>\$ 192,195,000</u>	<u>\$ 49,201,004</u>	<u>\$ 4,820,000</u>	<u>\$ 452,376</u>	<u>\$ 246,668,380</u>

Financed Purchases

Description	Total Lease Liability	Interest Rate	Issue Date	Payment Terms	Payment Amount	Balance at Year End
Pilgrim Lane Addition	\$ 1,942,000	2.49 %	10/27/16	183 Months	\$ 10,612	\$ 1,132,039
SEA Addition	1,701,000	3.04	06/01/17	176 Months	9,665	992,114
Daimler Buses	1,050,060	5.35	08/01/23	36 Months	304,447	761,925
						<u>\$ 2,886,078</u>

The District has entered into two agreements to finance the construction of an addition to Pilgrim Lane Elementary School and the construction of two additions to the School of Engineering and Arts (SEA). If the District fails to make the payments specified in these agreements or otherwise defaults on the agreement, the lender may 1) enter the property and take possession without terminating the agreement, holding the District responsible for the difference in the net income derived from such possession and the payments due under this agreement, 2) exclude the District from possession of the property and attempt to sell or lease the property, holding the District responsible for the payments due under this agreement until the property is sold or leased, or 3) take legal action to force performance under the terms of the agreement.

The District has entered into an agreement with Daimler to finance the purchase of eight 2024 Thomas Buses. The agreement started on August 1, 2023 and runs through July 17, 2026. The District has agreed to a yearly payment in the amount of \$304,447. The interest on this agreement is 5.35%.

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

Annual debt service requirements to maturity for financed purchases are as follows:

Year Ending June 30,	Financed Purchases		
	Principal	Interest	Total
2025	\$ 497,273	\$ 104,757	\$ 602,030
2026	520,163	81,867	602,030
2027	487,271	56,636	543,907
2028	261,406	36,177	297,583
2029	268,635	28,947	297,582
2030 - 2032	851,330	41,420	892,750
	<u>\$ 2,886,078</u>	<u>\$ 349,804</u>	<u>\$ 3,235,882</u>

Changes in Long-term Liabilities

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

	Beginning Balance	Increases	Decreases	Disposal	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
General obligation bonds	\$ 188,495,000	\$ 19,260,000	\$ (15,560,000)	\$ -	\$ 192,195,000	\$ 16,520,000
Certificates of participation	5,440,000	-	(620,000)	-	4,820,000	645,000
Premium on bonds issued	9,099,167	532,009	(918,504)	-	8,712,672	-
Financed purchase	2,358,554	1,050,060	(522,536)	-	2,886,078	497,273
Leases Payable	8,893,597	-	(755,168)	(158,564)	7,979,865	807,183
Compensated absences payable*	1,543,846	-	(303,285)	-	1,240,561	-
Severance payable*	1,529,845	-	(190,096)	-	1,339,749	-
Governmental Activity						
Long-term Liabilities	<u>\$ 217,360,009</u>	<u>\$ 20,842,069</u>	<u>\$ (18,869,589)</u>	<u>\$ (158,564)</u>	<u>\$ 219,173,925</u>	<u>\$ 18,469,456</u>

\*Balances shown net of increases and decreases

The General fund has typically been used to liquidate the capital lease payable, compensated absences payable obligations and pension obligations. The Debt Service fund has typically been used to liquidate the general obligation bonds obligation.

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

**F. Components of Fund Balance**

At June 30, 2024, portions of the District's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), Board of Education action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

Fund	General	Debt Service	Building Construction	Other Governmental Funds	Total
Nonspendable					
Prepaid items	\$ 358,405	\$ -	\$ -	\$ 595	\$ 359,000
Inventories	-	-	-	72,722	72,722
<b>Total Nonspendable</b>	<b><u>\$ 358,405</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 73,317</u></b>	<b><u>\$ 431,722</u></b>
Restricted for					
Educational purposes					
American indian education	\$ 11,216	\$ -	\$ -	\$ -	\$ 11,216
Operating capital	2,071,486	-	-	-	2,071,486
Long-term facilities maintenance	520,486	-	-	-	520,486
Capital projects levy	4,803,713	-	-	-	4,803,713
Medical assistance	969,932	-	-	-	969,932
Student activity accounts	97,629	-	-	-	97,629
Scholarships	492,065	-	-	-	492,065
Literacy incentive aid	465,964	-	-	-	465,964
Area learning center	1,275,523	-	-	-	1,275,523
Community education	-	-	-	2,351,078	2,351,078
Early childhood family education	-	-	-	387,875	387,875
School readiness	-	-	-	225,810	225,810
Adult basic education	-	-	-	494,874	494,874
Community service	-	-	-	34,757	34,757
Debt service	-	1,711,412	-	-	1,711,412
Building construction	-	-	12,624,806	-	12,624,806
Food service	-	-	-	4,525,588	4,525,588
<b>Total Restricted</b>	<b><u>\$ 10,708,014</u></b>	<b><u>\$ 1,711,412</u></b>	<b><u>\$ 12,624,806</u></b>	<b><u>\$ 8,019,982</u></b>	<b><u>\$ 33,064,214</u></b>
Assigned					
Building carryover	\$ 528,682	\$ -	\$ -	\$ -	\$ 528,682
Telecom	152,968	-	-	-	152,968
LCTS program	672,487	-	-	-	672,487
<b>Total Assigned</b>	<b><u>\$ 1,354,137</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,354,137</u></b>
Unassigned					
General fund	<u>\$ (666,485)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (666,485)</u>

## Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

### **Note 3: Detailed Notes on All Funds (Continued)**

Restricted for American Indian Education - This amounts represents resources restricted for furthering the education of American Indian families.

Restricted for Operating Capital - This amount represents available resources dedicated for capital expenditure building projects, equipment purchases, vehicles and computer hardware and software. Revenues are derived from tax levies and State aids and expenditures are for repair and restoration of existing facilities and construction of new facilities, purchase of equipment, computers, software, textbooks and library books.

Restricted for Long-term Facilities Maintenance - This amount represents resources available for maintaining facilities.

Restricted for Capital Projects Levy - This amount represents available resources from the capital projects levy to be used for building construction.

Restricted for Medical Assistance - This amount represents available resources for medical assistance.

Restricted for Student Activity Accounts - This amount represents available resources for student activities. Revenues are derived from donations and fundraising and expenditures are for student activities at each site.

Restricted for Scholarships - This amount represents funds restricted and set aside to be awarded to students in the form of scholarships.

Restricted for Literacy Incentive Aid - This amount represents resources restricted for efforts towards improving students' test scores.

Restricted for Area Learning Center - This amount represents resources restricted for the area learning center.

Restricted for Community Education - This amount represents available resources for community education classes. Revenues are derived from local tax levies and State aids and expenditures are for salaries, benefits and supplies. Any deficits can be eliminated by future tax levies and State aids.

Restricted for Early Childhood Family Education (ECFE) - This amount represents available resources for ECFE classes. Revenues are derived from local tax levies and State aids and expenditures are for salaries, benefits and supplies.

Restricted for School Readiness - This amount represents available resources to provide services for learning readiness programs. Related to Finance Code 344, School Readiness, Minnesota statute 124D.16, includes aids, fees, grants and all other revenues received by the District.

Restricted for Adult Basic Education - This amount represents restricted resources for the Minnesota Adult Basic Education program which serves to assist adults who are working towards high school credentials, learning English, improving basic skills, and/or preparing for post-secondary education or employment.

Restricted for Community Service - This amount represents restricted resources for community service stipulated by constitution, external resource providers, or through enabling legislation.

Restricted for Debt Service - This amount represents available resources dedicated exclusively for debt service payments. Revenues are derived from tax levies and expenditures are for principal, interest and paying agent fees.

Restricted for Building Construction - This amount represents available resources dedicated exclusively for building construction projects. Revenues are derived from the issuance of bonds and expenditures are for building construction costs.

Restricted for Food Service - This amount represents available resources for the nutrition program. Revenues are derived from state, federal and local sources, along with sales and other conversion of assets and expenditures are primarily for salaries, benefits, supplies, and materials.

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 4: Defined Benefit Pension Plans - Statewide**

**A. Teachers Retirement Association (TRA)**

**1. Plan Description**

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

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

**2. Benefits Provided**

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

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

<b>Tier I:</b>	<b>Step Rate Formula</b>	<b>Percentage</b>
Basic	1st ten years of service	2.2 percent per year
	All years after	2.7 percent per year
Coordinated	First ten years if service years are prior to July 1, 2006	1.2 percent per year
	First ten years if service years are July 1, 2006 or after	1.4 percent per year
	All other years of service if service years are prior to July 1, 2006	1.7 percent per year
	All other years of service if service years are July 1, 2006 or after	1.9 percent per year

With these provisions:

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

or

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**Tier II:**

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

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

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

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

**3. Contribution Rates**

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

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

The District's contributions to TRA for the year ending June 30, 2024, 2023, and 2022 were \$12,615,904, \$7,435,994, and \$7,127,826, respectively. The District's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

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

Employer Contributions Reported in TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	\$ 508,764,000
Deduct Employer Contributions not Related to Future Contribution Efforts	(87,000)
Deduct TRA's contributions not included in allocation	<u>(643,000)</u>
Total Employer Contributions	508,034,000
Total Non-employer Contributions	<u>35,587,000</u>
Total Contributions Reported in Schedule of Employer and Non-employer Pension Allocations	<u>\$ 543,621,000</u>

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

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**4. Actuarial Assumptions**

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

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	
Valuation Date	July 1, 2023
Experience Study	June 30, 2023
	June 28, 2019 (demographic and economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage Growth Rate	2.85% before July 1, 2028 and 3.25% thereafter
Projected Salary Increase	2.85% to 8.85% before July 1, 2028 and 3.5% to 9.25% thereafter
Cost of Living Adjustment	1% for January 2019 through January 2023 then increasing by 0.1% each year up to 1.5% annually
Mortality Assumption	
Pre-retirement	RP - 2014 white collar employee table, male rates set back six years and female rates set back seven years Generational projection uses the MP - 2015 scale.
Post-retirement	RP - 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP - 2015 scale.
Post-disability	RP - 2014 disabled retiree mortality table, without adjustments.

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

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	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.0 %	

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

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

Changes in actuarial assumptions since the 2022 valuation:

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

- The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025.
- The employee contribution rate will increase from 7.75% to 8% on July 1, 2025
- The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.

The 2024 Omnibus Pensions and Retirement Bill:

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

**5. Discount Rate**

The discount rate used to measure the total pension liability was 7%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2023 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

**6. Net Pension Liability**

On June 30, 2024, The District reported a liability of \$112,936,888 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. The District's proportionate share was 1.3679% at the end of the measurement period and 1.3826% for the beginning of the year.

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

District's Proportionate Share of Net Pension Liability	\$ 112,936,888
State's Proportionate Share of Net Pension Liability Associated with the District	<u>7,910,855</u>
Total	<u>\$ 120,847,743</u>

For the year ended June 30, 2024, the District recognized negative pension expense of \$9,798,826. It also recognized recognized \$1,106,301 as an increase to pension expense for the support provided by direct aid.

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,157,030	\$ 1,479,971
Changes in Actuarial Assumptions	13,069,992	-
Net Difference Between Projected and Actual Investment Earnings	2,162,989	-
Changes in Proportion	-	209,070
Contributions Paid to PERA Subsequent to the Measurement Date	12,615,904	-
<b>Total</b>	<b>\$ 29,005,915</b>	<b>\$ 1,689,041</b>

Deferred outflows of resources totaling \$12,615,904 related to pensions resulting from the District's contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

2025	\$ (162,966)
2026	(2,021,331)
2027	11,182,814
2028	6,985,366
2029	(1,110,653)
Thereafter	(172,260)

**7. Pension Liability Sensitivity**

The following presents the net pension liability of TRA calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current rate.

	District's Proportionate Share of NPL		
	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
Teachers Retirement Association	\$ 180,126,030	\$ 112,936,888	\$ 58,399,586

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

**8. Pension Plan Fiduciary Net Position**

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

**B. Public Employees Retirement Association (PERA)**

**1. Plan Description**

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

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

General Employees Retirement Plan

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

**2. Benefits Provided**

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

General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 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. 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.

**3. Contributions**

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the General Employees Fund for the years ending June 30, 2024, 2023, and 2022 were \$2,494,770, \$2,256,037 and \$2,154,182, respectively. The District's contributions were equal to the required contributions for each year as set by state statute.

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**4. Pension Costs**

General Employees Fund Pension Costs

At June 30, 2024, the District reported a liability of \$21,204,439 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$584,603. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024 relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.3792 percent at the end of the measurement period and 0.3835 percent for the beginning of the period.

District's Proportionate Share of Net Pension Liability	\$ 21,204,439
State's Proportionate Share of Net Pension Liability Associated with the District	<u>584,603</u>
<b>Total</b>	<b><u>\$ 21,789,042</u></b>

For the year ended June 30, 2024, the District recognized pension expense of \$2,477,859 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized \$2,627 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At June 30, 2024, the District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 698,260	\$ 148,539
Changes in Actuarial Assumptions	3,489,879	5,811,957
Net Difference Between Projected and Actual Investment Earnings	-	800,582
Contributions Paid to PERA Subsequent to the Measurement Date	<u>2,494,770</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 6,682,909</u></b>	<b><u>\$ 6,761,078</u></b>

The \$2,494,770 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ 571,238
2026	(3,210,056)
2027	525,874
2028	(459,995)

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**5. Long-Term Expected Return on Investment**

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.0 %	

**6. Actuarial Assumptions**

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0 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 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit PERA's experience.

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

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

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**7. Discount Rate**

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

**8. Pension Liability Sensitivity**

The following presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	District's Proportionate Share of NPL		
	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	\$ 37,512,356	\$ 21,204,439	\$ 7,790,558

**9. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

Independent School District No. 281  
 New Hope, Minnesota  
 Notes to the Financial Statements  
 For the Year Ended June 30, 2024

**Note 5: Postemployment Benefits Other than Pensions**

**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 is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The assets of the plan are reported in the Employee Benefit Trust Fund, administered by the District. 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.

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	115
Active Plan Members	1,828
Total Plan Members	1,943

**B. Funding Policy**

Contribution requirements are negotiated between the District and union representatives. The District’s employment agreement for certain administrative officials provides for the District to pay the following premium costs for single health and dental coverage. The District has established an Other Postemployment Benefits Trust fund to fund these obligations. For the year ended June 30, 2024, the District’s average contribution rate was 1.42 percent of covered-employee payroll.

During the year ended June 30, 2024 the District’s inactive plan members received benefits totaling \$1,643,605.

**C. Investments**

The District’s policy regarding the allocation of invested assets is established and may be amended by the School Board. The following was the District’s adopted asset allocation policy as of June 30, 2024:

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	20.00 %
Fixed Income	70.00
International Equity	10.00
Total	100.00 %

Information regarding the concentration of investments and other investment policies of the District can be found in Note 3 of this report.

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 5.50 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 5: Postemployment Benefits Other than Pensions (Continued)**

**D. Actuarial Methods and Assumptions**

The District's net OPEB asset of \$5,255,088 was measured as of June 30, 2024.

The total OPEB (asset) on the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	5.50%
Expected Long-term Investment Return	5.50%, net of investment expense
20-Year Municipal Bond Yield	4.10%
Inflation Rate	2.50%
Salary Increases	See sample rate in actuarial report
	Pre-65: 6.25% in 2023 grading to 5.00% over 5 years
	and then to 4.00% over the next 48 years
Medical Trend Rate	Post-65: 4.00%
Dental Trend Rate	N/A

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 July 1, 2022 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

The long-term return on assets has been set based on the plan's target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation
Domestic Equity	20.00 %
Fixed Income	70.00
International Equity	10.00
Total	100.00 %

The discount rate used to measure the total OPEB (asset) was 5.50 percent. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for 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.

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 5: Postemployment Benefits Other than Pensions (Continued)**

**E. Sensitivity of the Net OPEB (Asset)**

The following presents the net OPEB (asset) of the District, as well as what the District's net OPEB (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 Percent Decrease (4.50%)	Current (5.50%)	1 Percent Increase (6.50%)
\$ (4,970,284)	\$ (5,255,088)	\$ (5,530,279)

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

1 Percent Decrease 5.00% decreasing to 4.00% then 3.00%	Healthcare Cost Trend Rates 6.00% decreasing to 5.00% then 4.00%	1 Percent Increase 7.00% decreasing to 6.00% then 5.00%
\$ (5,664,135)	\$ (5,255,088)	\$ (4,797,704)

**F. Changes in the Net OPEB (Asset)**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 7,491,608	\$ 13,012,718	\$ (5,521,110)
Changes for the Year:			
Service cost	222,251	-	222,251
Interset cost	379,668	-	379,668
Plan changes	760,828	-	760,828
Projected investment income	-	715,699	(715,699)
Differences between expected and actual experience	-	381,026	(381,026)
Benefit payments	(1,643,605)	(1,643,605)	-
Net Changes	(280,858)	(546,880)	266,022
Balances at June 30, 2024	\$ 7,210,750	\$ 12,465,838	\$ (5,255,088)

Plan Fiduciary Net Postion as a Percentage of the  
Total OPEB Liability 172.88 %

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 5: Postemployment Benefits Other than Pensions (Continued)**

Since the prior measurement date, the following benefits changed:

- Fifteen employees who retired at the end of 2023-2024 each received an early retirement incentive of \$40,000 paid to an HRA. Valued as a part of this plan change is a corresponding increase in implicit and direct subsidy due to the increased incidence of retirement.

Since the prior measurement date, the following plan provisions changed:

- None

Since the prior measurement date, the following assumptions changed:

- None

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

For the year ended June 30, 2024, the District recognized a negative OPEB expense of \$520,251. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Gains	\$ 203,959	\$ 545,453
Changes in Actuarial Assumptions	48,942	265,741
Investment Losses	662,667	-
Total	\$ 915,568	\$ 811,194

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

Year Ended June 30:	
2025	\$ (61,021)
2026	211,259
2027	(22,127)
2028	(23,737)

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note 6: Other Information**

**A. Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The District's management is not aware of any incurred but not reported claims.

**B. Federal and State Receivables**

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

**C. Legal Claims**

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

**Note 7: Error Correction**

During the current year audit it was noted that the prior year construction in progress balance was understated. This discovery resulted in the below error correction.

Fund	June 30, 2024		
	Net Position June 30, 2023 as Previously Reported	Error Correction	Net Position July 1, 2023 as Restated
Governmental Activities	\$ (1,144,809)	\$ 4,416,834	\$ 3,272,025

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 281  
ROBBINSDALE AREA SCHOOLS  
NEW HOPE, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information  
For the Year Ended June 30, 2024

**Schedule of Employer's Share of TRA Net Pension Liability**

Fiscal Year Ending	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the District (b)	Total (a+b)	District's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/23	1.3679 %	\$ 112,936,888	\$ 7,910,855	\$ 120,847,743	\$ 86,970,690	129.9 %	76.4 %
06/30/22	1.3826	110,711,294	8,210,514	118,921,808	85,465,540	129.5	76.2
06/30/21	1.3588	59,465,151	5,015,220	64,480,371	81,309,938	73.1	86.6
06/30/20	1.4035	103,692,461	8,689,629	112,382,090	81,558,245	127.1	75.5
06/30/19	1.4199	90,504,724	8,009,618	98,514,342	80,617,432	112.3	78.2
06/30/18	1.4328	89,992,691	8,455,056	98,447,747	79,028,493	113.9	78.1
06/30/17	1.4426	287,969,129	27,837,905	315,807,034	77,493,787	371.6	51.6
06/30/16	1.4503	345,931,154	34,723,065	380,654,219	75,441,107	458.5	44.9
06/30/15	1.3943	86,251,245	10,579,374	96,830,619	70,764,427	121.9	76.8

**Schedule of Employer's TRA Contributions**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	District's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
06/30/24	\$ 12,615,904	\$ 12,615,904	\$ -	\$ 144,181,760	8.75 %
06/30/23	7,435,994	7,435,994	-	86,970,690	8.55
06/30/22	7,127,826	7,127,826	-	85,465,540	8.34
06/30/21	6,610,498	6,610,498	-	81,309,938	8.13
06/30/20	6,459,413	6,459,413	-	81,558,245	7.92
06/30/19	6,215,604	6,215,604	-	80,617,432	7.71
06/30/18	5,927,137	5,927,137	-	79,028,493	7.50
06/30/17	5,812,034	5,812,034	-	77,493,787	7.50
06/30/16	5,658,083	5,658,083	-	75,441,107	7.50
06/30/15	5,307,332	5,307,332	-	70,764,427	7.50

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended June 30, 2024

**Notes to the Required Supplementary Information - TRA**

Changes in Actuarial Assumptions

2023 - The 2023 Tax Finance and Policy Bill, effective July 1, 2025 and The 2024 Omnibus Pensions and Retirement Bill contained a number of changes

- The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025.
- The employee contribution rate will increase from 7.75% to 8% on July 1, 2025
- The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.
- The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024.
- TRA's amortization date will remain the same at 2048.

2022 – No changes noted.

2021 - The investment return assumption was changed from 7.50 percent to 7.00 percent.

2020 - Assumed termination rates were changed to more closely reflect actual experience. The pre-retirement mortality assumption was changed to RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

2019 - No changes noted.

2018 - 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.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 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

2015 - The cost of living adjustment was not assumed to increase to 2.5 percent but remain at 2.0 percent for all future years. The investment return assumption was changed from 8.25 percent to 8.00 percent.

2014 - The cost of living adjustment was assumed to increase from 2.0 percent annually to 2.5 percent annually on July 1, 2034.

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended June 30, 2024

**Notes to the Required Supplementary Information – TRA (Continued)**

Changes in Plan Provisions

2023 - No changes noted.

2022 - No changes noted.

2021 - No changes noted.

2020 - No changes noted.

2019 - No changes noted.

2018 - The 2018 Omnibus Pension Bill contained a number of changes:

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% 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 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 - No changes noted.

2016 - No changes noted.

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

2014 - The increase in the post-retirement benefit adjustment (COLA) will be made once the plan is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended June 30, 2024

**Schedule of Employer's Share of PERA Net Pension Liability**

Fiscal Year Ending	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the District (b)	Total (a+b)	District's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/23	0.3792 %	\$ 21,204,439	\$ 584,603	\$ 21,789,042	\$ 30,080,493	70.5	83.1 %
06/30/22	0.3835	30,373,327	890,358	31,263,685	28,722,427	105.7	76.7
06/30/21	0.3856	16,466,847	502,895	16,969,742	27,760,240	59.3	87.0
06/30/20	0.3993	23,939,860	738,197	24,678,057	28,473,027	84.1	79.0
06/30/19	0.3937	21,766,791	676,471	22,443,262	27,843,293	78.2	80.2
06/30/18	0.4341	24,082,088	789,866	24,871,954	29,158,627	82.6	79.5
06/30/17	0.4442	28,357,435	-	28,357,435	28,592,707	99.2	75.9
06/30/16	0.4506	36,586,485	-	36,586,485	27,936,987	131.0	68.9
06/30/15	0.4383	22,714,981	-	22,714,981	25,335,733	89.7	78.2

**Schedule of Employer's PERA Contributions**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	District's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
06/30/24	\$ 2,494,770	\$ 2,494,770	\$ -	\$ 33,263,594	7.50 %
06/30/23	2,256,037	2,256,037	-	30,080,493	7.50
06/30/22	2,154,182	2,154,182	-	28,722,427	7.50
06/30/21	2,082,018	2,082,018	-	27,760,240	7.50
06/30/20	2,135,477	2,135,477	-	28,473,027	7.50
06/30/19	2,088,247	2,088,247	-	27,843,293	7.50
06/30/18	2,186,897	2,186,897	-	29,158,627	7.50
06/30/17	2,144,453	2,144,453	-	28,592,707	7.50
06/30/16	2,095,274	2,095,274	-	27,936,987	7.50
06/30/15	1,900,180	1,900,180	-	25,335,733	7.50

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended June 30, 2024

**Notes to the Required Supplementary Information - PERA**

Changes in Actuarial Assumptions

2023 - The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - 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 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 25 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - 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.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 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 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended June 30, 2024

**Notes to the Required Supplementary Information – PERA (Continued)**

Changes in Plan Provisions

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

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

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

2019 – 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.

2018 – 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 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement 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.

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

2016 - No changes noted.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

**Independent School District No. 281**  
**New Hope, Minnesota**  
**Required Supplementary Information (Continued)**  
**For the Year Ended June 30, 2024**

**Schedule of Changes in the District's Net OPEB (Asset) and Related Ratios**

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 222,251	\$ 200,124	\$ 223,017	\$ 206,124	\$ 247,748	\$ 429,786	\$ 395,745	\$ 374,192
Interest	379,668	378,058	416,828	433,866	428,049	554,056	559,636	551,130
Changes in benefit terms	-	16,160	-	-	-	186,435	-	-
Plan changes	760,828	-	-	-	-	-	-	-
Differences between expected and actual experience	-	305,941	-	(1,432)	-	(2,065,851)	-	-
Changes in assumptions	-	-	76,342	(197,299)	(65,819)	(650,979)	(15,942)	-
Benefit payments	(1,643,605)	(945,795)	(1,055,343)	(488,138)	(443,570)	(681,324)	(583,727)	(1,014,169)
Net Change in Total OPEB Liability	(280,858)	(45,512)	(339,156)	(46,879)	166,408	(2,227,877)	355,712	(88,847)
Total OPEB Liability - Beginning	7,491,608	7,537,120	7,876,276	7,923,155	7,756,747	9,984,624	9,628,912	9,717,759
Total OPEB Liability - Ending (a)	<u>\$ 7,210,750</u>	<u>\$ 7,491,608</u>	<u>\$ 7,537,120</u>	<u>\$ 7,876,276</u>	<u>\$ 7,923,155</u>	<u>\$ 7,756,747</u>	<u>\$ 9,984,624</u>	<u>\$ 9,628,912</u>
Plan Fiduciary Net Position								
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,001
Net investment income	1,096,725	510,889	(1,900,673)	2,167,133	1,103,217	1,265,190	823,399	1,039,704
Benefit payments	(1,643,605)	(945,795)	(1,055,343)	(488,138)	(443,570)	(681,324)	(583,727)	(1,014,169)
Administrative expense	-	-	(5,527)	(5,577)	(5,829)	(6,296)	(86,547)	(7,007)
Other deductions	-	-	-	-	-	(4,749,736)	-	-
Net Change in Plan Fiduciary Net Position	(546,880)	(434,906)	(2,961,543)	1,673,418	653,818	(4,172,166)	153,125	46,529
Total Plan Fiduciary Net Position - Beginning	13,012,718	13,447,624	16,409,167	14,735,749	14,081,931	18,254,097	18,100,972	18,054,443
Total Plan Fiduciary Net Position - Ending (b)	<u>12,465,838</u>	<u>13,012,718</u>	<u>13,447,624</u>	<u>16,409,167</u>	<u>14,735,749</u>	<u>14,081,931</u>	<u>18,254,097</u>	<u>18,100,972</u>
District's Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ (5,255,088)</u>	<u>\$ (5,521,110)</u>	<u>\$ (5,910,504)</u>	<u>\$ (8,532,891)</u>	<u>\$ (6,812,594)</u>	<u>\$ (6,325,184)</u>	<u>\$ (8,269,473)</u>	<u>\$ (8,472,060)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	172.88 %	173.70 %	178.42 %	208.34 %	185.98 %	181.54 %	182.82 %	187.99
Covered - Employee Payroll	\$ 115,703,327	\$ 112,242,701	\$ 107,479,939	\$ 104,349,456	\$ 116,588,812	\$ 92,975,942	\$ 115,803,161	\$115,661,449
District's net OPEB liability (asset) as a percentage of covered employee payroll	(4.54) %	(4.92) %	(5.50) %	(8.18) %	(5.84) %	(6.80) %	(7.14) %	(7.32) %

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended June 30, 2024

**Schedule of Changes in the District's Net OPEB (Asset) and Related Ratios (Continued)**

*Benefit Changes:*

In 2024, the following benefits changed:

Fifteen employees who retired at the end of 2023-2024 each received an early retirement incentive of \$40,000 paid to an HRA.

Valued as a part of this plan change is a corresponding increase in implicit and direct subsidy due to the increased incidence of retirement.

*Changes in Plan Provisions:*

In 2019, the following plan provisions changed:

Other post-employment benefits were added for the child nutrition, office employees, program directors, and program assistant contract groups.

Retiree premiums and district-provided contribution amounts were updated to current levels.

*Changes in Assumptions:*

In 2024, the following assumption changes:

None

In 2023, the following assumption changes:

The discount rate and expected long-term investment return was changed from 5.20 percent to 5.50 percent.

Medical trend rates and withdrawal rates were updated to reflect recent experience.

The mortality tables were updated from 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.

Salary increase scales for nonteachers were updated.

In 2022, the following assumption changes:

The discount rate and expected long-term investment return was changed from 5.50 percent to 5.20 percent.

The 20-year municipal bond yield was changed from 2.40 percent to 3.80 percent.

In 2021, the following assumption changes:

The 20-year municipal bond yield was changed from 2.45 percent to 2.40 percent.

Medical trend rates were changed to better anticipate short-term and long-term medical increases.

The mortality tables were updated from the RP-2014 Mortality Tables

with MP-2015 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.

The payroll growth rate was changed from a flat 3.00 percent to rates that vary by service and contract group.

In 2020, the following assumption changes:

The 20-year municipal bond yield was changed from 3.13 percent to 2.45 percent.

The medical trend rates were updated to exclude the Affordable Care Act's Excise Tax on high-cost health insurance plans, due to its repeal.

In 2019, the following assumption changes:

The healthcare trend rates were changed to reflect updated cost increase expectations.

Medical claim costs were updated to reflect recent experience and plan offerings.

Mortality and salary increase rates were updated to those used in the current PERA and TRA valuations.

Retiree coverage elections were updated to reflect recent plan experience.

The inflation rate was changed from 2.75 percent to 2.50 percent.

In 2018, the following assumptions changes:

The healthcare trend rates were increased to reflect the projected effect of the Affordable Care Act's Excise Tax on high-cost health insurance plans.

The discount rate was changed from 5.75 percent to 5.50 percent.

In 2017, the following assumptions changes:

The healthcare trend rates were changed to reflect updated cost increase expectations.

Medical claim costs were updated to reflect recent experience and plan offerings.

Withdrawal, disability, retirement, mortality, and salary increase rates were updated to correct the PERA and the TRA valuations.

Retiree coverage elections were updated to reflect recent plan experience.

The inflation rate was changed from 3.00 percent to 2.75 percent.

The discount rate was changed from 4.00 percent to 5.75 percent.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended June 30, 2024

**Schedule of District's Contributions**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Employer Contribution	\$ 1,643,605	\$ 945,795	\$ 1,055,343	\$ 488,138	\$ 443,570	\$ 681,324	\$ 583,727
Contributions in Relation to the Contractually Required Employer Contribution	<u>1,643,605</u>	<u>945,795</u>	<u>1,055,343</u>	<u>488,138</u>	<u>443,570</u>	<u>681,324</u>	<u>583,727</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - Employee Payroll	\$ 115,703,327	\$ 112,242,701	\$ 107,479,939	\$ 104,349,456	\$ 116,588,812	\$ 92,975,942	\$ 115,803,161
Contributions as a Percentage of Covered Employee Payroll	1.42 %	0.84 %	0.98 %	0.47 %	0.38 %	0.73 %	0.50 %

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

**Schedule of Investment Returns**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.50 %	3.80 %	(11.60) %	14.71 %	7.84 %	6.93 %	4.11 %	5.76 %

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

INDEPENDENT SCHOOL DISTRICT NO. 281  
ROBBINSDALE AREA SCHOOL DISTRICT  
NEW HOPE, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

Independent School District No. 281  
New Hope, Minnesota  
Nonmajor Governmental Funds Combining  
Balance Sheet  
For the Year Ended June 30, 2024

	Special Revenue		Total
	Food Service	Community Service	
<b>Assets</b>			
Cash and temporary investments	\$ 4,387,256	\$ 4,249,836	\$ 8,637,092
Receivables			
Taxes	-	1,213,777	1,213,777
Accounts and interest	317,334	-	317,334
Due from other governments	-	26,144	26,144
Due from Department of Education	73,672	331,753	405,425
Due from Federal Government	144,735	532,089	676,824
Inventories	72,722	-	72,722
Prepaid items	-	595	595
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<u><u>\$ 4,995,719</u></u>	<u><u>\$ 6,354,194</u></u>	<u><u>\$ 11,349,913</u></u>
<b>Liabilities</b>			
Salaries and wages payable	\$ 37,461	\$ 238,806	\$ 276,267
Accounts and other payables	217,359	74,177	291,536
Due to other governments	-	529	529
Unearned revenue	142,589	137,124	279,713
<b>Total Liabilities</b>	<u>397,409</u>	<u>450,636</u>	<u>848,045</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - delinquent property taxes	-	12,131	12,131
Property taxes levied for subsequent year	-	2,396,438	2,396,438
<b>Total Deferred Inflows of Resources</b>	<u>                    </u>	<u>2,408,569</u>	<u>2,408,569</u>
<b>Fund Balances</b>			
<b>Nonspendable</b>			
Inventories	72,722	-	72,722
Prepaid items	-	595	595
<b>Restricted for</b>			
Community education	-	2,351,078	2,351,078
Early childhood family education	-	387,875	387,875
School readiness	-	225,810	225,810
Adult basic education	-	494,874	494,874
Community service	-	34,757	34,757
Food service	4,525,588	-	4,525,588
<b>Total Fund Balances</b>	<u>4,598,310</u>	<u>3,494,989</u>	<u>8,093,299</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Liabilities, Deferred Inflows     of Resources and Fund Balances</b>	<u><u>\$ 4,995,719</u></u>	<u><u>\$ 6,354,194</u></u>	<u><u>\$ 11,349,913</u></u>

Independent School District No. 281  
New Hope, Minnesota  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Year Ended June 30, 2024

	Special Revenue		Total
	Food Service	Community Service	
Revenues			
Local property tax levies	\$ -	\$ 1,676,849	\$ 1,676,849
Other local and county revenue			
Investment earnings	183,330	231,449	414,779
Other	156,291	5,149,025	5,305,316
Revenue from state sources	2,487,052	3,073,426	5,560,478
Revenue from federal sources	6,652,606	976,155	7,628,761
Total Revenues	<u>9,479,279</u>	<u>11,106,904</u>	<u>20,586,183</u>
Expenditures			
Current			
Community education and services	-	10,955,114	10,955,114
Pupil support services	8,931,586	-	8,931,586
Total current	<u>8,931,586</u>	<u>10,955,114</u>	<u>19,886,700</u>
Capital outlay			
Community education and services	-	31,290	31,290
Pupil support services	604,620	-	604,620
Total capital outlay	<u>604,620</u>	<u>31,290</u>	<u>635,910</u>
Total Expenditures	<u>9,536,206</u>	<u>10,986,404</u>	<u>20,522,610</u>
Net Change in Fund Balances	(56,927)	120,500	63,573
Fund Balances, July 1	<u>4,655,237</u>	<u>3,374,489</u>	<u>8,029,726</u>
Fund Balances, June 30	<u>\$ 4,598,310</u>	<u>\$ 3,494,989</u>	<u>\$ 8,093,299</u>

Independent School District No. 281

New Hope, Minnesota

General Fund

Balance Sheet

For the Year Ended June 30, 2024

	<u>2024</u>
<b>Assets</b>	
Cash and temporary investments	\$ 21,389,727
Receivables	
Taxes	25,399,875
Accounts	1,469,447
Due from other governments	813,514
Due from post-employment benefits trust	1,643,605
Due from Department of Education	14,177,108
Due from Federal Government	6,424,097
Inventory	260,911
Prepaid items	97,494
<b>Total Assets</b>	<b><u>\$ 71,675,778</u></b>
<b>Liabilities</b>	
Salaries and wages payable	\$ 5,495,052
Severance payable	240,760
Accounts and other payables	3,133,022
Due to other governments	698,522
Unearned revenue	16,875
<b>Total Liabilities</b>	<b><u>9,584,231</u></b>
<b>Deferred Inflows of Resources</b>	
Unavailable revenue - delinquent property taxes	278,845
Property taxes levied for subsequent year	50,058,631
<b>Total Deferred Inflows of Resources</b>	<b><u>50,337,476</u></b>
<b>Fund Balances</b>	
Nonspendable	
Prepaid items	358,405
Restricted for	
Student activity accounts	97,629
Scholarships	492,065
Capital projects levy	4,803,713
Literacy incentive aid	465,964
American indian education	11,216
Operating capital	2,071,486
Area learning center	1,275,523
Long-term facilities maintenance	520,486
Medical assistance	969,932
Assigned for	
Building carryover	528,682
Telecom	152,968
LCTS program	672,487
Unassigned	(666,485)
<b>Total Fund Balances</b>	<b><u>11,754,071</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 71,675,778</u></b>

Independent School District No. 281

New Hope, Minnesota

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Continued On The Following Pages)

For the Year Ended June 30, 2024

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

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
<b>Revenues</b>					
Local property tax levies	\$ 48,846,655	\$ 48,846,655	\$ 46,820,022	\$ (2,026,633)	\$ 44,342,912
Other local and county revenue					
Investment earnings	50,000	813,560	939,999	126,439	707,818
Other	4,569,267	5,173,875	5,219,250	45,375	4,081,330
Revenue from state sources	137,563,633	139,081,313	138,778,005	(303,308)	119,997,239
Revenue from federal sources	11,294,808	10,321,023	10,651,543	330,520	23,032,906
<b>Total Revenues</b>	<b>202,324,363</b>	<b>204,236,426</b>	<b>202,408,819</b>	<b>(1,827,607)</b>	<b>192,162,205</b>
<b>Expenditures</b>					
<b>Current</b>					
<b>Administration</b>					
Salaries	6,014,159	6,006,949	5,902,741	104,208	5,522,649
Employee benefits	1,813,256	2,341,898	2,012,213	329,685	1,792,586
Purchased services	66,254	165,692	230,918	(65,226)	221,990
Supplies and materials	70,780	27,944	35,244	(7,300)	66,211
Other	59,868	88,578	75,961	12,617	88,409
<b>Total administration</b>	<b>8,024,317</b>	<b>8,631,061</b>	<b>8,257,077</b>	<b>373,984</b>	<b>7,691,845</b>
<b>District support services</b>					
Salaries	3,874,384	3,885,389	3,595,877	289,512	3,725,521
Employee benefits	1,001,163	1,377,588	1,702,026	(324,438)	1,386,327
Purchased services	896,096	861,800	277,844	583,956	617,644
Supplies and materials	2,106,537	1,698,867	2,147,306	(448,439)	1,517,186
Other	5,978,558	108,328	35,679	72,649	22,180
<b>Total district support services</b>	<b>13,856,738</b>	<b>7,931,972</b>	<b>7,758,732</b>	<b>173,240</b>	<b>7,268,858</b>
<b>Elementary and secondary     regular instruction</b>					
Salaries	63,738,712	62,850,290	63,008,515	(158,225)	59,884,963
Employee benefits	18,402,785	19,520,838	17,921,453	1,599,385	17,431,638
Purchased services	2,493,375	3,419,908	3,575,271	(155,363)	3,458,154
Supplies and materials	1,379,403	1,021,988	1,534,678	(512,690)	3,475,517
Other	467,503	537,696	545,621	(7,925)	604,674
<b>Total elementary and secondary         regular instruction</b>	<b>86,481,778</b>	<b>87,350,720</b>	<b>86,585,538</b>	<b>765,182</b>	<b>84,854,946</b>

Independent School District No. 281  
New Hope, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2024  
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Vocational education instruction					
Salaries	\$ 858,527	\$ 1,058,725	\$ 975,377	\$ 83,348	\$ 863,350
Employee benefits	293,779	277,925	273,810	4,115	243,277
Purchased services	61,676	101,353	113,312	(11,959)	100,999
Supplies and materials	11,590	43,300	49,009	(5,709)	70,064
Other	-	-	4,476	(4,476)	5,497
Total vocational education instruction	<u>1,225,572</u>	<u>1,481,303</u>	<u>1,415,984</u>	<u>65,319</u>	<u>1,283,187</u>
Special education instruction					
Salaries	23,668,499	24,152,450	24,667,458	(515,008)	22,254,324
Employee benefits	8,386,822	8,598,325	8,607,952	(9,627)	7,684,793
Purchased services	1,658,421	880,264	1,864,183	(983,919)	981,023
Supplies and materials	362,427	239,868	265,614	(25,746)	270,499
Other	-	125,962	97,860	28,102	127,045
Total special education instruction	<u>34,076,169</u>	<u>33,996,869</u>	<u>35,503,067</u>	<u>(1,506,198)</u>	<u>31,317,684</u>
Community education and services					
Salaries	-	-	28,281	(28,281)	-
Employee benefits	-	2,500	-	2,500	-
Total community education and services	<u>-</u>	<u>2,500</u>	<u>28,281</u>	<u>(25,781)</u>	<u>-</u>
Instructional support services					
Salaries	8,519,766	10,639,692	10,915,921	(276,229)	10,101,388
Employee benefits	2,469,592	3,288,325	3,174,153	114,172	2,943,184
Purchased services	183,246	626,400	635,543	(9,143)	828,099
Supplies and materials	1,191,934	826,848	896,082	(69,234)	984,823
Other	19,032	66,477	72,006	(5,529)	64,228
Total instructional support services	<u>12,383,570</u>	<u>15,447,742</u>	<u>15,693,705</u>	<u>(245,963)</u>	<u>14,921,722</u>
Pupil support services					
Salaries	6,096,446	6,809,687	7,446,858	(637,171)	6,469,901
Employee benefits	2,014,795	2,281,541	2,576,853	(295,312)	2,108,039
Purchased services	12,188,994	15,765,416	17,096,811	(1,331,395)	15,522,847
Supplies and materials	565,044	743,833	1,083,939	(340,106)	938,761
Other	-	39,034	36,303	2,731	43,691
Total pupil support services	<u>20,865,279</u>	<u>25,639,511</u>	<u>28,240,764</u>	<u>(2,601,253)</u>	<u>25,083,239</u>
Sites and buildings					
Salaries	5,491,443	6,418,032	5,802,957	615,075	5,750,721
Employee benefits	1,921,170	2,493,036	2,312,799	180,237	2,423,202
Purchased services	5,929,739	6,852,580	7,516,005	(663,425)	7,355,991
Supplies and materials	836,486	626,084	1,033,329	(407,245)	1,587,286
Other	229,985	136,556	111,072	25,484	448,153
Total sites, buildings and equipment	<u>14,408,823</u>	<u>16,526,288</u>	<u>16,776,162</u>	<u>(249,874)</u>	<u>17,565,353</u>

Independent School District No. 281  
New Hope, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2024  
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Expenditures (Continued)					
Current (continued)					
Fiscal and other fixed cost programs					
Employee benefits	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Purchased services	684,369	507,234	577,621	(70,387)	591,978
Total fiscal and other fixed cost programs	684,369	1,507,234	577,621	929,613	591,978
Total current	192,006,615	198,515,200	200,836,931	(2,321,731)	190,578,812
Capital outlay					
Administration	-	-	-	-	24,835
District support services	4,390,388	2,523,841	3,875,435	(1,351,594)	1,470,030
Elementary and secondary regular instruction	447,178	893,295	1,017,784	(124,489)	741,790
Vocational education instruction	-	-	6,553	(6,553)	15,597
Special education instruction	111,143	337,342	252,822	84,520	26,388
Instructional support services	3,000	28,375	86,318	(57,943)	22,162
Pupil support services	-	473,000	1,522,795	(1,049,795)	230
Sites and buildings	2,143,959	544,029	555,055	(11,026)	4,197,362
Total capital outlay	7,095,668	4,799,882	7,316,762	(2,516,880)	6,498,394
Debt service					
Principal	1,896,524	2,376,586	1,277,704	1,098,882	977,318
Interest and other	530,524	372,769	618,788	(246,019)	294,284
Total debt service	2,427,048	2,749,355	1,896,492	852,863	1,271,602
Total Expenditures	201,529,331	206,064,437	210,050,185	(3,985,748)	198,348,808
Excess (Deficiency) of Revenues Over (Under) Expenditures	795,032	(1,828,011)	(7,641,366)	(5,813,355)	(6,186,603)
Other Financing Source					
Lease issued	-	-	1,050,060	1,050,060	3,841,464
Insurance Recovery	-	-	53,002	53,002	71,953
Sale of capital assets	-	1,500	1,773	273	28,295
Total Other Financing Sources	-	1,500	1,104,835	1,103,335	3,941,712
Net Change in Fund Balances	795,032	(1,826,511)	(6,536,531)	(4,710,020)	(2,244,891)
Fund Balances, July 1	18,290,602	18,290,602	18,290,602	-	20,535,493
Fund Balances, June 30	\$ 19,085,634	\$ 16,464,091	\$ 11,754,071	\$ (4,710,020)	\$ 18,290,602

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **NONMAJOR SPECIAL REVENUE FUNDS**

**Food Service** - This fund was established to record financial activities of the District's Food Service program. Food service includes activities for the purpose of preparation and service of milk, meals and snacks in connection with school and community service activities.

**Community Service** - This fund was established to record all financial activities of the Community Service program. The program includes: Community Education, Early Childhood Family Education, School Readiness and Adult Basic Education. The activity in the fund includes only those activities authorized by Minnesota statute.

Independent School District No. 281  
New Hope, Minnesota  
Food Service Special Revenue Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2024  
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Local revenue					
Investment earnings	\$ -	\$ -	\$ 183,330	\$ 183,330	\$ 101,698
Other	104,281	230,781	156,291	(74,490)	1,379,378
Revenue from state sources	1,640,870	1,396,653	2,487,052	1,090,399	270,972
Revenue from federal sources	5,865,828	6,138,927	6,652,606	513,679	6,103,916
Total Revenues	<u>7,610,979</u>	<u>7,766,361</u>	<u>9,479,279</u>	<u>1,712,918</u>	<u>7,855,964</u>
Expenditures					
Current					
Pupil support services					
Salaries	2,397,140	2,364,944	2,781,787	(416,843)	2,391,836
Employee benefits	960,975	1,001,779	1,161,213	(159,434)	1,081,290
Purchased services	128,500	143,400	622,564	(479,164)	128,417
Supplies and materials	4,558,800	5,369,898	4,341,132	1,028,766	3,557,727
Other	25,000	25,000	24,890	110	24,523
Capital outlay					
Pupil support services	<u>750,000</u>	<u>750,500</u>	<u>604,620</u>	<u>145,880</u>	<u>137,374</u>
Total Expenditures	<u>8,820,415</u>	<u>9,655,521</u>	<u>9,536,206</u>	<u>119,315</u>	<u>7,321,167</u>
Net Change in Fund Balances	(1,209,436)	(1,889,160)	(56,927)	1,832,233	534,797
Fund Balances, July 1	<u>4,655,237</u>	<u>4,655,237</u>	<u>4,655,237</u>	<u>-</u>	<u>4,120,440</u>
Fund Balances, June 30	<u>\$ 3,445,801</u>	<u>\$ 2,766,077</u>	<u>\$ 4,598,310</u>	<u>\$ 1,832,233</u>	<u>\$ 4,655,237</u>

Independent School District No. 281  
New Hope, Minnesota  
Community Service Special Revenue Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2024  
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Local property tax levies	\$ 1,752,694	\$ 1,752,694	\$ 1,676,849	\$ (75,845)	\$ 2,196,394
Other local and county revenue					
Investment earnings	-	-	231,449	231,449	124,074
Other	4,825,310	5,087,310	5,149,025	61,715	4,669,158
Revenue from state sources	3,094,812	3,315,762	3,073,426	(242,336)	3,086,458
Revenue from federal sources	683,168	883,168	976,155	92,987	1,003,875
Total Revenues	<u>10,355,984</u>	<u>11,038,934</u>	<u>11,106,904</u>	<u>67,970</u>	<u>11,079,959</u>
Expenditures					
Current					
Community education and services					
Salaries	7,344,919	7,646,964	7,414,110	232,854	6,925,312
Employee benefits	2,217,102	2,358,294	2,348,289	10,005	2,235,461
Purchased services	1,053,523	1,127,858	929,253	198,605	905,918
Supplies and materials	208,330	321,053	255,418	65,635	229,397
Other	14,203	14,953	8,044	6,909	4,175
Capital outlay					
Community education and services	54,425	56,140	31,290	24,850	245,694
Total Expenditures	<u>10,892,502</u>	<u>11,525,262</u>	<u>10,986,404</u>	<u>538,858</u>	<u>10,545,957</u>
Net Change in Fund Balances	(536,518)	(486,328)	120,500	606,828	534,002
Fund Balances, July 1	<u>3,374,489</u>	<u>3,374,489</u>	<u>3,374,489</u>	-	<u>2,840,487</u>
Fund Balances, June 30	<u>\$ 2,837,971</u>	<u>\$ 2,888,161</u>	<u>\$ 3,494,989</u>	<u>\$ 606,828</u>	<u>\$ 3,374,489</u>

Independent School District No. 281

New Hope, Minnesota  
 Debt Service Fund  
 Balance Sheet by Account  
 June 30, 2024

	Components of the Debt Service Fund		Total General Fund
	Regular Debt Service Fund	OPEB Debt Service Fund	
<b>Assets</b>			
Cash and temporary investments	\$ 11,936,053	\$ 1,353,253	\$ 13,289,306
Receivables			
Taxes	11,019,331	861,594	11,880,925
Due from Department of Education	90,009	1	90,010
<b>Total Assets</b>	<b>\$ 23,045,393</b>	<b>\$ 2,214,848</b>	<b>\$ 25,260,241</b>
<b>Liabilities</b>			
Accounts payable and other payables	\$ 475	\$ -	\$ 475
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - delinquent property taxes	115,076	15,214	130,290
Property taxes levied for subsequent year	21,736,559	1,681,505	23,418,064
<b>Total Deferred Inflows of Resources</b>	<b>21,851,635</b>	<b>1,696,719</b>	<b>23,548,354</b>
<b>Fund Balances</b>			
Restricted for debt service			
<b>Total Fund Balances</b>	<b>1,193,283</b>	<b>518,129</b>	<b>1,711,412</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 23,045,393</b>	<b>\$ 2,214,848</b>	<b>\$ 25,260,241</b>

Independent School District No. 281

New Hope, Minnesota

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance by Account

For the Year Ended June 30, 2024

	Components of the Det Service Fund		Total Debt Service Fund
	Regular Debt Service Fund	OPEB Debt Service Fund	
Revenues			
Local property tax levies	\$ 18,784,745	\$ 2,548,007	\$ 21,332,752
Other local and county revenue			
Interest earned on investments	392,553	74,202	466,755
Revenue from state sources	900,092	5	900,097
Total Revenues	<u>20,077,390</u>	<u>2,622,214</u>	<u>22,699,604</u>
Expenditures			
Debt service			
Principal	13,715,000	2,465,000	16,180,000
Interest	6,630,731	136,213	6,766,944
Other	10,538	400	10,938
Total debt service	<u>20,356,269</u>	<u>2,601,613</u>	<u>22,957,882</u>
Total Expenditures	<u>20,356,269</u>	<u>2,601,613</u>	<u>22,957,882</u>
Net Change in Fund Balances	(278,879)	20,601	(258,278)
Fund Balances, July 1	<u>1,472,162</u>	<u>497,528</u>	<u>1,969,690</u>
Fund Balances, June 30	<u>\$ 1,193,283</u>	<u>\$ 518,129</u>	<u>\$ 1,711,412</u>

Independent School District No. 281  
New Hope, Minnesota  
Debt Service Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2024  
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Local property tax levies	\$ 22,297,666	\$ 22,384,408	\$ 21,332,752	\$ (1,051,656)	\$ 20,647,914
Other local and county revenue					
Investment earnings (loss)	-	2,000	466,755	464,755	257,865
Revenue from state sources	900,000	1,100,000	900,097	(199,903)	901,555
Total Revenues	<u>23,197,666</u>	<u>23,486,408</u>	<u>22,699,604</u>	<u>(786,804)</u>	<u>21,807,334</u>
Expenditures					
Debt service					
Principal	16,180,000	15,595,000	16,180,000	(585,000)	15,310,000
Interest	6,766,873	6,695,208	6,766,944	(71,736)	6,549,058
Other	-	7,500	10,938	(3,438)	22,000
Total Expenditures	<u>22,946,873</u>	<u>22,297,708</u>	<u>22,957,882</u>	<u>(660,174)</u>	<u>21,881,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	250,793	1,188,700	(258,278)	(1,446,978)	(73,724)
Other Financing Sources					
Premium on bonds issued	-	-	-	-	1,650
Net Change in Fund Balances	250,793	1,188,700	(258,278)	(1,446,978)	(72,074)
Fund Balances, July 1	<u>1,969,690</u>	<u>1,969,690</u>	<u>1,969,690</u>	<u>-</u>	<u>2,041,764</u>
Fund Balances, June 30	<u>\$ 2,220,483</u>	<u>\$ 3,158,390</u>	<u>\$ 1,711,412</u>	<u>\$ (1,446,978)</u>	<u>\$ 1,969,690</u>

Independent School District No. 281  
New Hope, Minnesota  
Capital Projects - Building Construction Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2024  
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
<b>Revenues</b>					
Other local and county revenue					
Investment earnings	\$ -	\$ 950,000	\$ 826,545	\$ (123,455)	\$ 315,218
Other	-	29,500	60,210	30,710	2,612
Total Revenues	<u>-</u>	<u>979,500</u>	<u>886,755</u>	<u>(92,745)</u>	<u>317,830</u>
<b>Expenditures</b>					
Sites and buildings					
Salaries	-	232,000	214,003	17,997	215,047
Employee benefits	-	60,350	63,122	(2,772)	66,139
Purchased services	-	561,500	795,611	(234,111)	1,802,704
Capital outlay	22,430,000	17,676,500	16,124,271	1,552,229	19,428,721
Debt service					
Fiscal charges and other	-	-	360,830	(360,830)	192,063
Total Expenditures	<u>22,430,000</u>	<u>18,530,350</u>	<u>17,557,837</u>	<u>972,513</u>	<u>21,704,674</u>
Over (Under) Expenditures	<u>(22,430,000)</u>	<u>(17,550,850)</u>	<u>(16,671,082)</u>	<u>879,768</u>	<u>(21,386,844)</u>
<b>Other Financing Sources</b>					
Bonds issued	19,430,000	19,431,180	19,260,000	(171,180)	18,060,000
Preimum on debt issued	-	-	532,009	532,009	953,826
Total other financing sources	<u>19,430,000</u>	<u>19,431,180</u>	<u>19,792,009</u>	<u>360,829</u>	<u>19,013,826</u>
Net Change in Fund Balances	(3,000,000)	1,880,330	3,120,927	1,240,597	(2,373,018)
Fund Balances, July 1	<u>9,503,879</u>	<u>9,503,879</u>	<u>9,503,879</u>	<u>-</u>	<u>11,876,897</u>
Fund Balances, June 30	<u>\$ 6,503,879</u>	<u>\$ 11,384,209</u>	<u>\$ 12,624,806</u>	<u>\$ 1,240,597</u>	<u>\$ 9,503,879</u>

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Independent School District No. 281  
 New Hope, Minnesota  
 Statement of Net Position  
 Internal Service Funds  
 For the Year Ended June 30, 2024

	Governmental Activities		
	Dental Self-Insurance	Health Benefits Self-Insurance	Totals
Current Assets			
Cash and temporary investments	\$ 1,409,391	\$ 1,176,325	\$ 2,585,716
Current Liabilities			
Claims payable	26,568	3,005,962	3,032,530
Net Position			
Unrestricted	\$ 1,382,823	\$ (1,829,637)	\$ (446,814)

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281  
New Hope, Minnesota  
Statement of Revenues, Expenses and Changes in Net Position  
Internal Service Funds  
For the Year Ended June 30, 2024

	Governmental Activities		Totals
	Dental Self-Insurance	Health Benefits Self-Insurance	
Operating Revenues			
Charges to other funds			
Contributions from governmental funds	\$ 1,297,673	\$ 20,561,071	\$ 21,858,744
Operating Expenses			
Dental Benefit Claims	1,321,789	-	1,321,789
Health Benefit Claims	-	21,208,001	21,208,001
Total operating expenses	1,321,789	21,208,001	22,529,790
Operating Loss	(24,116)	(646,930)	(671,046)
Nonoperating Revenues			
Interest earned on investments	61,020	32,556	93,576
Change in Net Position	36,904	(614,374)	(577,470)
Net Position, July 1	1,345,919	(1,215,263)	130,656
Net Position, June 30	\$ 1,382,823	\$ (1,829,637)	\$ (446,814)

The notes to the financial statements are an integral part of this statement.

Independent School District No. 281  
New Hope, Minnesota  
Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2024

	Governmental Activities		Totals
	Dental Self-Insurance	Health Benefits Self-Insurance	
Cash Flows from Operating Activities			
Receipts from interfund premiums	\$ 1,297,673	\$ 20,561,071	\$ 21,858,744
Payments for dental claims	(1,319,107)	-	(1,319,107)
Payments for health claims	-	(20,640,042)	(20,640,042)
Net Cash Provided (Used) by Operating Activities	(21,434)	(78,971)	(100,405)
Cash Flows from Investing Financing Activities			
Interest received on investments	61,020	32,556	93,576
Net Increase (Decrease) in Cash and Cash Equivalents	39,586	(46,415)	(6,829)
Cash and Cash Equivalents, July 1	1,369,805	1,222,740	2,592,545
Cash and Cash Equivalents, June 30	<u>\$ 1,409,391</u>	<u>\$ 1,176,325</u>	<u>\$ 2,585,716</u>
Reconciliation of Operating Income to Net Cash			
Provided (Used) by Operating Activities			
Operating income (loss)	\$ (24,116)	\$ (646,930)	\$ (671,046)
Adjustments to reconcile operating income to net cash			
provided (used) by operating activities			
(Increase) Decrease in liabilities			
Accounts payable	2,682	567,959	570,641
Net Cash Provided (Used) by Operating Activities	<u>\$ (21,434)</u>	<u>\$ (78,971)</u>	<u>\$ (100,405)</u>

The notes to the financial statements are an integral part of this statement.



**Fiscal Compliance Report - 6/30/2024**  
**District: ROBBINSDALE (281-1)**

	Audit	UFARS	Audit - UFARS
<b>01 GENERAL FUND</b>			
Total Revenue	\$202,408,819	\$201,559,348	\$849,471
Total Expenditures	\$210,050,185	\$210,050,176	\$9
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$358,405	\$358,405	\$0
<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$97,629	\$97,629	\$0
4.02 Scholarships	\$492,065	\$492,064	\$1
4.03 Staff Development	\$0	\$0	\$0
4.07 Capital Projects Levy	\$4,803,713	\$4,803,712	\$1
4.08 Cooperative Revenue	\$0	\$0	\$0
4.12 Literacy Incentive Aid	\$465,964	\$465,964	\$0
4.14 Operating Debt	\$0	\$0	\$0
4.16 Levy Reduction	\$0	\$0	\$0
4.17 Taconite Building Maint	\$0	\$0	\$0
4.20 American Indian Education Aid	\$11,216	\$11,216	\$0
4.24 Operating Capital	\$2,071,486	\$2,071,487	(\$1)
4.26 \$25 Taconite	\$0	\$0	\$0
4.27 Disabled Accessibility	\$0	\$0	\$0
4.28 Learning & Development	\$0	\$0	\$0
4.34 Area Learning Center	\$1,275,523	\$1,275,522	\$1
4.35 Contracted Alt. Programs	\$0	\$0	\$0
4.36 State Approved Alt. Program	\$0	\$0	\$0
4.38 Gifted & Talented	\$0	\$0	\$0
4.39 English Learner	\$0	\$0	\$0
4.40 Teacher Development and Evaluation	\$0	\$0	\$0
4.41 Basic Skills Programs	\$0	\$0	\$0
4.43 School Library Aid	\$0	\$0	\$0
4.48 Achievement and Integration	\$0	\$0	\$0
4.49 Safe Schools Levy	\$0	\$0	\$0
4.51 QZAB Payments	\$0	\$0	\$0
4.52 OPEB Liab Not In Trust	\$0	\$0	\$0
4.53 Unfunded Sev & Retiremt Levy	\$0	\$0	\$0
4.59 Basic Skills Extended Time	\$0	\$0	\$0
4.67 LTFM	\$520,486	\$520,486	\$0
4.71 Student Support Personnel Aid	\$0	\$0	\$0
4.72 Medical Assistance	\$969,932	\$969,933	(\$1)
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$0	\$0	\$0
4.75 Title VII Impact Aid	\$0	\$0	\$0
4.76 Payments in Lieu of Taxes	\$0	\$0	\$0
<i>Committed:</i>			
4.18 Committed for Separation	\$0	\$0	\$0
4.61 Committed Fund Balance	\$0	\$0	\$0
<i>Assigned:</i>			
4.62 Assigned Fund Balance	\$1,354,137	\$1,354,137	\$0
<i>Unassigned:</i>			
4.22 Unassigned Fund Balance	(\$1,522,907)	(\$1,522,910)	\$3
<b>02 FOOD SERVICES</b>			
Total Revenue	\$9,479,055	\$9,479,054	\$1
Total Expenditures	\$9,536,211	\$9,536,211	\$0
<i>Non Spendable:</i>			

	Audit	UFARS	Audit - UFARS
<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$886,755	\$886,754	\$1
Total Expenditures	\$17,557,837	\$17,557,837	\$0
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	\$0	\$0
<i>Restricted / Reserved:</i>			
4.07 Capital Projects Levy	\$0	\$0	\$0
4.13 Funded by COP/FP	\$0	\$0	\$0
4.67 LTFM	\$12,363,311	\$12,363,311	\$0
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$261,494	\$261,494	\$0
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	\$0	\$0
<b>07 DEBT SERVICE</b>			
Total Revenue	\$20,077,390	\$20,077,389	\$1
Total Expenditures	\$20,356,269	\$20,356,268	\$1
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	\$0	\$0
<i>Restricted / Reserved:</i>			
4.25 Bond Refundings	\$0	\$0	\$0
4.33 Maximum Effort Loan Aid	\$0	\$0	\$0
4.51 QZAB Payments	\$0	\$0	\$0
4.67 LTFM	\$0	\$0	\$0
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$1,193,283	\$1,193,283	\$0
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	\$0	\$0
<b>08 TRUST</b>			
Total Revenue	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0
<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$0	\$0	\$0
4.02 Scholarships	\$0	\$0	\$0
4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
<b>18 CUSTODIAL</b>			
Total Revenue	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0
<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$0	\$0	\$0
4.02 Scholarships	\$0	\$0	\$0
4.48 Achievement and Integration	\$0	\$0	\$0
4.64 Restricted Fund Balance	\$0	\$0	\$0
<b>20 INTERNAL SERVICE</b>			
Total Revenue	\$21,952,320	\$21,952,319	\$1
Total Expenditures	\$22,529,790	\$22,529,789	\$1
4.22 Unassigned Fund Balance (Net Assets)	(\$446,814)	(\$446,814)	\$0
<b>25 OPEB REVOCABLE TRUST</b>			
Total Revenue	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0

Minnesota Department of Education

4.60 Non Spendable Fund Balance	\$72,722	<u>\$72,722</u>	\$0
<i>Restricted / Reserved:</i>			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$4,525,588	<u>\$4,525,587</u>	\$1
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0

**04 COMMUNITY SERVICE**

Total Revenue	\$11,106,904	<u>\$11,106,899</u>	\$5
Total Expenditures	\$10,986,404	<u>\$10,986,396</u>	\$8
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$595	<u>\$595</u>	\$0
<i>Restricted / Reserved:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	\$0
4.31 Community Education	\$2,351,078	<u>\$2,351,078</u>	\$0
4.32 E.C.F.E	\$387,875	<u>\$387,875</u>	\$0
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	\$0
4.44 School Readiness	\$225,810	<u>\$225,810</u>	\$0
4.47 Adult Basic Education	\$494,874	<u>\$494,874</u>	\$0
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$34,757	<u>\$34,759</u>	(\$2)
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0

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

Total Revenue	\$1,131,424	<u>\$1,131,423</u>	\$1
Total Expenditures	\$1,678,304	<u>\$1,678,304</u>	\$0
4.22 Unassigned Fund Balance (Net Assets)	\$12,465,838	<u>\$12,465,838</u>	\$0

**47 OPEB DEBT SERVICE**

Total Revenue	\$2,622,214	<u>\$2,622,213</u>	\$1
Total Expenditures	\$2,601,613	<u>\$2,601,613</u>	\$0
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	\$0
<i>Restricted:</i>			
4.25 Bond Refundings	\$0	<u>\$0</u>	\$0
4.64 Restricted Fund Balance	\$518,129	<u>\$518,128</u>	\$1
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0

Independent School District No. 281  
New Hope, Minnesota  
Fiscal Compliance Table Reconciliation  
For the Year Ended June 30, 2024

The following items reconcile the differences shown on the Fiscal Compliance Table between the District's UFARS upload and the audited numbers.

General Fund

Revenues: Adjustments made to revenues due to audit still being in progress as of 12/1 and errors in the prior year turnaround report

STATISTICAL SECTION (UNAUDITED)  
INDEPENDENT SCHOOL DISTRICT NO. 281  
ROBBINSDALE AREA SCHOOLS  
NEW HOPE, MINNESOTA  
  
FOR THE YEAR ENDED  
JUNE 30, 2024

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## STATISTICAL SECTION (UNAUDITED)

This part of the Independent School District No. 281's annual comprehensive financial report 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.

### **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 government's most significant local revenue source, the property tax.*

### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the government's current levels of out-standing debt and the government'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 Information**

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

*Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.*

Independent School District No. 281

Table 1

New Hope, Minnesota  
 Net Position by Component  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 107,207,460	\$ 122,266,332	\$ 115,303,157	\$ 117,654,573	\$ 116,151,974	\$ 121,514,170	\$ 119,977,952	\$ 111,931,629	\$ 102,505,704	\$ 94,003,062
Restricted	5,848,970	8,691,982	9,768,518	11,038,463	11,057,047	8,831,552	13,711,368	17,685,336	19,107,831	27,645,249
Unrestricted	(83,516,985)	(86,000,673)	(142,988,687)	(199,663,718)	(164,847,615)	(172,365,636)	(168,240,437)	(157,149,952)	(122,758,344)	(102,938,880)
Total Governmental Activities Net Position	<u>\$ 29,539,445</u>	<u>\$ 44,957,641</u>	<u>\$ (17,917,012)</u>	<u>\$ (70,970,682)</u>	<u>\$ (37,638,594)</u>	<u>\$ (42,019,914)</u>	<u>\$ (34,551,117)</u>	<u>\$ (27,532,987)</u>	<u>\$ (1,144,809)</u>	<u>\$ 18,709,431</u>

Note: GASB Statement No. 68 was implemented for the year ended June 30, 2015 and required a \$101.1 million restatement of beginning net position. Prior year amounts have not been restated.

Note: GASB Statement No. 74 and 75 were implemented for the year ended June 30, 2017 and required a \$3.4 million restatement of beginning net position. Prior year amounts have not been restated.

Note: GASB Statement No. 84 was implemented for the year ended June 30, 2020 and required a \$0.5 million restatement of beginning net position. Prior year amounts have not been restated.

Independent School District No. 281

Table 2

Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Expenses										
Administration	\$ 5,390,640	\$ 6,098,358	\$ 7,886,010	\$ 7,721,781	\$ 5,515,211	\$ 7,322,496	\$ 7,849,512	\$ 7,022,554	\$ 6,341,329	\$ 7,397,397
District support services	5,367,003	7,218,076	8,291,512	7,836,267	9,766,522	5,842,366	7,689,450	10,102,689	7,642,191	8,788,541
Elementary and secondary regular instruction	75,849,372	84,552,454	115,652,948	106,754,453	53,979,385	84,979,649	82,065,296	75,765,485	64,957,769	75,652,036
Vocational education instruction	1,928,738	1,794,043	2,284,209	1,986,611	773,463	1,503,372	1,446,111	1,241,992	940,887	1,214,561
Special education instruction	25,746,822	28,164,535	36,782,980	39,746,365	25,976,927	35,301,076	34,249,305	29,940,336	24,573,782	31,390,605
Instructional support services	11,497,919	10,769,418	17,235,990	19,570,243	9,105,680	12,334,356	13,863,745	12,265,884	12,247,396	13,713,275
Pupil support services	13,480,522	15,015,158	17,528,400	19,034,575	17,315,538	18,825,428	12,908,795	24,241,745	23,397,500	27,945,670
Sites and buildings	27,603,972	25,787,522	34,887,431	30,324,113	33,669,988	34,675,198	34,801,921	37,321,186	44,587,236	38,878,593
Fiscal and other fixed cost programs	533,245	454,428	557,141	521,264	452,980	432,254	447,607	506,401	591,978	600,584
Food service	7,054,514	7,822,574	8,429,759	8,020,908	7,706,006	7,276,407	5,960,895	7,354,712	7,238,539	9,536,206
Community service	8,295,446	8,840,567	11,033,134	11,745,783	10,154,134	10,714,698	9,445,606	8,404,889	9,682,718	10,472,210
Interest and fiscal charges on debt	5,644,096	6,107,024	6,758,127	5,864,901	5,636,378	5,092,272	5,225,791	5,525,895	5,490,978	6,793,800
Total expenses	188,392,289	202,624,157	267,327,641	259,127,264	180,052,212	224,299,572	215,954,034	219,693,768	207,692,303	232,383,478
Charges for services										
Administration	165	652	625	330	330	-	-	-	-	328
District support services	162,582	247,734	145,124	134,508	225,115	120,685	117,984	180,990	140,096	77,724
Elementary and secondary regular instruction	1,101,536	1,119,601	1,264,788	1,182,309	940,917	485,766	345,605	503,279	565,398	839,170
Vocational education instruction	2,326	18	14	-	-	-	-	-	-	-
Special education instruction	208,893	195,777	267,964	483,254	400,456	709,428	380,362	477,905	868,063	7,117
Instructional support services	8,675	903	222	1,503	1,871	3,255	3,722	6,713	4,271	69,629
Pupil support services	47,177	38,486	-	2,768	166,538	-	-	-	60,795	157,435
Sites and buildings	282,482	93,200	113,621	15,008	20,618	754,317	193,066	16,727	29,300	35,767
Food service	2,217,047	2,172,672	2,052,382	2,101,585	2,104,594	1,477,502	384,656	80,258	1,378,103	2,149,691
Community service	3,894,381	4,368,503	4,939,077	5,291,223	5,642,264	4,468,094	2,740,800	4,289,217	4,669,158	4,172,967
Total charges for services	7,925,264	8,237,546	8,783,817	9,212,488	9,502,703	8,019,047	4,166,195	5,555,089	7,715,184	7,509,828
Operating grants and contributions	27,540,323	28,424,275	29,846,808	29,103,055	34,578,208	33,198,955	38,111,519	37,634,633	34,457,865	50,300,968
Total program revenues	35,465,587	36,661,821	38,630,625	38,315,543	44,080,911	41,218,002	42,277,714	43,189,722	42,173,049	57,810,796
Net (expense) revenue	(152,926,702)	(165,962,336)	(228,697,016)	(220,811,721)	(135,971,301)	(183,081,570)	(173,676,320)	(176,504,046)	(165,519,254)	(174,572,682)
General revenues and other changes in net position										
Taxes										
Property taxes, levied for general purposes	31,895,867	35,886,676	37,576,196	35,777,957	37,273,204	44,393,003	43,551,802	44,967,173	44,375,882	46,802,266
Property taxes, levied for community service	1,784,695	1,690,354	1,729,633	1,841,325	2,044,276	2,390,902	2,559,183	2,145,322	2,197,606	1,676,849
Property taxes, levied for building construction	2,540,747	1,440,091	-	-	-	-	-	-	-	-
Property taxes, levied for debt service	18,626,998	18,175,924	18,800,718	19,973,568	20,827,352	18,338,319	19,597,836	19,134,031	20,665,261	21,332,802
General grants and aids	99,826,289	107,504,169	109,188,461	107,954,995	101,589,910	110,111,808	112,405,410	114,267,827	120,609,840	113,173,344
Other general revenues	3,130,188	1,914,060	1,512,981	1,701,133	1,960,668	2,463,613	2,964,792	3,028,496	2,517,473	3,154,137
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	1,773
Investment earnings (charges)	12,767	106,758	377,622	509,073	858,243	462,138	66,094	(20,673)	1,541,370	3,815,915
Insurance recovery	-	-	-	-	-	-	-	-	-	53,002
Special item - conveyance of FAIR School	-	14,662,500	-	-	-	-	-	-	-	-
Special item - OPEB trust draw	-	-	-	-	4,749,736	-	-	-	-	-
Total general revenues and other changes in net position	157,817,551	181,380,532	169,185,611	167,758,051	169,303,389	178,159,783	181,145,117	183,522,176	191,907,432	190,010,088
Change in net position	\$ 4,890,849	\$ 15,418,196	\$ (59,511,405)	\$ (53,053,670)	\$ 33,332,088	\$ (4,921,787)	\$ 7,468,797	\$ 7,018,130	\$ 26,388,178	\$ 15,437,406

Independent School District No. 281  
 New Hope, Minnesota  
 Fund B nces of Governmental Funds  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

Table 3

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund</b>										
Nonspendable	\$ 800,112	\$ 552,260	\$ 375,117	\$ 486,096	\$ 264,546	\$ 713,515	\$ 1,218,616	\$ 1,687,909	\$ 1,054,268	\$ 358,405
Restricted	1,506,725	2,265,076	4,348,161	5,813,165	4,994,822	5,397,172	8,493,612	9,732,633	9,857,244	10,708,014
Assigned	930,246	1,839,081	873,292	-	1,210,419	1,507,829	1,882,535	6,960,051	1,734,895	1,354,137
Unassigned	15,855,654	13,580,091	7,963,180	(1,319,348)	(415,357)	622,412	7,502,120	2,154,900	5,644,195	(666,485)
<b>Total General Fund</b>	<b>\$ 19,092,737</b>	<b>\$ 18,236,508</b>	<b>\$13,559,750</b>	<b>\$ 4,979,913</b>	<b>\$ 6,054,430</b>	<b>\$ 8,240,928</b>	<b>\$ 19,096,883</b>	<b>\$ 20,535,493</b>	<b>\$ 18,290,602</b>	<b>\$ 11,754,071</b>
<b>All other governmental funds</b>										
Nonspendable, reported in										
Special revenue funds	\$ 92,131	\$ 71,158	\$ 102,859	\$ 81,060	\$ 66,365	\$ 86,354	\$ 115,288	\$ 93,978	\$ 85,916	\$ 73,317
Capital Projects – Building										
Construction Fund	769	-	-	-	-	-	356	-	-	-
Debt Service Fund	-	900	1,350	1,500	-	-	-	-	-	-
Restricted, reported in										
Special revenue funds	3,198,194	3,325,652	2,883,772	2,336,296	2,380,885	2,022,468	3,597,998	6,866,950	7,943,810	8,019,982
Capital Projects – Building										
Construction Fund	-	47,102,855	12,695,833	12,386,151	3,025,152	1,166,797	3,299,175	11,876,897	9,503,879	12,624,806
Debt Service Fund	2,679,063	11,408,622	2,303,961	2,426,303	3,046,255	2,866,254	2,954,298	2,041,764	1,969,690	1,711,412
Unassigned, reported in										
Capital Projects – Building										
Construction Fund	(276,195)	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 5,693,962</b>	<b>\$ 61,909,187</b>	<b>\$17,987,775</b>	<b>\$ 17,231,310</b>	<b>\$ 8,518,657</b>	<b>\$ 6,141,873</b>	<b>\$ 9,967,115</b>	<b>\$ 20,879,589</b>	<b>\$ 19,503,295</b>	<b>\$ 22,429,517</b>

Independent School District No. 281  
New Hope, Minnesota  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

Table 4

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Local sources										
Taxes	\$ 54,844,379	\$ 57,309,754	\$ 58,167,629	\$ 57,519,158	\$ 60,250,102	\$ 65,064,028	\$ 65,787,270	\$ 66,227,824	\$ 67,186,671	\$ 69,829,623
Investment earnings (charges)	12,767	106,758	349,903	462,688	812,707	437,945	63,843	(22,034)	1,506,673	2,648,078
Other	11,055,452	10,151,606	10,296,798	10,913,571	11,463,371	9,734,221	6,945,012	8,503,152	10,131,134	10,584,776
State sources	116,764,176	124,317,336	123,539,976	125,976,478	129,898,661	131,780,536	130,431,619	125,044,334	124,256,772	145,238,580
Federal sources	10,398,015	11,611,108	11,099,637	11,127,379	12,615,853	11,485,723	19,832,183	27,494,826	30,140,696	18,280,304
Total revenues	<u>193,074,789</u>	<u>203,496,562</u>	<u>203,453,943</u>	<u>205,999,274</u>	<u>215,040,694</u>	<u>218,502,453</u>	<u>223,059,927</u>	<u>227,248,102</u>	<u>233,221,946</u>	<u>246,581,361</u>
<b>Expenditures</b>										
Current										
Administration	5,457,327	5,876,647	6,057,838	6,211,188	6,668,226	6,901,168	7,699,766	7,527,435	7,691,838	8,257,077
District support services	3,996,042	4,460,021	7,539,458	5,654,002	7,116,200	5,766,813	7,179,027	7,889,919	7,268,857	7,758,732
Elementary and secondary regular instruction	75,446,692	82,611,441	80,495,431	76,052,466	77,514,144	78,653,904	77,205,908	79,668,997	84,854,890	86,585,538
Vocational education instruction	1,950,594	1,799,623	1,505,730	1,386,757	1,229,923	1,419,272	1,372,645	1,342,465	1,283,188	1,415,984
Special education instruction	25,753,766	27,740,788	27,998,488	31,490,066	32,635,544	33,233,639	33,070,419	31,954,641	31,317,678	35,503,067
Instructional support services	11,484,753	10,468,901	13,890,413	15,458,739	13,123,834	11,539,653	13,208,889	12,700,529	14,921,721	15,693,705
Pupil support services	13,018,795	14,674,569	15,417,357	17,171,870	18,357,090	18,481,931	12,626,379	24,573,092	25,083,239	28,240,764
Sites and buildings	13,427,858	13,598,259	14,352,208	15,743,020	15,460,915	15,709,234	15,925,083	16,026,078	17,565,351	17,848,898
Fiscal and other fixed cost programs	533,245	454,428	557,141	521,264	452,980	432,254	447,607	506,401	591,978	577,621
Food service	6,956,562	7,499,503	7,434,021	7,461,961	7,461,022	7,098,859	6,120,818	7,510,452	7,183,795	8,931,586
Community service	8,167,323	8,779,365	9,529,583	10,366,492	10,854,534	10,437,784	9,544,358	9,095,991	10,300,264	10,983,395
Capital outlay	16,241,393	29,095,514	51,330,006	21,610,466	14,118,571	28,476,722	20,236,034	17,309,064	28,394,072	24,076,943
Debt service										
Principal	12,492,199	12,375,776	13,312,096	14,113,584	15,499,567	13,538,285	14,180,048	15,422,770	16,287,318	17,457,704
Interest and fiscal charges	6,378,142	6,640,092	8,148,233	7,218,300	7,031,016	6,569,414	7,221,264	7,094,079	7,057,405	7,757,500
Total expenditures	<u>201,304,691</u>	<u>226,074,927</u>	<u>257,568,003</u>	<u>230,460,175</u>	<u>227,523,566</u>	<u>238,258,932</u>	<u>226,038,245</u>	<u>238,621,913</u>	<u>259,801,594</u>	<u>271,088,514</u>
Excess of revenues over (under) expenditures	(8,229,902)	(22,578,365)	(54,114,060)	(24,460,901)	(12,482,872)	(19,756,479)	(2,978,318)	(11,373,811)	(26,579,648)	(24,507,153)
<b>Other financing sources (uses)</b>										
Refunding debt issued	9,640,000	9,380,000	12,170,000	-	9,910,000	10,330,000	13,270,000	-	-	-
Debt issued	-	67,135,000	13,178,000	14,200,000	-	16,662,113	16,760,000	21,305,668	21,901,464	20,310,060
Premiums on debt issued	1,603,918	3,932,191	1,476,967	924,549	-	2,580,174	2,568,540	2,338,794	955,476	532,009
Payment to refunded bond escrow agent	(11,125,000)	(2,515,000)	(21,309,077)	-	(9,815,000)	(11,295,000)	(15,125,000)	-	-	-
Sale of capital assets and insurance recoveries	568	5,170	-	50	-	748,439	185,975	80,433	101,523	1,773
Transfers in	-	9,238	-	-	-	-	-	-	-	-
Transfers (out)	-	(9,238)	-	-	-	-	-	-	-	-
Insurance recovery	-	-	-	-	-	-	-	-	-	53,002
Total other financing sources (uses)	<u>119,486</u>	<u>77,937,361</u>	<u>5,515,890</u>	<u>15,124,599</u>	<u>95,000</u>	<u>19,025,726</u>	<u>17,659,515</u>	<u>23,724,895</u>	<u>22,958,463</u>	<u>20,896,844</u>
Special item – OPEB trust draw	-	-	-	-	4,749,736	-	-	-	-	-
Net change in fund balances	<u>\$ (8,110,416)</u>	<u>\$ 55,358,996</u>	<u>\$ (48,598,170)</u>	<u>\$ (9,336,302)</u>	<u>\$ (7,638,136)</u>	<u>\$ (730,753)</u>	<u>\$ 14,681,197</u>	<u>\$ 12,351,084</u>	<u>\$ (3,621,185)</u>	<u>\$ (3,610,309)</u>
Debt service as a percentage of noncapital expenditures	<u>9.4%</u>	<u>9.5%</u>	<u>10.0%</u>	<u>10.1%</u>	<u>10.4%</u>	<u>9.5%</u>	<u>10.3%</u>	<u>10.0%</u>	<u>9.8%</u>	<u>10.1%</u>

Independent School District No. 281  
New Hope, Minnesota  
Tax Capacities and Market Values  
Last Ten Fiscal Years

Table 5

For Taxes Collectible	Tax Capacity Valuation							Total Direct Tax Rate	Taxable Market Value	Tax Capacity as a Percentage of Market Value
	Agricultural	Nonagricultural	Fiscal Disparities		Tax Increment	Total Taxable				
			Contribution	Distribution						
2015	\$ 2,259	\$ 86,141,492	\$ (8,633,147)	\$ 14,813,573	\$ (2,247,092)	\$ 90,077,085	33.226 %	\$ 7,691,217,200	1.17 %	
2016	8,043	89,754,553	(8,340,302)	14,346,780	(2,451,835)	93,317,239	33.833	7,994,981,425	1.17	
2017	444	95,900,642	(9,078,698)	15,883,569	(2,804,981)	99,900,976	31.612	8,497,124,725	1.18	
2018	440	103,737,702	(9,371,466)	16,328,556	(3,365,469)	107,329,763	31.957	9,160,183,925	1.17	
2019	440	111,522,449	(10,121,106)	17,069,047	(3,747,880)	114,722,950	29.909	9,847,024,275	1.17	
2020	3,760	122,772,521	(10,522,700)	18,052,967	(4,793,813)	125,512,735	26.447	10,739,561,575	1.17	
2021	3,940	129,689,663	(11,547,527)	18,490,328	(5,141,194)	131,495,210	25.529	11,273,477,275	1.17	
2022	3,946	136,809,242	(12,560,063)	19,954,575	(4,847,724)	139,359,976	26.507	11,952,166,700	1.17	
2023	4,737	156,665,153	(12,256,155)	18,774,476	(5,302,816)	157,885,395	24.092	13,629,682,300	1.16	
2024	4,744	164,940,444	(13,572,605)	19,525,947	(5,651,840)	165,246,690	24.209	14,271,878,125	1.16	

Source: State of Minnesota School Tax Report

Independent School District No. 281  
 New Hope, Minnesota  
 General Governmental Tax Revenues by Source and Levy Type  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

**Table 6**

Fiscal Year	Property Tax				Total
	General Fund	Community Service Special Revenue Fund	Capital Projects – Building Construction Fund	Debt Service Fund	
2015	\$ 31,906,847	\$ 1,784,355	\$ 2,538,546	\$ 18,614,631	\$ 54,844,379
2016	35,915,801	1,694,733	1,445,833	18,253,387	57,309,754
2017	37,616,397	1,731,656	-	18,819,576	58,167,629
2018	35,734,126	1,838,995	-	19,946,037	57,519,158
2019	37,343,094	2,046,923	-	20,860,085	60,250,102
2020	44,343,444	2,388,215	-	18,332,369	65,064,028
2021	43,600,567	2,561,170	-	19,625,533	65,787,270
2022	44,953,558	2,145,354	-	19,128,912	66,227,824
2023	44,342,363	2,196,394	-	20,647,914	67,186,671
2024	46,820,022	1,676,849	-	21,332,752	69,829,623

Note: Legislative “tax shift” changes impacted the amount of tax revenue recognized in fiscal year 2014, which was offset by an equal adjustment to state aid payments.

Independent School District No. 281  
New Hope, Minnesota  
Operating Fund Revenue by Source (1)  
Last Ten Fiscal Years

**Table 7**

Year Ended June 30,	Local Property Tax Levies	State Revenue	Federal Revenue	Other Local and Miscellaneous (2)	Total
2015	\$ 33,691,202 19.70%	\$115,864,130 67.75%	\$ 10,398,015 6.08%	\$ 11,064,587 6.47%	\$171,017,934 100.00%
2016	37,610,534 20.57%	123,417,289 67.50%	11,611,108 6.35%	10,197,238 5.58%	182,836,169 100.00%
2017	39,348,053 21.44%	122,665,128 66.84%	11,099,637 6.05%	10,409,678 5.67%	183,522,496 100.00%
2018	37,573,121 20.32%	125,060,231 67.64%	11,127,379 6.02%	11,143,557 6.02%	184,904,288 100.00%
2019	39,390,017 20.44%	128,966,425 66.91%	12,615,853 6.54%	11,786,123 6.11%	192,758,418 100.00%
2020	46,731,659 23.48%	130,872,197 65.77%	11,485,723 5.77%	9,902,627 4.98%	198,992,206 100.00%
2021	46,161,737 22.80%	129,531,553 63.97%	19,832,183 9.79%	6,967,868 3.44%	202,493,341 100.00%
2022	47,098,912 22.72%	124,145,756 59.90%	27,494,826 13.27%	8,520,349 4.11%	207,259,843 100.00%
2023	46,538,757 22.05%	123,355,217 58.44%	30,140,696 14.28%	11,062,112 5.24%	211,096,782 100.00%
2024	48,496,871 21.75%	144,338,483 64.73%	18,280,304 8.20%	11,879,344 5.33%	222,995,002 100.00%

(1) Operating funds include the General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund.

(2) Includes interest earnings.

Independent School District No. 281  
New Hope, Minnesota  
Operating Fund Expenditures by Function (1) (2)  
Last Ten Fiscal Years

Table 8

Year Ended June 30,	District and School Administration	District Support Services	Regular Instruction	Vocational Instruction	Special Education Instruction	Community Education	Instructional Support Services	Pupil Support Services (3)	Sites, Buildings, and Equipment	Other	Total
2015	\$ 5,467,794 3.20%	\$ 5,286,447 3.10%	\$76,169,169 44.64%	\$ 1,951,604 1.14%	\$25,867,207 15.16%	\$ 8,279,318 4.85%	\$11,704,553 6.86%	\$20,064,106 11.76%	\$15,119,911 8.86%	\$ 730,055 0.43%	\$ 170,640,164 100.00%
2016	5,886,622 3.21%	6,978,242 3.80%	83,354,768 45.40%	1,799,623 0.98%	27,811,806 15.15%	8,830,748 4.81%	10,559,425 5.75%	22,346,244 12.17%	15,363,128 8.37%	651,239 0.36%	183,581,845 100.00%
2017	6,062,513 3.21%	7,997,649 4.24%	81,026,361 42.96%	1,505,730 0.80%	28,045,053 14.87%	9,580,335 5.08%	13,899,807 7.37%	23,827,014 12.63%	15,911,020 8.44%	753,951 0.40%	188,609,433 100.00%
2018	6,212,265 3.20%	7,666,347 3.95%	76,401,709 39.37%	1,407,700 0.73%	31,536,703 16.25%	10,425,417 5.37%	15,462,127 7.97%	25,181,556 12.98%	18,940,779 9.76%	818,847 0.42%	194,053,450 100.00%
2019	6,668,576 3.39%	9,682,414 4.93%	77,781,159 39.60%	1,251,339 0.64%	32,656,479 16.63%	10,908,310 5.55%	13,123,859 6.68%	25,881,212 13.18%	16,945,081 8.63%	1,505,314 0.77%	196,403,743 100.00%
2020	6,901,168 3.47%	9,533,974 4.80%	79,724,691 40.16%	1,419,272 0.72%	33,359,875 16.81%	10,460,228 5.27%	11,564,570 5.83%	25,694,562 12.95%	19,063,903 9.60%	767,912 0.39%	198,490,155 100.00%
2021	7,713,019 4.06%	9,847,489 5.18%	78,029,597 41.02%	1,375,391 0.72%	33,112,067 17.41%	9,572,982 5.03%	13,894,334 7.30%	19,083,466 10.03%	16,826,325 8.85%	764,227 0.40%	190,218,897 100.00%
2022	7,527,849 3.71%	9,353,126 4.61%	80,063,461 39.49%	1,343,554 0.66%	31,967,915 15.77%	9,174,496 4.53%	12,701,452 6.26%	32,309,167 15.94%	16,551,255 8.16%	1,767,417 0.87%	202,759,692 100.00%
2023	7,716,673 3.57%	8,738,886 4.04%	85,596,679 39.59%	1,298,785 0.60%	31,344,066 14.50%	10,545,958 4.88%	14,943,884 6.91%	32,404,637 14.99%	21,762,714 10.07%	1,863,580 0.86%	216,215,862 100.00%
2024	8,257,077 3.61%	11,634,167 5.09%	87,603,322 38.31%	1,422,537 0.62%	35,755,889 15.64%	11,014,685 4.82%	15,780,023 6.90%	39,299,765 17.19%	17,331,217 7.58%	577,621 0.25%	228,676,303 100.00%

(1) Operating funds include the General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund.

(2) Capital expenditures are included by function.

(3) Includes food service.

Independent School District No. 281  
New Hope, Minnesota  
Taxable Net Tax Capacity and Estimated Market Value  
of All Taxable Property  
Last Ten Fiscal Years

**Table 9**

Tax Collection Year	Sales Ratio	Taxable Net Tax Capacity	Estimated Market Value	Percent Total Tax Capacity of Estimated Market Value	Indicated Market Value (1)
2015	94.3	\$ 90,077,085	7,691,217,200	1.17 %	\$ 8,156,115,801
2016	94.3	93,317,239	7,994,981,425	1.17	8,478,241,172
2017	93.5	99,900,976	8,497,124,725	1.18	9,087,833,930
2018	93.9	107,329,763	9,160,183,925	1.17	9,758,372,137
2019	94.4	114,722,950	9,847,024,275	1.17	10,431,169,783
2020	94.2	125,512,735	10,739,561,575	1.17	11,400,808,466
2021	93.5	131,495,210	11,273,477,275	1.17	12,057,194,947
2022	94.7	139,359,976	11,952,166,700	1.17	12,621,084,161
2023	90.7	157,885,395	13,629,682,300	1.16	15,027,213,120
2024	90.7*	165,246,690	14,271,878,125	1.16	15,735,257,029

(1) Calculated by dividing the estimated market value by the sales ratio.

Note: Taxable net tax capacity is as adjusted for fiscal disparities and tax increments.

\* 2024 amount is an estimate

Source: Hennepin County Auditor

Independent School District No. 281  
 New Hope, Minnesota  
 Property Tax Capacity Rates  
 All Overlapping Governmental Units  
 Last Ten Fiscal Years

**Table 10**

Tax Collection Year	Property Tax Rate – Based on Tax Capacity Values									
	ISD No. 281 (1)	City of Brooklyn Center	City of Brooklyn Park	City of Crystal	City of Golden Valley	City of New Hope	City of Plymouth	City of Robbinsdale	Special Districts (2)	Hennepin County
2015	33.226	71.256	57.494	50.498	54.626	55.978	28.374	51.134	9.785	46.398
2016	33.833	73.292	56.690	50.498	54.452	57.405	27.838	53.785	9.530	45.356
2017	31.612	70.498	55.207	50.360	56.109	59.931	26.959	50.574	8.822	44.087
2018	31.957	68.432	52.373	50.416	55.152	58.589	26.804	50.346	8.516	42.808
2019	29.909	71.860	52.695	48.771	53.780	67.990	26.355	50.807	8.550	41.861
2020	26.447	66.589	49.762	47.855	53.400	66.089	26.206	47.511	7.418	41.084
2021	25.529	66.260	47.129	49.507	52.596	63.940	26.509	52.143	7.091	38.210
2022	26.507	57.109	48.338	47.373	54.736	64.323	27.574	51.201	7.849	38.535
2023	24.092	55.969	43.148	47.407	53.828	58.504	24.643	49.696	6.944	34.542
2024	24.209	56.766	46.520	48.425	54.205	58.341	24.453	47.935	6.723	34.681

Tax Collection Year	Total Tax Capacity Rate for Taxpayers as a								ISD No. 281 Market Value Base Tax (3)
	Brooklyn Center Resident	Brooklyn Park Resident	Crystal Resident	Golden Valley Resident	New Hope Resident	Plymouth Resident	Robbinsdale Resident		
2015	160.665	146.903	139.907	144.035	145.387	117.783	140.543		0.28484
2016	162.011	145.409	139.217	143.171	146.124	116.557	142.504		0.28216
2017	155.019	139.728	134.881	140.630	144.452	111.480	135.095		0.24959
2018	151.713	135.654	133.697	138.433	141.870	110.085	133.627		0.23433
2019	152.180	133.015	129.091	134.100	148.310	106.675	131.127		0.26683
2020	141.538	124.711	122.804	128.349	141.038	101.155	122.460		0.25032
2021	137.090	117.959	120.337	123.426	134.770	97.339	122.973		0.24121
2022	130.000	121.229	120.264	127.627	137.214	100.465	124.092		0.21608
2023	121.547	108.726	112.985	119.406	124.082	90.221	115.274		0.21763
2024	122.379	112.133	114.038	119.818	123.954	90.066	113.548		0.22058

- (1) The rate does not include the referendum, which is spread on School District Referendum Market Value.
- (2) Special districts include the Metropolitan Mosquito Control, Metropolitan Council, Metro Transit, Three Rivers Park District, Park Museum, and Hennepin County Regional Railroad Authority.
- (3) District voters have authorized additional school funding through an operating referendum.

Source: Hennepin County Auditor

Independent School District No. 281

Table 11

New Hope, Minnesota  
Principal Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2023			2015		
	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity
Bigos Management, Inc.	\$ 908,025	1	0.58 %	\$ 468,059	3	0.52 %
Abbott Laboratories	776,250	2	0.50	-	-	-
FW MN–Rockford Road, LLC	722,710	3	0.46	-	-	-
Alatus New Hope I LLC	614,375	4	0.39	-	-	-
Liberty Crossing Investment Partnership	595,550	5	0.38	-	-	-
Individual - Commercial	582,250	6	0.37	-	-	-
MN-Crystal Center-HA LLC	508,250	7	0.32	-	-	-
Individual - Apartment	506,475	8	0.32	-	-	-
Pointe Properties	485,000	9	0.31	-	-	-
Parker Station Flats LLC	480,925	10	0.31	-	-	-
Boom (Minnesota), LLC	-	-	-	334,058	7	0.37
Wal-Mart	-	-	-	333,600	8	0.37
U.S. Retail Partners, LLC	-	-	-	526,482	1	0.58
AGA Medical Corporation	-	-	-	478,026	2	0.53
United Health Care Services	-	-	-	402,130	4	0.45
Crystal Shopping Center	-	-	-	389,250	5	0.43
Columbia II Rockridge Center	-	-	-	372,058	6	0.41
Target Corporation	-	-	-	331,176	9	0.37
Honeywell, Inc.	-	-	-	274,750	10	0.31
<b>Total</b>	<b>\$ 6,179,810</b>		<b>3.94 %</b>	<b>\$ 3,909,589</b>		<b>4.34 %</b>
<b>Total district net tax capacity</b>	<b>\$ 157,885,395</b>			<b>\$ 83,199,685</b>		

Source: Hennepin County Auditor

\*Note that 2023 is most up to data available

Independent School District No. 281  
New Hope, Minnesota  
Property Tax Levies and Receivables Last  
Ten Fiscal Years

**Table 12**

For Taxes Collectible	Original Levy			Uncollected Taxes Receivable as of June 30, 2024			
	Local Spread	Fiscal Disparities	Total Levy	Delinquent		Current	
				Amount	Percent	Amount	Percent
2015	\$46,911,686	\$ 9,870,408	\$ 56,782,094	\$ -	- %	\$ -	- %
2016	49,272,306	8,943,065	58,215,371	-	-	-	-
2017	47,767,783	9,911,188	57,678,971	5,584	0.01	-	-
2018	50,546,470	9,283,437	59,829,907	26,579	0.04	-	-
2019	55,482,277	9,501,656	64,983,933	15,234	0.02	-	-
2020	55,303,400	10,256,071	65,559,471	35,182	0.05	-	-
2021	56,041,674	9,515,308	65,556,982	57,483	0.09	-	-
2022	57,476,955	9,894,875	67,371,830	113,678	-	-	-
2023	63,176,759	9,036,155	72,212,914	367,706	-	-	-
2024	67,002,913	8,866,537	75,869,450	-	-	37,873,132	49.92
				<u>\$ 621,446</u>		<u>\$ -</u>	

Note: Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write-off of delinquent taxes receivable.

Source State of Minnesota School Tax Report

Independent School District No. 281

Table 13

New Hope, Minnesota  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Total	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds (1)	Certificates of Participation (1)	Financed Purchases			
2015	\$ 153,041,516	\$ -	\$ 322,872	\$ 153,364,388	0.19 %	1,488
2016	217,763,960	-	142,096	217,906,056	0.26	2,091
2017	196,769,592	9,079,612	3,643,000	209,492,204	0.25	2,010
2018	197,200,309	8,513,989	3,439,416	209,153,714	0.24	2,007
2019	181,230,185	7,938,366	3,234,849	192,403,400	0.21	1,846
2020	184,648,567	7,352,743	3,043,677	195,044,987	0.20	1,872
2021	186,756,137	6,757,119	2,808,629	196,321,885	0.22	1,804
2022	194,858,386	6,146,496	2,586,656	203,591,538	0.19	2,057
2023	197,508,295	5,525,872	11,252,151	214,286,318	0.18	2,096
2024	200,832,423	4,895,249	10,865,943	216,593,615	0.18	2,119

(1) Net of unamortized premiums and discounts.

(2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

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

Independent School District No. 281  
 New Hope, Minnesota  
 Ratio of Annual Debt Service Expenditures for  
 General Bonded Debt and Certificates of Participation to Total General Expenditures  
 Last Ten Fiscal Years

**Table 14**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Other Fiscal Charges</u>	<u>Total Debt Service Expenditures</u>	<u>Total General Expenditures (1)</u>	<u>Percent of Debt Service to General Expenditures</u>
2015	\$ 12,320,000	\$ 6,353,531	\$ 18,673,531	\$ 201,304,691	9.28 %
2016	12,195,000	6,624,057	18,819,057	226,074,927	8.32
2017	13,170,000	7,880,048	21,050,048	257,568,003	8.17
2018	13,910,000	6,932,545	20,842,545	230,460,175	9.04
2019	14,730,000	6,748,249	21,478,249	227,523,566	9.44
2020	13,290,000	6,336,317	19,626,317	238,258,932	8.24
2021	13,945,000	6,637,539	20,582,539	226,038,245	9.11
2022	14,445,000	6,504,751	20,949,751	238,621,913	8.78
2023	15,310,000	6,571,058	21,881,058	259,801,594	8.42
2024	16,180,000	6,777,882	22,957,882	271,088,514	8.47

(1) General expenditures include all governmental funds.

Note: Debt service expenditures included only general obligation bonds debt and do not include refundings.

Independent School District No. 281  
New Hope, Minnesota  
Demographic and Economic Statistics Last  
Ten Fiscal Years

**Table 15**

Fiscal Year	Hennepin County						ISD No. 281	
	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Age	Labor Force (1)	Unemployment Rate	Population (1)	School Enrollment
2015	1,210,720	\$77,923,149,920	\$ 64,361	36.1	679,549	3.3	103,064	12,314
2016	1,221,703	82,242,602,554	67,318	36.2	679,285	3.4	104,207	12,626
2017	1,237,604	84,476,373,832	68,258	36.2	694,060	3.2	104,207 (2)	12,422
2018	1,249,512	87,483,333,168	70,014	36.2	703,310	3.2	104,207 (2)	12,309
2019	1,261,104	93,066,952,992	73,798	36.5	715,567	2.4	104,207 (2)	12,237
2020	1,279,981	98,436,938,805	76,905	36.5	706,189	6.2	104,207 (2)	12,132
2021	1,281,565	90,259,341,385	70,429	36.5	700,247	3.7	108,821	11,393
2022	1,289,645	110,271,095,725	85,505	37.4	710,823	2.7	101,797	11,099
2023	1,293,651	116,235,836,001	89,851	37.2	703,017	3.2	102,224	10,758
2024	1,258,713	120,300,236,262	95,574	37.4	699,826	2.9	102,224 (2)	10,536

Sources:  
(1) Hennepin County  
(2) Estimated

Independent School District No. 281  
New Hope, Minnesota  
Principal Employers  
Current and Nine Years Prior

**Table 16**

Employer	2023*			2015		
	Approximate Number of Employees	Rank	Percent of Total (1) Employees	Approximate Number of Employees	Rank	Percent of Total (1) Employees
North Memorial Medical Center	5,100	1	36.6 %	4,300	1	33.1 %
Honeywell, Inc.	2,000	2	14.4	2,000	2	15.4
ISD No. 281	1,971	3	14.1	1,778	4	13.7
United Health Care Services, Inc.	1,000	4	7.2	1,000	3	7.7
Metro Building Company	1,000	4	7.2	1,000	5	7.7
North Ridge Care Center	720	6	5.2	720	6	5.5
All Around Taxi	620	7	4.4	620	7	4.8
US Food Service	550	8	3.9	550	9	4.2
St. Therese of New Hope	525	9	3.8	620	7	4.8
Courage Center	450	#	3	400	#	3.1
Total	13,936		100.0 %	12,988		100.0 %

\*Note that 2023 is most up to data available

(1) Total employees for the area encompassed by district boundaries is not available. Percentages represent

Note: Residents of the District are employed throughout the metropolitan area. Major employers in close

Sources: Minnesota Department of Employment and Economic Development and Ehlers Public Sector Advisor

Independent School District No. 281  
New Hope, Minnesota  
FTE Staff Allocation  
Last Ten Fiscal Years

**Table 17**

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cabinet	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.72	7.00	6.00
Principals	14.00	15.00	16.00	17.00	18.00	19.00	18.00	20.90	21.00	19.00
Assistant principals	13.00	20.00	21.00	22.00	22.00	24.00	22.00	19.31	20.00	23.00
Program directors	36.00	34.00	32.00	31.00	32.00	33.00	39.87	37.31	47.90	53.45
Program assistants	103.00	96.00	75.00	100.00	70.00	126.00	103.58	86.23	104.56	106.58
Teachers	735.00	759.00	757.00	750.47	781.00	772.10	803.11	756.70	767.27	785.06
Counselors	20.00	17.00	17.00	16.20	17.00	20.20	19.84	18.29	31.41	32.27
Social workers	14.30	17.00	17.00	16.80	17.00	20.50	22.90	21.39	23.66	24.43
Psychologists	11.80	12.00	13.00	12.20	13.00	12.60	16.60	16.60	17.97	19.40
Nurses	9.40	12.00	10.00	8.60	9.00	9.00	12.00	12.40	12.88	12.88
Special assignments	60.80	77.00	63.00	57.40	88.00	79.65	72.59	82.07	93.24	89.92
Education assistants	328.00	287.00	342.00	342.70	318.00	346.70	278.54	279.72	311.98	341.13
Bus monitor	6.00	6.00	6.00	6.38	6.00	3.35	3.33	3.35	3.64	3.69
Custodians	92.00	81.00	102.00	74.50	74.00	72.00	65.89	70.28	81.50	79.00
Custodial/bus drivers	13.00	9.00	10.00	10.00	8.00	7.40	7.00	6.32	4.67	3.00
Community education	85.00	72.00	80.00	52.73	50.00	47.45	43.98	35.84	38.18	36.61
Office employees	72.00	53.00	65.00	58.80	70.00	63.55	61.73	61.23	61.12	61.06
Food service	93.00	95.00	96.00	88.00	92.00	91.30	77.70	75.24	78.04	89.50
<b>Total</b>	<u><u>1,714.30</u></u>	<u><u>1,670.00</u></u>	<u><u>1,730.00</u></u>	<u><u>1,671.78</u></u>	<u><u>1,692.00</u></u>	<u><u>1,754.80</u></u>	<u><u>1,675.66</u></u>	<u><u>1,610.90</u></u>	<u><u>1,727.02</u></u>	<u><u>1,786.98</u></u>

Source: The District's Human Resources Department

Independent School District No. 281

Table 18

New Hope, Minnesota  
 Student Enrollment  
 Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (Including Enrollment Option ADM)						Total Pupil Units
	Pre-Kindergarten and Handicapped		Kindergarten	Elementary	Secondary	Total	
	Kindergarten	Kindergarten					
2015	177.15	865.91	5,479.86	5,791.06	12,313.98	13,466.10	
2016	193.89	817.95	5,815.32	5,798.67	12,625.83	13,784.02	
2017	187.69	784.97	5,707.53	5,742.06	12,422.25	13,569.14	
2018	368.80	764.98	5,442.00	5,732.89	12,308.67	13,453.48	
2019	396.47	770.35	5,384.57	5,685.23	12,236.62	13,371.94	
2020	392.64	790.80	5,145.32	5,803.45	12,132.21	13,291.27	
2021	335.43	649.86	4,747.87	5,659.43	11,392.59	12,524.21	
2022	387.98	697.46	4,509.34	5,503.81	11,098.59	12,199.38	
2023	415.25	608.26	4,427.24	5,306.84	10,757.59	11,818.25	
2024	296.15	712.95	4,450.58	5,128.87	10,588.55	11,612.05	

Source Minnesota Department of Education

Note: ADM is weighted as follows in computing pupil units:

	Early Childhood	Handicapped Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1-3	Elementary 4-6	Secondary
Fiscal 2014 through 2015	1.250	1.000	0.612	0.612	1.115	1.060	1.300
Fiscal 2016 through 2023	1.000	1.000	0.550	1.000	1.000	1.000	1.200

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OTHER REPORTS

INDEPENDENT SCHOOL DISTRICT NO. 281  
ROBBINSDALE AREA SCHOOLS  
NEW HOPE, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

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**INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE**

Members of the Board of Education  
Independent School District No. 281  
New Hope, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Independent School District No. 281 (the District), New Hope, Minnesota as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2025.

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 and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for school districts sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statute § 6.65, except as described in the Schedule of Findings, Responses, and Questioned Costs as items 2024-001, 2024-002, and 2024-003. 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.

This report is intended solely for the information and use of those charged with governance and management of the City and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.



**Abdo**  
Minneapolis, Minnesota  
January 22, 2025

**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**

Members of the Board of Education  
Independent School District No. 281  
New Hope, Minnesota

We have audited, in accordance with the 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. 281 (the District), New Hope, Minnesota, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 22, 2025.

**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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-004 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Response to Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings, Responses, 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.

## 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 communication is not suitable for any other purpose.



**Abdo**  
Minneapolis, Minnesota  
January 22, 2025



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FEDERAL FINANCIAL AWARD PROGRAMS

INDEPENDENT SCHOOL DISTRICT NO. 281  
ROBBINSDALE AREA SCHOOLS  
NEW HOPE, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Members of the Board of Education  
Independent School District No. 281  
New Hope, Minnesota

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Independent School District No. 281, New Hope, Minnesota (the District) compliance with the types of compliance requirements described in the OMB 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 auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

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

**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 with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with 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 above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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



Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



**Abdo**  
Minneapolis, Minnesota  
January 22, 2025



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Independent School District No. 281  
New Hope, Minnesota  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

Administering Department	Grant Name	Federal Domestic Assistance Number	Federal Program Clusters	Federal Expenditures
U.S. Department of Education				
MN Department of Education	Special Education	84.027 <sup>(1)</sup>	\$ 2,052,192	
MN Department of Education	Special Education - Infant and Toddlers	84.027A <sup>(1)</sup>	138,532	
MN Department of Education	Special Education Preschool Grants	84.173 <sup>(1)</sup>	<u>65,863</u>	
	Total Special Education Cluster			\$ 2,256,587
MN Department of Education	Adult Education	84.002		211,744
MN Department of Education	Title I Grants to Local Educational Agencies	84.010		2,554,533
MN Department of Education	Career and Technical Education	84.048		17,563
MN Department of Education	Indian Education Grants to Local Educational Agencies	84.060		19,511
MN Department of Education	Education for Homeless Children and Youth	84.196		44,364
MN Department of Education	English Language Acquisition State Grants	84.365		163,519
MN Department of Education	Supporting Effective Instruction State Grants	84.367		502,277
MN Department of Education	Title IVA	84.424A		328,931
MN Department of Education	Stronger Connections Grant	84.424F		149,975
MN Department of Education	COVID-19 - American Rescue Plan - Elementary and Secondary School Relief	84.425U		4,850,909
MN Department of Education	COVID-19 - Expanded Summer Learning	84.425D		361,714
MN Department of Education	COVID-19 - Homeless Children and Youth	84.425W		<u>50,552</u>
Total U.S. Department of Education				<u>11,512,179</u>
U.S. Department of Agriculture				
MN Department of Education	School Breakfast Program	10.553 <sup>(2)</sup>	1,356,167	
MN Department of Education	National School Lunch Program	10.555 <sup>(2)</sup>	3,512,823	
MN Department of Education	Supply Chain Assistance	10.555C <sup>(2)</sup>	314,016	
MN Department of Education	Fresh Fruit and Vegetable Program	10.582 <sup>(2)</sup>	231,080	
MN Department of Education	Summer Food Service Program	10.559 <sup>(2)</sup>	<u>271,000</u>	
	Total Child Nutrition Cluster			<u>5,685,086</u>
MN Department of Education	Commodity Supplemental Food Program	10.565 <sup>(3)</sup>	<u>634,954</u>	
	Total Food Distribution Cluster			<u>634,954</u>
MN Department of Education	Local Food for Schools Cooperative Agreement Program	10.185		70,978
MN Department of Education	Child and Adult Care Food Program	10.558		255,409
MN Department of Education	State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649		<u>6,180</u>
Total U.S. Department of Agriculture				<u>6,652,607</u>
U.S. Department of Health and Human Services				
MN Department of Health and Human Services	Child Care and Development Block Grant	93.575 <sup>(4)</sup>	<u>273,723</u>	
	Total CCDF Cluster			<u>273,723</u>
Total U.S. Department of Health and Human Services				<u>273,723</u>
Total				<u>\$18,438,509</u>

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

**Note 1: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of Independent School District No 281, New Hope, Minnesota (the District). The District's reporting entity is defined in Note 1A to the District's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). All federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies are included on the schedule.

**Note 2: Summary of Significant Accounting Policies for Expenditures**

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Pass-through Entity Identifying Numbers**

Pass-through entity identifying numbers are presented where available.

**Note 4: Sub recipients**

No federal expenditures presented in this schedule were provided to sub recipients.

**Note 5: Indirect Cost Rate**

During the year ended June 30, 2024, the District did not elect to use the 10 percent de Minimis indirect cost rate.

Independent School District No. 281  
 New Hope, Minnesota  
 Schedule of Findings, Responses, and Questioned Costs  
 For the Year Ended June 30, 2024

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 516(a) of Uniform Guidance?	No

**Identification of Major Programs/Projects**

**Assistance Listing**

Department of Education	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
Fresh Fruit and Vegetable Program	10.582
Special Education Grants to States	84.027
Special Education Preschool Grants	84.173
Dollar threshold used to distinguish between Type A and Type B Programs	\$ 750,000
Auditee qualified as low-risk auditee?	No

**Section II - Financial Statement Findings**

There was one material weakness , no significant deficiencies, and three instances of noncompliance that are not material to the financial statements reported on the Schedule of Findings, Responses and Questioned Cost.

**Section III - Major Federal Award Findings and Questioned Costs**

There are no significant deficiencies, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported in accordance with Uniform Guidance.

Independent School District No. 281  
New Hope, Minnesota  
Schedule of Findings, Responses, and Questioned Costs (Continued)  
For the Year Ended June 30, 2024

<u>Finding</u>	<u>Description</u>
<b>2024-001</b>	<b>Student Activity Accounts with Deficit Balances</b>
<i>Condition:</i>	We noted certain student activity accounts that had a deficit year-end balance, which is not appropriate as defined in the Manual for Activity Fund Accounting (MAFA).
<i>Criteria:</i>	The Manual for Activity Fund Accounting (MAFA) states that no individual student activity will operate with a negative cash balance at the end of the fiscal year.
<i>Cause:</i>	During our audit, we found that there was one student activity account with a deficit fund balance.
<i>Effect:</i>	The District is not in compliance with MAFA.
<i>Recommendation:</i>	It is our recommendation that the District assure all student activity accounts do not spend in excess of available funds, and eliminate the existing student activity account balance deficit.
<i>Management Response:</i>	
There is no disagreement with this finding. The District will take action to avoid similar occurrences in the future.	
<b>2024-002</b>	<b>Student Activity Purpose Summary</b>
<i>Condition:</i>	During our audit procedures, it came to our attention that the District did not have an Activity Purpose Summary for all student activity accounts.
<i>Criteria:</i>	UFARS Chapter 14 requires the District to have Activity Purpose Summaries in place for all student activity groups.
<i>Cause:</i>	The District did not have Activity Purpose Summaries for all accounts.
<i>Effect:</i>	The District is out of compliance with UFARS requirements.
<i>Recommendation:</i>	We recommend that the District develops an Activity Purpose Summary for all groups to fill out at the beginning of each school year.
<i>Management Response:</i>	
The District is aware of the situation and plans to implement procedures to ensure Activity Purpose Summaries are put in place.	

Independent School District No. 281  
 New Hope, Minnesota  
 Schedule of Findings, Responses, and Questioned Costs (Continued)  
 For the Year Ended June 30, 2024

<u>Finding</u>	<u>Description</u>
<b>2024-003</b>	<b>Late Audited Financial Statement Submission</b>
<i>Condition:</i>	During our audit procedures, it came to our attention that the District’s audited financial statements would not be submitted prior to the deadline.
<i>Criteria:</i>	Minnesota Statutes § 6.65, 123B.77, Subd. 3 requires that the District submit audited fund balance, revenue, and expenditure data to the Minnesota Department of Education annually by November 30, and audited financial statements by December 31.
<i>Cause:</i>	The District’s did not submit audited financial statements to the Minnesota Department of Education by December 31.
<i>Effect:</i>	The District is out of compliance with Minnesota state statutes.
<i>Recommendation:</i>	We recommend that the District take measures to ensure that the financial statement audit is completed prior to the deadlines set forth by Minnesota state statutes.
<i>Management Response:</i>	
	The District is aware of the situation and plans to implement measures to ensure on-time audited financial statement submissions in the future.

<u>Finding</u>	<u>Description</u>
<b>2024-004</b>	<b>Material Audit Adjustment</b>
<i>Condition:</i>	During this year’s audit, it was noted that the prior year Construction in progress account was materially understated.
<i>Criteria:</i>	The financial statements need to be materially correct.
<i>Cause:</i>	Construction in progress was understated last year. This understatement needed to be categorized as a error correction in the current year.
<i>Effect:</i>	This indicates that misstatements may occur and not be detected by the District’s system of internal control.
<i>Recommendation:</i>	We recommend that the year-end audit preparation process include a review of Capital Assets to ensure that there are checks and balances to prevent this type of error correction moving forward.
<i>Management Response:</i>	
	The District agrees with the correction. Procedures are in place for the fiscal year 2025 audit to improve the process and to ensure that this type of error correction is not needed in the future.



## Robbinsdale Area Schools

Independent School District 281

4148 Winnetka Ave N.  
New Hope, MN 55427  
763-504-8000 | rdale.org

### CORRECTIVE ACTION PLAN

The following is our response to findings in the audit as of June 30, 2024.

#### FINDING 2024-001

During this year's audit, it was noted that there were Student Activity accounts with deficit balances.

#### CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding

2. Action Planned in Response to Finding:

Procedures are in place for the fiscal year 2025 audit to review procedures and processes around student activity funds.

3. Official Responsible for Ensuring CAP:

Kristen Hoheisel, Chief Financial Officer

4. Planned Completion Date for CAP:

During the next fiscal year 2025.

5. Plan to Monitor Completion of CAP:

Monitored by the CFO and the School Board.

Sincerely,

Kristen Hoheisel, Chief Financial Officer

A handwritten signature in blue ink, appearing to read 'Kristen Hoheisel'.

Kristen Hoheisel  
Chief Financial Officer



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### CORRECTIVE ACTION PLAN

The following is our response to findings in the audit as of June 30, 2024.

#### FINDING 2024-002

During this year's audit, it was noted that there were Student Activity accounts without purpose summaries.

#### CORRECTIVE ACTION PLAN (CAP):

6. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding

7. Action Planned in Response to Finding:

Procedures are in place for the fiscal year 2025 audit to review procedures and processes around student activity funds.

8. Official Responsible for Ensuring CAP:

Kristen Hoheisel, Chief Financial Officer

9. Planned Completion Date for CAP:

During the next fiscal year 2025.

10. Plan to Monitor Completion of CAP:

Monitored by the CFO and the School Board.

Sincerely,

Kristen Hoheisel, Chief Financial Officer



Kristen Hoheisel  
Chief Financial Officer



## Robbinsdale Area Schools

Independent School District 281

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### CORRECTIVE ACTION PLAN

The following is our response to findings in the audit as of June 30, 2024.

#### FINDING 2024-003

This years audit was submitted late.

#### CORRECTIVE ACTION PLAN (CAP):

11. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding

12. Action Planned in Response to Finding:

Procedures are in place for the fiscal year 2025 audit to improve the audit preparation process and ensure that the audit can be completed timely.

13. Official Responsible for Ensuring CAP:

Kristen Hoheisel, Chief Financial Officer

14. Planned Completion Date for CAP:

During the next fiscal year 2025.

15. Plan to Monitor Completion of CAP:

Monitored by the Executive Officer and the School Board.

Sincerely,

Kristen Hoheisel, Chief Financial Officer

Kristen Hoheisel  
Chief Financial Officer



## Robbinsdale Area Schools

Independent School District 281

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### CORRECTIVE ACTION PLAN

The following is our response to findings in the audit as of June 30, 2024.

#### FINDING 2024-004

During this year's audit, it was noted that the prior year Construction in progress amount was understated materially.

#### CORRECTIVE ACTION PLAN (CAP):

16. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding

17. Action Planned in Response to Finding:

Procedures are in place for the fiscal year 2025 audit to improve the capital asset audit preparation process.

18. Official Responsible for Ensuring CAP:

Kristen Hoheisel, Chief Financial Officer

19. Planned Completion Date for CAP:

During the next fiscal year 2025.

20. Plan to Monitor Completion of CAP:

Monitored by the Executive Officer and the School Board.

Sincerely,

Kristen Hoheisel, Chief Financial Officer



Kristen Hoheisel  
Chief Financial Officer

Independent School District No. 281

New Hope, Minnesota

Schedule of Prior Findings

For the Year Ended June 30, 2024

<u>Finding</u>	<u>Description</u>
2023-001	<b>Compliance With Regulatory Deadlines</b>
<i>Condition:</i>	For the year ended June 30, 2023, Independent School District No. 281, Robbinsdale Area Schools' (the District) internal controls over financial reporting were not adequate to ensure that the District's financial records and year-end closing process were completed in a timely manner. As a result, the District was unable to comply with state and federal deadlines for the submission of audited financial data and annual financial statements.
<i>Criteria:</i>	Management is responsible for establishing and maintaining effective internal controls, which includes maintaining adequate internal financial records to facilitate the preparation and timely submission of audited financial data and annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America to comply with applicable federal and state regulatory reporting requirements.
<i>Cause:</i>	This condition was primarily caused by the turnover of several key positions within the District's finance department during the fiscal year and shortly after year-end.
<i>Effect:</i>	This condition resulted in the District being unable to comply with several external regulatory reporting requirements for the year ended June 30, 2023. This condition also had a negative impact on the quality and timeliness of financial information available to the School Board and management.
<i>Recommendation:</i>	We recommend that the District ensure that in the future its finance department has adequate personnel and resources to facilitate the preparation and timely submission of audited financial data and annual financial statements in compliance with state and federal regulatory requirements.
<i>Management Response:</i>	
	There is no disagreement with the audit finding. The District has continued to work to fill openings in its finance department with qualified individuals in order to improve the timeliness of both its internal and external financial reporting going forward. The District has separately issued a Corrective Action Plan related to this finding.
<b><i>Fiscal Year 2024 Update:</i></b>	
	This is a repeat finding for fiscal year 2024.

Independent School District No. 281

New Hope, Minnesota

Schedule of Prior Findings (Continued)

For the Year Ended June 30, 2024

<u>Finding</u>	<u>Description</u>
2023-002	<b>Federal Reporting Deadline</b>
<i>Condition:</i>	The District's audited SEFA and federal reporting package for the fiscal year ended June 30, 2023, were not submitted to the federal audit clearinghouse within nine months after the end of the audit period.
<i>Criteria:</i>	2CFR Part 200, Subpart F, § 200.512(a)(1) requires the District's audited Schedule of Expenditures Federal Awards (SEFA) and federal reporting package to be submitted to the federal audit clearinghouse within the earlier of 30 calendar days after the receipt of the auditor's report(s), or 9 months after the end of the audit period.
<i>Cause:</i>	The audit of the District's SEFA for the year ended June 30, 2023, was completed within the nine-month reporting period. However, completion of the District's audited annual financial statements for the year ended June 30, 2023, which is a required component of the federal reporting package, was delayed beyond the nine-month deadline.
<i>Effect:</i>	The delay in the completion of the District's financial audit for the year ended June 30, 2023, prevented the submission of the required information to the federal audit clearinghouse in a timely manner.
<i>Recommendation:</i>	We recommend the District ensure the timely submission of its audited SEFA and federal reporting package to the federal audit clearinghouse in the future.

*Management Response:*

There is no disagreement with the audit finding. District management will ensure that all information required to comply with federal reporting requirements will be completed and submitted in a timely manner going forward. The District has separately issued a Corrective Action Plan related to this finding.

***Fiscal Year 2024 Update:***

This finding been corrected for fiscal year 2024.

Independent School District No. 281

New Hope, Minnesota

Schedule of Prior Findings (Continued)

For the Year Ended June 30, 2024

<u>Finding</u>	<u>Description</u>
2023-003	<b>Internal Control Over Compliance With Federal Allowable Cost Requirements</b>
<i>Condition:</i>	The District's internal control system for documenting employee time supporting salaries charged to the Title I program for teachers assigned to the program as a single cost objective, requires the completion of semi-annual certifications approved by the employees' supervisor. For three of five Title I teacher salaries tested, this documentation was either missing, incomplete, or lacking documentation of approval.
<i>Criteria:</i>	2CFR Part 200, Subpart F, § 430(i) requires that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed and be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
<i>Cause:</i>	The District's internal control procedures for documenting employee time and effort supporting single cost objective salaries charged to the Title I program was not being consistently followed.
<i>Effect:</i>	The lack of documentation could result in unallowable costs being charged to the federal program or having allowable costs be disallowed by the grantor due to insufficient documentation.
<i>Recommendation:</i>	We recommend the District ensure its internal controls for documenting employee time and effort supporting single cost objective salaries charged to the Title I program be consistently followed for all applicable costs in the future.

*Management Response:*

There is no disagreement with the audit finding. District management will ensure that appropriate time and effort documentation is prepared, approved, and kept on file to support all salaries charged to federal programs going forward. The District has separately issued a Corrective Action Plan related to this finding.

***Fiscal Year 2024 Update:***

This finding been corrected for fiscal year 2024.

Independent School District No. 281

New Hope, Minnesota

Schedule of Prior Findings (Continued)

For the Year Ended June 30, 2024

<u>Finding</u>	<u>Description</u>
2023-004	<b>Timely Submission of Audited Financial Statements</b>
<i>Condition:</i>	The fund balance, revenue, and expenditure data for the fiscal year ended June 30, 2023, that was submitted to the MDE by the following November 30 was inaccurate due to the audit process not being complete, which resulted in several material adjustments to the data after the deadline. Further, the District did not meet the deadline for submitting audited financial statements to the MDE for the fiscal year ended June 30, 2023.
<i>Criteria:</i>	Minnesota Statutes § 6.65, 123B.77, Subd. 3 requires that the District submit audited fund balance, revenue, and expenditure data to the Minnesota Department of Education (MDE) annually by November 30, and audited financial statements by December 31.
<i>Cause:</i>	Completion of the District's audited annual financial statements for the year ended June 30, 2023 was delayed, due primarily to turnover in the District's finance department.
<i>Effect:</i>	The District was not in compliance with state submission deadlines.
<i>Recommendation:</i>	We recommend that the District comply with state statutory submission requirements in the future.

*Management Response:*

There is no disagreement with the audit finding. The District has continued to work to fill openings in its finance department with qualified individuals in order to ensure compliance with statutory reporting requirements in the future. The District has separately issued a Corrective Action Plan related to this finding.

***Fiscal Year 2024 Update:***

This is a repeat finding for fiscal year 2024.