

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

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2025

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, 2025

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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, 2025

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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, 2025, 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, 2025, 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, 2025, 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 thirteenth largest school district, in terms of student numbers, serving 10,292 students during the 2024–2025 school year. The enrollment reflects a decline of 297 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 10,000 students for the 2025–2026 school year based on its October 2025, 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 2025 governmental funds revenue budget was \$267.0 million, and the expenditures were \$281.1 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 2.00 percent for the 2024–2025 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 2025, the district had voter-approved authority of \$2,148.88 per pupil unit of excess levy authority, which raises a total of approximately \$26.2 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 2025.

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, 2025, 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 -4.78 percent of the budgeted expenditures for the year then ended.

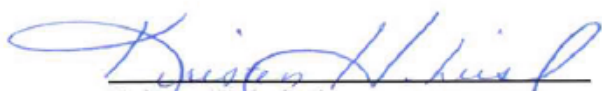
## AWARDS AND ACKNOWLEDGEMENTS

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, 2024. 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  
June 30, 2025

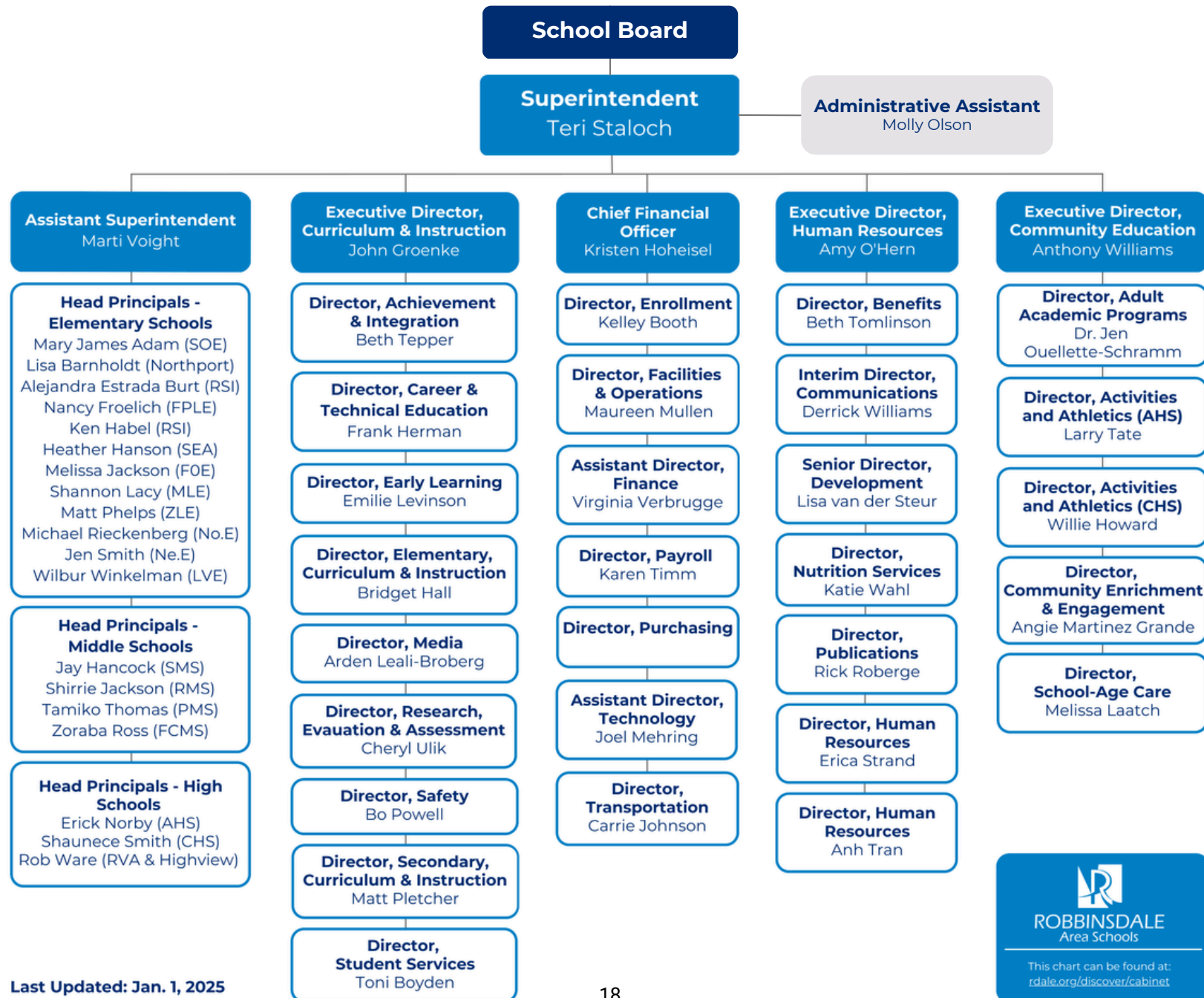
**SCHOOL BOARD**

<u>Name</u>	<u>Positions</u>
Greta Evans-Becker	Chair
Kim Holmes	Vice Chair
ReNae Bowman	Clerk
Aviva Hillenbrand	Treasurer
Helen Bassett	Director
Kenneth Wutoh	Director
Caroline Long	Director

**ADMINISTRATION**

Teri Staloch	Superintendent
Marti Voight	Assistant Superintendent
Kristen Hoheisel	Chief Financial Officer
Amy O'Hern	Executive Director of Human Resources
John Groenke	Executive Director of Student Services
Anthony Williams	Executive Director of Community Education, Athletics and Activities

# Robbinsdale Area Schools - Leadership Organizational Chart



Last Updated: Jan. 1, 2025





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, 2024.

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, 2025

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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, 2025, 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 2025, 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

### **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 86 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 opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements, schedules and table 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 related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, schedules and table 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 November 11, 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  
November 11, 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, 2025.

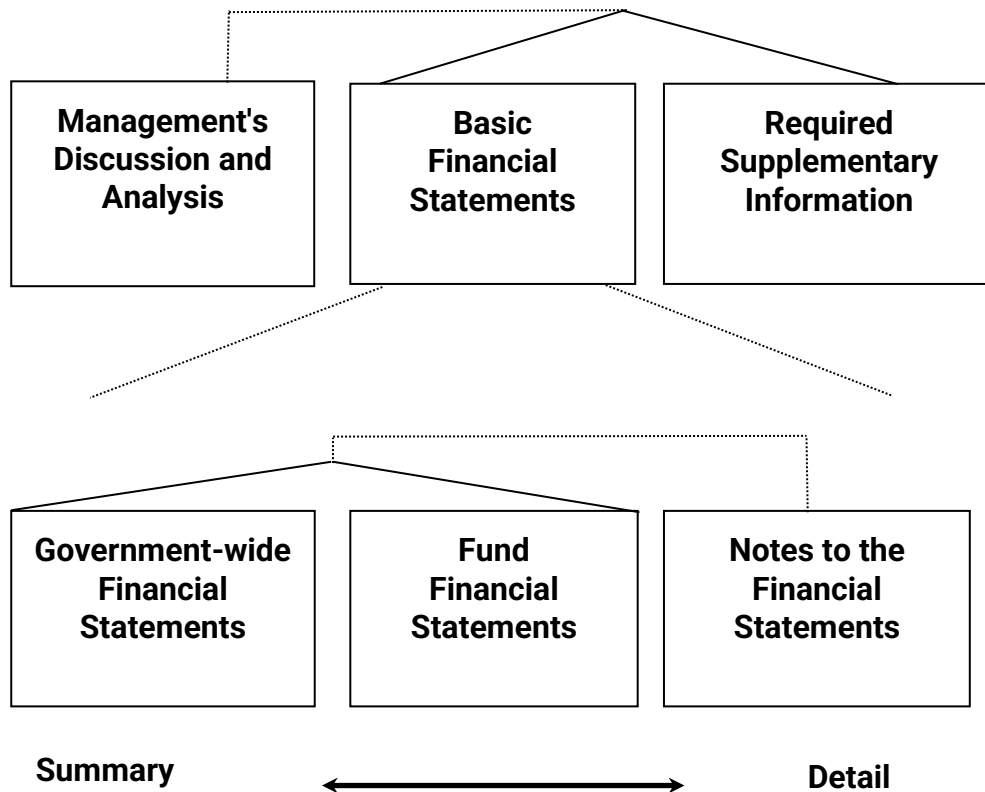
### **Financial Highlights**

- The liabilities and deferred inflows of resources of the District were greater than its assets and deferred outflows of resources of resources at the close of the most recent fiscal year.
- The District's total net position decreased. This decrease is largely attributable to the GASB 68 pension liability adjustment, depreciation expense and the negative performance of the General fund which was budgeted.
- 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 increased in comparison with the prior year. This increase was largely due to unspent bond proceeds in the building construction 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, Debt Service fund and Building Construction fund, all of which are considered to be major funds. Data from the other two 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 49 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

	2025	2024	Increase (Decrease)
<b>Assets</b>			
Current and other assets	\$ 131,287,805	\$ 130,220,366	\$ 1,067,439
Capital assets	296,423,803	308,266,950	(11,843,147)
<b>Total Assets</b>	<b>427,711,608</b>	<b>438,487,316</b>	<b>(10,775,708)</b>
 Deferred Outflows of Resources	 28,156,415	 36,604,392	 (8,447,977)
<b>Liabilities</b>			
Noncurrent liabilities outstanding	334,702,828	353,556,012	(18,853,184)
Other liabilities	14,012,816	17,691,819	(3,679,003)
<b>Total Liabilities</b>	<b>348,715,644</b>	<b>371,247,831</b>	<b>(22,532,187)</b>
 Deferred Inflows of Resources	 106,685,262	 85,134,446	 21,550,816
<b>Net Position</b>			
Net investment in capital assets	90,691,187	94,003,062	(3,311,875)
Restricted	33,101,028	27,645,249	5,455,779
Unrestricted	(123,325,098)	(102,938,880)	(20,386,218)
<b>Total Net Position</b>	<b>\$ 467,117</b>	<b>\$ 18,709,431</b>	<b>\$ (18,242,314)</b>
 Net Position as a Percent of Total Net Investment in Capital Assets	19,415 %	502 %	
Restricted	7,086	148	
Unrestricted	(26,401)	(550)	
	100 %	100 %	

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.

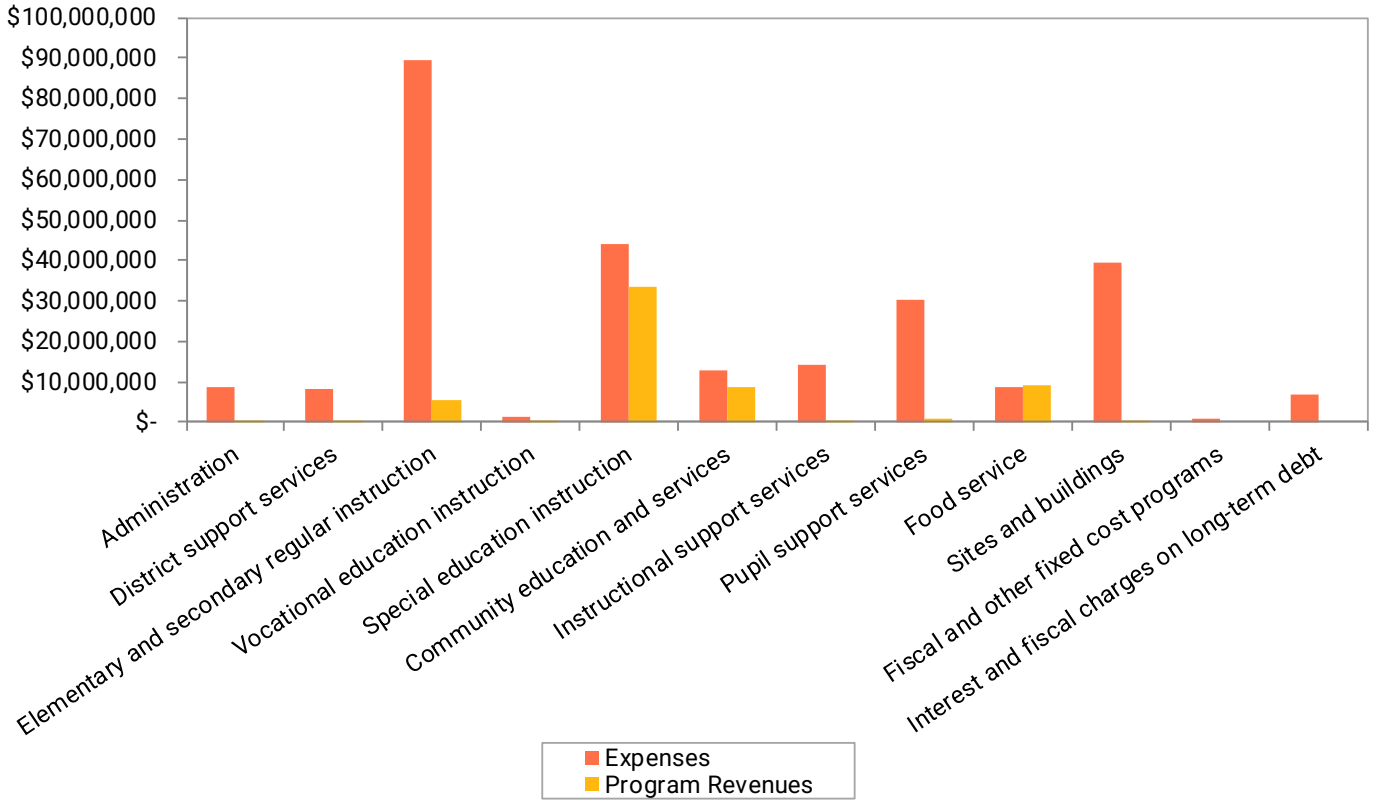
**Governmental Activities.** Governmental activities decreased the District’s net position as shown below in the summary of changes in net position. Key elements of this increase are shown in the table below.

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

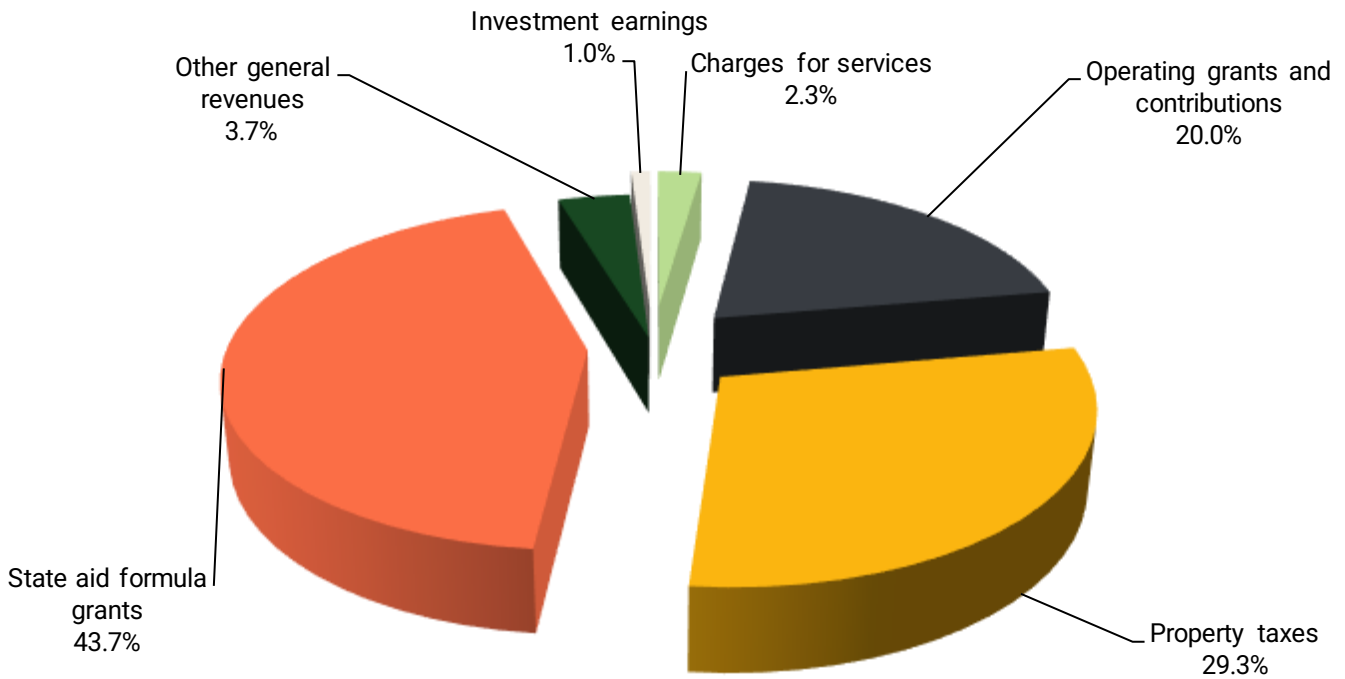
	2025	2024	Increase (Decrease)
Revenues			
Program Revenues			
Charges for services	\$ 6,016,113	\$ 7,509,828	\$ (1,493,715)
Operating grants and contributions	51,990,906	50,300,968	1,689,938
General Revenues			
Property taxes	76,047,360	69,811,917	6,235,443
State aid-formula grants	113,445,722	113,173,344	272,378
Other	12,102,199	7,024,827	5,077,372
Total Revenues	<u>259,602,300</u>	<u>247,820,884</u>	<u>11,781,416</u>
Expenses			
Administration	8,772,844	7,397,397	1,375,447
District support services	8,343,050	8,788,541	(445,491)
Elementary and secondary regular instruction	89,297,184	75,652,036	13,645,148
Vocational education instruction	1,238,505	1,214,561	23,944
Special education instruction	44,130,900	31,390,605	12,740,295
Community education and services	12,661,388	10,472,210	2,189,178
Instructional support services	14,211,492	13,713,275	498,217
Pupil support services	30,038,145	27,945,670	2,092,475
Food service	8,559,135	9,536,206	(977,071)
Sites and buildings	39,294,444	38,878,593	415,851
Fiscal and other fixed cost programs	878,333	600,584	277,749
Interest and fiscal charges on long-term debt	6,915,877	6,793,800	122,077
Total Expenses	<u>264,341,297</u>	<u>232,383,478</u>	<u>31,957,819</u>
Change in Net Position	(4,738,997)	15,437,406	(20,176,403)
Net Position, as restated July 1 (see note 7)	5,206,114	(1,144,809)	6,350,923
Error Correction	<u>-</u>	<u>4,416,834</u>	<u>(4,416,834)</u>
Net Position, June 30	<u>\$ 467,117</u>	<u>\$ 18,709,431</u>	<u>\$ (18,242,314)</u>

- Property tax revenue increased due to an increase in the levy.
- Elementary and secondary regular instruction expenses increased due to the GASB 68 pension liability adjustment.
- Special education expenses increased due to increased operational needs within the district.

## 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	\$ 1,246,363	\$ 475	\$ -	\$ 82,048	\$ 1,328,886	\$ 431,722	\$ 897,164
Restricted	14,826,788	2,303,615	21,812,029	8,401,776	47,344,208	33,064,214	14,279,994
Assigned	-	-	-	-	-	1,354,137	(1,354,137)
Unassigned	(10,768,016)	-	-	-	(10,768,016)	(666,485)	(10,101,531)
Total	<u>\$ 5,305,135</u>	<u>\$ 2,304,090</u>	<u>\$ 21,812,029</u>	<u>\$ 8,483,824</u>	<u>\$ 37,905,078</u>	<u>\$ 34,183,588</u>	<u>\$ 3,721,490</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 in deficit, while total fund balance was \$5,317,606. 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 a deficit of 5 percent of expenditures while total fund balance represents 2.50 percent of that same amount.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 1,246,363	\$ 358,405	\$ 887,958
Restricted	14,826,788	10,708,014	4,118,774
Assigned	-	1,354,137	(1,354,137)
Unassigned	(10,768,016)	(666,485)	(10,101,531)
Total General Fund Balances	<u>\$ 5,305,135</u>	<u>\$ 11,754,071</u>	<u>\$ (6,448,936)</u>
General Fund expenditures	\$ 215,513,343	\$ 210,050,185	
Unassigned as a percent of expenditures	-5.0%	-0.3%	
Total Fund Balance as a percent of expenditures	2.5%	5.6%	

## General Fund Budgetary Highlights

	Original Budget	Budget Amendments	Final Budget	Actual Amounts	Variance with Final Budget
Revenues	\$ 201,551,718	\$ 712,442	\$ 202,264,160	\$ 208,815,343	\$ 6,551,183
Expenditures	200,795,082	13,284,194	214,079,276	215,513,343	(1,434,067)
Excess (deficiency) of revenues over (under) expenditures	756,636	(12,571,752)	(11,815,116)	(6,698,000)	5,117,116
Other financing sources (uses)					
Sale of capital assets	1,515	-	1,515	186,504	184,989
Insurance recovery	-	-	-	62,878	62,878
Transfer out	-	-	-	(318)	(318)
Total other financing sources (uses)	1,515	-	1,515	249,064	247,549
Net Change in Fund Balances	758,151	(12,571,752)	(11,813,601)	(6,448,936)	5,364,665
Fund Balances, July 1	11,754,071	-	11,754,071	11,754,071	-
Fund Balances, June 30	<u>\$ 12,512,222</u>	<u>\$ (12,571,752)</u>	<u>\$ (59,530)</u>	<u>\$ 5,305,135</u>	<u>\$ 5,364,665</u>

Over the course of the year the District revised their budget. The original budget called for a \$758,151 increase in fund balance. The final budget also called for a decrease in fund balance of \$11,813,601. Revenues were over the final budget and expenditures were under the final budget. Fund balance decreased \$6,436,465.

- The excess of revenues over budgeted revenues was mostly due to higher than budgeted revenues from federal sources.
- The deficiency of expenditures under budgeted expenditures was mostly due to capital outlay costs coming in under budget.

## Other Major Funds

Other Major Funds	Fund Balance June 30,		Increase (Decrease)
	2025	2024	
<i>Debt Service</i>	\$ 2,304,090	\$ 1,711,412	\$ 592,678
The Debt Service fund balance increase due to properly tax levies in excess of debt payments.			
<i>Building Construction</i>	\$ 21,812,029	\$ 12,624,806	\$ 9,187,223

The Building Construction fund balance increased from the previous year due to the issuance of new debt.

## Capital Asset and Debt Administration

**Capital Assets.** The District's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$296,455,069 (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, 2025.

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

	2025	2024	Increase (Decrease)
Land	\$ 1,218,930	\$ 1,218,930	\$ -
Construction in Progress	3,247,088	9,740,707	(6,493,619)
Buildings and Improvements	5,630,750	4,512,709	1,118,041
Equipment	11,221,613	12,797,317	(1,575,704)
Building (right to use)	268,533,170	272,472,426	(3,939,256)
Vehicles (right to use)	6,572,252	7,524,861	(952,609)
	<u>\$ 296,423,803</u>	<u>\$ 308,266,950</u>	<u>\$ (11,843,147)</u>

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

	2025	2024	Increase (Decrease)
General obligation bonds	\$ 194,150,000	\$ 192,195,000	\$ 1,955,000
Certificates of participation	4,175,000	4,820,000	(645,000)
Bond premium	8,435,957	8,712,672	(276,715)
Financed purchase	2,388,805	2,886,078	(497,273)
Lease Payable	7,172,681	7,979,865	(807,184)
Compensated absences payable	15,359,578	15,429,438	(69,860)
	<u>\$ 231,682,021</u>	<u>\$ 232,023,053</u>	<u>\$ (341,032)</u>

The District's total long-term debt decreased \$341,032. The main reason for the decrease was due to scheduled debt payments in excess of bond 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, 2025

Independent School District No. 281

New Hope, Minnesota  
Statement of Net Position  
June 30, 2025

	Governmental Activities
<b>Assets</b>	
Cash and temporary investments	\$ 65,261,700
Receivables	
Taxes	38,736,653
Accounts	510,862
Due from other governments	653,348
Due from the Department of Education	14,952,515
Due from the Federal Government	3,326,129
Due from post-employment benefits trust	1,106,730
Inventory	295,075
Prepaid items	1,170,709
Net other post employment benefit asset	5,274,084
Capital assets	
Land and construction in progress	4,466,018
Buildings, improvements and equipment (net of accumulated depreciation / amortization)	291,957,785
Total Assets	<u>427,711,608</u>
<b>Deferred Outflows of Resources</b>	
Deferred pension resources	27,428,325
Deferred other post employment benefit resources	728,090
Total Deferred Outflows of Resources	<u>28,156,415</u>
<b>Liabilities</b>	
Salaries and wages payable	4,883,612
Severance payable	93,295
Accounts and other payables	5,954,859
Accrued interest payable	2,577,774
Due to other governments	271,431
Unearned revenue	231,845
Noncurrent liabilities	
Due within one year	
Long-term liabilities	19,440,823
Due in more than one year	
Long-term liabilities	212,241,198
Net pension liability	103,020,807
Total Liabilities	<u>348,715,644</u>
<b>Deferred Inflows of Resources</b>	
Property taxes levied for subsequent year	76,483,157
Deferred pension resources	29,767,340
Deferred other post employment benefit resources	434,765
Total Deferred Inflows of Resources	<u>106,685,262</u>
<b>Net Position</b>	
Net investment in capital assets	90,691,187
Restricted for	
Educational purposes	14,826,788
Food service	5,449,845
Community service	3,051,871
Capital asset acquisition	9,772,524
Unrestricted	<u>(123,325,098)</u>
Total Net Position	<u>\$ 467,117</u>

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, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities					
Administration	\$ 8,772,844	\$ 426	\$ -	\$ -	\$ (8,772,418)
District support services	8,343,050	74,774	-	-	(8,268,276)
Elementary and secondary regular instruction	89,297,184	1,008,599	4,394,758	-	(83,893,827)
Vocational education instruction	1,238,505	-	49,881	-	(1,188,624)
Special education instruction	44,130,900	2,360	33,544,509	-	(10,584,031)
Community education and services	12,661,388	4,504,806	4,184,812	-	(3,971,770)
Instructional support services	14,211,492	8,998	177,409	-	(14,025,085)
Pupil support services	30,038,145	106,816	683,905	-	(29,247,424)
Food service	8,559,135	301,793	8,955,632	-	698,290
Sites and buildings	39,294,444	7,541	-	-	(39,286,903)
Fiscal and other fixed cost programs	878,333	-	-	-	(878,333)
Interest and fiscal charges on long term debt	6,915,877	-	-	-	(6,915,877)
<b>Total Governmental Activities</b>	<b>\$ 264,341,297</b>	<b>\$ 6,016,113</b>	<b>\$ 51,990,906</b>	<b>\$ -</b>	<b>(206,334,278)</b>
General Revenues					
Taxes					
Property taxes, levied for general purpose					50,236,290
Property taxes, levied for community service					2,394,143
Property taxes, levied for debt service					23,416,927
State aid-formula grants					113,445,722
Other general revenues					9,345,688
Investment earnings					2,507,129
Insurance recovery					62,878
Sale of capital assets					186,504
<b>Total General Revenues</b>					<b>201,595,281</b>
Change in Net Position					<b>(4,738,997)</b>
Net Position, as previously presented					18,709,431
Prior period restatement (see note 7)					<b>(13,503,317)</b>
Net Position, as restated July 1					<b>5,206,114</b>
Net Position, June 30					<b>\$ 467,117</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, 2025

Independent School District No. 281  
New Hope, Minnesota  
Balance Sheet  
Governmental Funds  
June 30, 2025

	General	Debt Service	Building Construction	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and temporary investments	\$ 16,176,342	\$ 14,633,250	\$ 23,261,707	\$ 9,389,760	\$ 63,461,059
Receivables					
Taxes	24,890,458	12,532,914	-	1,313,281	38,736,653
Accounts	188,630	-	-	322,232	510,862
Due from other governments	625,860	-	-	27,488	653,348
Due from the Department of Education	14,435,374	90,010	-	427,131	14,952,515
Due from the Federal Government	3,114,056	-	-	212,073	3,326,129
Due from post-employment benefits trust	1,106,730	-	-	-	1,106,730
Inventory	215,182	-	-	79,893	295,075
Prepaid items	1,031,181	475	-	2,155	1,033,811
	<u>\$ 61,783,813</u>	<u>\$ 27,256,649</u>	<u>\$ 23,261,707</u>	<u>\$ 11,774,013</u>	<u>\$ 124,076,182</u>
<b>Liabilities</b>					
Salaries and wages payable	\$ 4,570,287	\$ -	\$ -	\$ 313,325	\$ 4,883,612
Severance payable	81,331	-	-	11,964	93,295
Accounts and other payables	2,043,263	-	1,449,678	115,212	3,608,153
Due to other governments	270,268	-	-	1,163	271,431
Unearned revenue	-	-	-	231,845	231,845
Total Liabilities	<u>6,965,149</u>	<u>-</u>	<u>1,449,678</u>	<u>673,509</u>	<u>9,088,336</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - delinquent property taxes	395,549	186,170	-	17,892	599,611
Property taxes levied for subsequent year	49,117,980	24,766,389	-	2,598,788	76,483,157
Total Deferred Inflows of Resources	<u>49,513,529</u>	<u>24,952,559</u>	<u>-</u>	<u>2,616,680</u>	<u>77,082,768</u>
<b>Fund Balances</b>					
Nonspendable	1,246,363	475	-	82,048	1,328,886
Restricted	14,826,788	2,303,615	21,812,029	8,401,776	47,344,208
Unassigned	(10,768,016)	-	-	-	(10,768,016)
Total Fund Balances	<u>5,305,135</u>	<u>2,304,090</u>	<u>21,812,029</u>	<u>8,483,824</u>	<u>37,905,078</u>
	<u>\$ 61,783,813</u>	<u>\$ 27,256,649</u>	<u>\$ 23,261,707</u>	<u>\$ 11,774,013</u>	<u>\$ 124,076,182</u>

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

June 30, 2025

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

Total Fund Balances - Governmental Funds	\$ 37,905,078
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.	5,274,084
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	625,472,077
Less: accumulated depreciation / amortization	(329,048,274)
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	(15,359,578)
Leases and financed purchases payable	(9,561,486)
Bonds payable	(198,325,000)
Bond premium net of accumulated amortization	(8,435,957)
Net pension liability	(103,020,807)
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.	(409,167)
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.	599,611
Governmental funds do not report long-term amounts due for other post employment benefits.	
Deferred outflows of other post employment benefits	728,090
Deferred inflows of other post employment benefits	(434,765)
Governmental funds do not report long-term amounts due for pensions.	
Deferred outflows of pension resources	27,428,325
Deferred inflows of pension resources	(29,767,340)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(2,577,774)</u>
Total Net Position - Governmental Activities	<u><u>\$ 467,117</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, Expenditures and  
Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2025

	General	Debt Service	Building Construction	Other Governmental Funds	Total
<b>Revenues</b>					
Local property tax levies	\$ 50,056,202	\$ 23,416,883	\$ -	\$ 2,394,143	\$ 75,867,228
Other local revenue					
Investment earnings	735,405	376,119	1,027,479	320,948	2,459,951
Other	6,685,597	-	4,125	5,563,735	12,253,457
Revenue from state sources	142,844,722	900,088	-	6,139,660	149,884,470
Revenue from federal sources	8,493,417	-	-	7,047,034	15,540,451
Total Revenues	<u>208,815,343</u>	<u>24,693,090</u>	<u>1,031,604</u>	<u>21,465,520</u>	<u>256,005,557</u>
<b>Expenditures</b>					
<b>Current</b>					
Administration	8,690,125	-	-	-	8,690,125
District support services	6,837,228	-	-	-	6,837,228
Elementary and secondary regular instruction	88,627,647	-	-	-	88,627,647
Vocational education instruction	1,239,724	-	-	-	1,239,724
Special education instruction	43,704,565	-	-	-	43,704,565
Community education and services	25,173	-	-	12,368,383	12,393,556
Instructional support services	14,137,200	-	-	-	14,137,200
Pupil support services	29,734,846	-	-	-	29,734,846
Food service	-	-	-	8,483,620	8,483,620
Sites and buildings	16,518,216	-	910,325	-	17,428,541
Fiscal and other fixed cost programs	878,333	-	-	-	878,333
Total current	<u>210,393,057</u>	<u>-</u>	<u>910,325</u>	<u>20,852,003</u>	<u>232,155,385</u>
<b>Capital outlay</b>					
Administration	16,832	-	-	-	16,832
District support services	1,448,793	-	-	-	1,448,793
Elementary and secondary regular instruction	141,162	-	-	-	141,162
Special education instruction	35,925	-	-	-	35,925
Community education and services	-	-	-	147,795	147,795
Instructional support services	98,522	-	-	-	98,522
Pupil support services	7,807	-	-	-	7,807
Food service	-	-	-	75,515	75,515
Sites and buildings	1,679,665	-	10,070,126	-	11,749,791
Total capital outlay	<u>3,428,706</u>	<u>-</u>	<u>10,070,126</u>	<u>223,310</u>	<u>13,722,142</u>
<b>Debt service</b>					
Principal	1,304,457	17,165,000	-	-	18,469,457
Interest and other	387,123	6,928,037	-	-	7,315,160
Bond issuance costs	-	7,375	-	-	7,375
Total debt service	<u>1,691,580</u>	<u>24,100,412</u>	<u>-</u>	<u>-</u>	<u>25,791,992</u>
Total Expenditures	<u>215,513,343</u>	<u>24,100,412</u>	<u>10,980,451</u>	<u>21,075,313</u>	<u>271,669,519</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,698,000)</u>	<u>592,678</u>	<u>(9,948,847)</u>	<u>390,207</u>	<u>(15,663,962)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of capital assets	186,504	-	-	-	186,504
Transfers in	-	-	-	318	318
Bonds issued	-	-	18,475,000	-	18,475,000
Premium on bonds issued	-	-	661,070	-	661,070
Insurance Recovery	62,878	-	-	-	62,878
Transfers out	(318)	-	-	-	(318)
Total Other Financing Sources (Uses)	<u>249,064</u>	<u>-</u>	<u>19,136,070</u>	<u>318</u>	<u>19,385,452</u>
Net Change in Fund Balances	(6,448,936)	592,678	9,187,223	390,525	3,721,490
Fund Balances, July 1	<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>
Fund Balances, June 30	<u>\$ 5,305,135</u>	<u>\$ 2,304,090</u>	<u>\$ 21,812,029</u>	<u>\$ 8,483,824</u>	<u>\$ 37,905,078</u>

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, 2025

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

Total Net Change in Fund Balances - Governmental Funds	\$ 3,721,490
<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/amortization expense.</p>	
Capital outlay	13,851,580
Depreciation/amortization	(25,009,272)
<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	(31,266)
<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	17,165,000
Principal repayments on financed purchase agreements	497,273
Issuance of long-term debt	(18,475,000)
Lease payments	807,184
Premium on issuance of long-term debt	(661,070)
Amortization of bond premiums, discounts, and gain on refunded debt	937,785
<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>	
	420,700
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	(1,579,038)
Pension revenue	3,121,838
<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>	
	178,345
<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>	
	37,647
<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	69,435
Other post employment benefits	208,372
	208,372
Change in Net Position - Governmental Activities	\$ (4,738,997)

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Local property tax levies	\$ 50,759,201	\$ 50,765,299	\$ 50,056,202	\$ (709,097)
Other local revenue				
Investment earnings	813,695	714,952	735,405	20,453
Other	4,615,057	3,231,358	6,685,597	3,454,239
Revenue from state sources	140,361,765	142,870,998	142,844,722	(26,276)
Revenue from federal sources	5,002,000	4,681,553	8,493,417	3,811,864
<b>Total Revenues</b>	<b>201,551,718</b>	<b>202,264,160</b>	<b>208,815,343</b>	<b>6,551,183</b>
<b>Expenditures</b>				
<b>Current</b>				
Administration	7,847,863	8,079,963	8,690,125	(610,162)
District support services	6,898,638	8,175,235	6,837,228	1,338,007
Elementary and secondary regular instruction	84,022,322	88,303,493	88,627,647	(324,154)
Vocational education instruction	1,552,874	2,181,025	1,239,724	941,301
Special education instruction	36,714,051	40,108,134	43,704,565	(3,596,431)
Community education and services	2,500	26,000	25,173	827
Instructional support services	11,895,014	13,761,757	14,137,200	(375,443)
Pupil support services	27,280,229	28,184,019	29,734,846	(1,550,827)
Sites and buildings	16,217,718	16,746,527	16,518,216	228,311
Fiscal and other fixed cost programs	807,000	807,000	878,333	(71,333)
<b>Total current</b>	<b>193,238,209</b>	<b>206,373,153</b>	<b>210,393,057</b>	<b>(4,019,904)</b>
<b>Capital outlay</b>				
Administration	-	-	16,832	(16,832)
District support services	2,940,000	3,020,000	1,448,793	1,571,207
Elementary and secondary regular instruction	814,543	817,793	141,162	676,631
Vocational education instruction	1,500	1,500	-	1,500
Special education instruction	475,000	475,000	35,925	439,075
Instructional support services	70,500	126,500	98,522	27,978
Pupil support services	-	-	7,807	(7,807)
Sites and buildings	507,747	517,747	1,679,665	(1,161,918)
<b>Total capital outlay</b>	<b>4,809,290</b>	<b>4,958,540</b>	<b>3,428,706</b>	<b>1,529,834</b>
<b>Debt service</b>				
Principal	2,390,876	2,390,876	1,304,457	1,086,419
Interest and other	356,707	356,707	387,123	(30,416)
<b>Total debt service</b>	<b>2,747,583</b>	<b>2,747,583</b>	<b>1,691,580</b>	<b>1,056,003</b>
<b>Total Expenditures</b>	<b>200,795,082</b>	<b>214,079,276</b>	<b>215,513,343</b>	<b>(1,434,067)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>756,636</b>	<b>(11,815,116)</b>	<b>(6,698,000)</b>	<b>5,117,116</b>
<b>Other Financing Source</b>				
Sale of capital assets	1,515	1,515	186,504	184,989
Insurance recovery	-	-	62,878	62,878
Transfer out	-	-	(318)	(318)
<b>Total Other Financing Sources</b>	<b>1,515</b>	<b>1,515</b>	<b>249,064</b>	<b>247,549</b>
<b>Net Change in Fund Balances</b>	<b>758,151</b>	<b>(11,813,601)</b>	<b>(6,448,936)</b>	<b>5,364,665</b>
<b>Fund Balances, July 1</b>	<b>11,754,071</b>	<b>11,754,071</b>	<b>11,754,071</b>	<b>-</b>
<b>Fund Balances, June 30</b>	<b>\$ 12,512,222</b>	<b>\$ (59,530)</b>	<b>\$ 5,305,135</b>	<b>\$ 5,364,665</b>

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  
June 30, 2025

Current Assets	
Cash and temporary investments	\$ 1,800,641
Prepaids items	<u>136,898</u>
Total Assets	<u>1,937,539</u>
Current Liabilities	
Claims payable	<u>2,346,706</u>
Net Position	
Unrestricted	<u><u>\$ (409,167)</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, 2025

Operating Revenues		
Charges to other funds		
Contributions from governmental funds		\$ 22,258,103
Operating Expenses		
Dental Benefit Claims		1,365,602
Health Benefit Claims		20,902,032
Total operating expenses		<u>22,267,634</u>
Operating Loss		(9,531)
Nonoperating Revenues		
Interest earned on investments		<u>47,178</u>
Change in Net Position		37,647
Net Position, July 1		<u>(446,814)</u>
Net Position, June 30		<u><u>\$ (409,167)</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, 2025

Cash Flows from Operating Activities	
Receipts from interfund premiums	\$ 22,121,205
Payments for dental claims	(1,369,437)
Payments for health claims	<u>(21,584,021)</u>
Net Cash Provided (Used) by Operating Activities	(832,253)
Cash Flows from Investing Financing Activities	
Interest received on investments	<u>47,178</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(785,075)
Cash and Cash Equivalents, July 1	<u>2,585,716</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 1,800,641</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating income (loss)	\$ (9,531)
Adjustments to reconcile operating income to net cash	
provided (used) by operating activities	
Increase (Decrease) in assets	
Prepays items	(136,898)
(Increase) Decrease in liabilities	
Accounts payable	<u>(685,824)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (832,253)</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  
June 30, 2025

	<u>Other Post Employee Benefit Trust Funds</u>
Assets	
Investments	
Mutual funds	<u>\$ 13,639,219</u>
Liabilities	
Due to other funds	<u>1,106,730</u>
Net Position	
Held in trust for employee benefits	<u><u>\$ 12,532,489</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 Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Year Ended June 30, 2025

	<u>Other Post Employee Benefit Trust Funds</u>
Additions	
Investment earnings	\$ 1,205,774
Less: investment costs	<u>(32,393)</u>
Net investment income	<u>1,173,381</u>
Deductions	
Retirement benefits	<u>1,106,730</u>
Change in Net Position	66,651
Net Position, July 1	<u>12,465,838</u>
Net Position, June 30	<u>\$ 12,532,489</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

June 30, 2025

## 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  
June 30, 2025

**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  
June 30, 2025

**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  
June 30, 2025

**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 61 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 2025 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 2024 and collectible in 2025. 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 2024 and not yet collected. Delinquent property taxes receivable is offset with a deferred inflow of resources, unavailable revenue delinquent property taxes.

***Due from the Department of Education and Federal Government***

Due from the Department of Education and Federal Government includes amounts billed for services provided before year end as well as amounts for expenditures that have been incurred before year end that will be reimbursed with state and federal funding. No substantial losses are anticipated from present receivable balances, therefore no allowance for uncollectible has been recorded.

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
June 30, 2025

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

***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).

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.

Independent School District No. 281  
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 June 30, 2025

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

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
Building and improvements (right to use)	5 - 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.

***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.

Independent School District No. 281  
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**Note 1: Summary of Significant Accounting Policies (Continued)**

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	\$ 1,504,438	\$ 6,305,261	\$ 7,809,699
Proportionate share of State's contribution	10,073	376,687	386,760
Total pension expense	\$ 1,514,511	\$ 6,681,948	\$ 8,196,459

**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. 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 and sick time is accrued as it is earned in the government-wide financial statements. In fiscal year 2025 the District had USI Consulting Group complete and actuarial valuation to determine the liability under GASB Statement No. 101.

**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 qualify 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.

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

June 30, 2025

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

**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.

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:

Fiscal Year Ended June 30,	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2023	\$ 42,572	\$ 1,302,617	\$ 1,321,303	\$ 23,886
2024	23,886	1,321,789	1,319,107	26,568
2025	26,568	1,365,602	1,369,437	22,733

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

Fiscal Year Ended June 30,	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
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
2025	3,005,962	20,902,032	21,584,021	2,323,973

**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  
June 30, 2025

**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  
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June 30, 2025

**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 Chief Financial Officer 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, 2025, expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Major			
General fund	\$ 214,079,276	\$ 215,513,343	\$ 1,434,067
Nonmajor			
Community Service	12,072,159	12,516,178	444,019

The excess of expenditures over appropriations were funded by revenues in excess of budget in both the General fund and Community Service fund.

**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.

Independent School District No. 281  
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**Note 3: Detailed Notes on All Funds (Continued)**

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;
- 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 \$6,300,640 and the bank balance was \$7,205,429. 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 2025.

**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)	6/30/2025	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
<b>Pooled Investments at Net Asset Value (NAV)</b>						
MN Trust TERM Series	N/A	Less than 1 year	\$54,094,007	\$ -	\$ -	\$ -
Broker Money Market	N/A	Less than 1 year	13,639,219	-	-	-
<b>Non-pooled Investments at Fair Value</b>						
Brokered Certificates of Deposit	N/A	1 to 3 years	4,867,053	-	4,867,053	-
<b>Total Investments</b>			<u>\$72,600,279</u>	<u>\$ -</u>	<u>\$ 4,867,053</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.

Independent School District No. 281  
 New Hope, Minnesota  
 Notes to the Financial Statements  
 June 30, 2025

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

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.
- *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	\$ 6,300,640
Carrying Amount of Investments	<u>72,600,279</u>
 Total Carrying Amount	 <u>\$ 78,900,919</u>
 As Reported in the Basic Financial Statements	
Statement of net position	
Cash and temporary investments	\$ 65,261,700
Statement of fiduciary net position	
Cash and temporary investments	<u>13,639,219</u>
 Total Cash and Temporary Investments	 <u>\$ 78,900,919</u>

**B. Interfund Receivables and Payable**

Receivable Fund	Payable Fund	Amount
Primary Government	Custodial Fund	
General	OPEB Irrevocable Trust Fund	<u>\$ 1,106,730</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, 2025.

Independent School District No. 281  
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June 30, 2025

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

**C. Property Taxes**

Current property taxes receivable are recorded for uncollected taxes levied in 2024 and payable in 2025. 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	\$ 24,393,030	\$ 12,320,862	\$ 1,269,265	\$ 37,983,157
Delinquent Taxes	497,428	212,052	44,016	753,496
 Total Reported Taxes Receivable	 <u>\$ 24,890,458</u>	 <u>\$ 12,532,914</u>	 <u>\$ 1,313,281</u>	 <u>\$ 38,736,653</u>

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2025 was as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated / Amortized				
Land	\$ 1,218,930	\$ -	\$ -	\$ 1,218,930
Construction in progress	9,740,707	6,370,715	(12,864,334)	3,247,088
Total Capital Assets, not Being Depreciated / Amortized	<u>10,959,637</u>	<u>6,370,715</u>	<u>(12,864,334)</u>	<u>4,466,018</u>
Capital Assets Being Depreciated / Amortized				
Buildings and improvements	11,313,807	1,504,652	-	12,818,459
Equipment	44,841,368	1,591,799	-	46,433,167
Buildings	535,408,495	17,248,748	(627,835)	552,029,408
Buildings and improvements (right to use)	9,725,025	-	-	9,725,025
Total Capital Assets Being Depreciated / Amortized	<u>601,288,695</u>	<u>20,345,199</u>	<u>(627,835)</u>	<u>621,006,059</u>
Less Accumulated Depreciation / Amortized for				
Buildings and improvements	(6,801,098)	(386,611)	-	(7,187,709)
Equipment	(31,745,630)	(3,465,924)	-	(35,211,554)
Buildings	(263,887,897)	(20,204,910)	596,569	(283,496,238)
Buildings and improvements (right to use)	(2,200,946)	(951,827)	-	(3,152,773)
Total Accumulated Depreciation / Amortization	<u>(304,635,571)</u>	<u>(25,009,272)</u>	<u>596,569</u>	<u>(329,048,274)</u>
Total Capital Assets Being Depreciated / Amortized, Net	<u>296,653,124</u>	<u>(4,664,073)</u>	<u>(31,266)</u>	<u>291,957,785</u>
Governmental Activities Capital Assets, Net	<u>\$ 307,612,761</u>	<u>\$ 1,706,642</u>	<u>\$ (12,895,600)</u>	<u>\$ 296,423,803</u>

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
June 30, 2025

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

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

Administration	\$ 1,116
District support services	1,100,346
Elementary and secondary regular instruction	131,626
Vocational education instruction	2,167
Special education instruction	20,185
Pupil support services	264,094
Instructional Support	24,436
Sites and Buildings	23,465,302
Total Depreciation / Amortization Expense - Governmental Activities	\$ 25,009,272

Construction Commitments

The District is committed to a number of contracts for the construction and improvement of various district properties. At June 30, 2025, the remaining commitment under these contracts is approximately \$2,985,627.

**E. Long-term Liabilities**

Lease Payable

Liabilities related to Leases as of June 30, 2025 :

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	\$ 3,179,499
Building Lease - Crystal Learning CTR	5,917,942	3.72	09/06/16	09/30/31	3,993,182
Total					\$ 7,172,681

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
2026	\$ 860,660	\$ 247,496	\$ 1,108,1
2027	916,494	215,049	1,131,5
2028	974,304	181,001	1,155,3
2029	1,035,612	143,844	1,179,4
2030	1,099,123	104,883	1,204,0
2031 - 2032	2,286,488	38,961	2,325,4
Total	\$ 7,172,681	\$ 931,234	\$ 8,103,9

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
June 30, 2025

**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	\$ 6,570,000	\$ 6,570,000
Series 2015A	17,100,000	3.00 - 4.00	8/25/2015	2/1/2028	14,900,000	4,400,000
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	10,035,000	1,745,000
Series 2019B	16,605,000	3.00 - 5.00	12/19/2019	2/1/2040	13,655,000	310,000
Series 2020A	16,760,000	2.00 - 4.00	11/19/2020	2/1/2041	16,005,000	90,000
Series 2021A	21,200,000	2.00 - 5.00	10/21/2021	2/1/2042	20,325,000	295,000
Series 2022A	18,060,000	4.375 - 5.000	10/27/2022	2/1/2040	17,795,000	320,000
Series 2023A	19,260,000	4.125 - 5.000	11/9/2023	2/1/2044	19,260,000	-
Series 2024A	18,475,000	4.000 - 5.000	11/18/2024	2/1/2045	18,475,000	250,000
<b>G.O. Refunding Bonds</b>						
Series 2016B (2006B)	4,655,000	2.00 - 5.00	6/1/2016	2/1/2027	1,680,000	830,000
Series 2017A (2008A and 2008B)	9,045,000	2.00 - 5.00	5/24/2017	2/1/2029	4,515,000	1,250,000
Series 2020B (2011A and 2012A)	13,270,000	2.00 - 5.00	11/19/2020	2/1/2032	4,005,000	480,000
<b>G.O. Capital Bonds</b>						
Series 2016A Capital Bonds	8,910,000	2.00 - 4.00	3/9/2016	2/1/2031	6,130,000	860,000
<b>Certificates of Participation</b>						
2016D	9,535,000	2.00 - 2.500	7/19/2016	4/1/2031	<u>4,175,000</u>	<u>660,000</u>
Total Bonds					<u>\$ 198,325,000</u>	<u>\$18,060,000</u>

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

Year Ending June 30,	Financed Purchases		
	Principal	Interest	Total
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	276,066	21,517	297,583
2031 - 2032	<u>575,264</u>	<u>19,904</u>	<u>595,168</u>
Total	<u>\$ 2,388,805</u>	<u>\$ 245,048</u>	<u>\$ 2,633,853</u>

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
June 30, 2025

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

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	\$ 1,002,483
SEA Addition	1,701,000	3.04	06/01/17	176 Months	9,665	880,794
Daimler Buses	1,050,060	5.35	08/01/23	36 Months	304,447	505,528
Total						<u>\$ 2,388,805</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%.

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

Year Ending June 30,	Financed Purchases		
	Principal	Interest	Total
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	276,066	21,517	297,583
2031 - 2032	575,264	19,904	595,168
Total	<u>\$ 2,388,805</u>	<u>\$ 245,048</u>	<u>\$ 2,633,853</u>

Independent School District No. 281  
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**Note 3: Detailed Notes on All Funds (Continued)**

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 192,195,000	\$ 18,475,000	\$ (16,520,000)	\$ 194,150,000	\$ 17,400,000
Certificates of participation	4,820,000	-	(645,000)	4,175,000	660,000
Premium on bonds issued	8,712,672	661,070	(937,785)	8,435,957	-
Financed purchase	2,886,078	-	(497,273)	2,388,805	520,163
Leases Payable	7,979,865	-	(807,184)	7,172,681	860,660
Compensated absences payable	15,429,438	-	(69,860)	15,359,578	-
 Governmental Activity Long-term Liabilities	 <u>\$ 232,023,053</u>	 <u>\$ 19,136,070</u>	 <u>\$ (19,477,102)</u>	 <u>\$ 231,682,021</u>	 <u>\$ 19,440,823</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

June 30, 2025

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

**F. Components of Fund Balance**

At June 30, 2025, 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	\$ 1,246,363	\$ 475	\$ -	\$ 2,155	\$ 1,248,993
Inventories	-	-	-	79,893	79,893
<b>Total Nonspendable</b>	<b><u>\$ 1,246,363</u></b>	<b><u>\$ 475</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 82,048</u></b>	<b><u>\$ 1,328,886</u></b>
Restricted for					
Educational purposes					
Student activity accounts	\$ 76,384	\$ -	\$ -	\$ -	\$ 76,384
Scholarships	516,415	-	-	-	516,415
Capital projects levy	6,400,553	-	-	-	6,400,553
Literacy incentive aid	920,680	-	-	-	920,680
Operating capital	2,817,708	-	-	-	2,817,708
Area learning center	910,900	-	-	-	910,900
Quality compensation	204,867	-	-	-	204,867
Safe schools	368,338	-	-	-	368,338
Read act - Illiteracy aid	428,756	-	-	-	428,756
Read act - tchr training compensation	139,572	-	-	-	139,572
Long-term facilities maintenance	451,184	-	-	-	451,184
Student support	194,596	-	-	-	194,596
Medical assistance	1,396,835	-	-	-	1,396,835
Community education	-	-	-	2,223,811	2,223,811
Early childhood family education	-	-	-	264,968	264,968
School readiness	-	-	-	47,774	47,774
Adult basic education	-	-	-	363,341	363,341
Community service	-	-	-	131,930	131,930
Debt service	-	2,303,615	-	-	2,303,615
Building construction	-	-	21,812,029	-	21,812,029
Food service	-	-	-	5,369,952	5,369,952
<b>Total Restricted</b>	<b><u>\$ 14,826,788</u></b>	<b><u>\$ 2,303,615</u></b>	<b><u>\$ 21,812,029</u></b>	<b><u>\$ 8,401,776</u></b>	<b><u>\$ 47,344,208</u></b>
Unassigned					
General fund	<u>\$ (10,768,016)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,768,016)</u>

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 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.

Independent School District No. 281

New Hope, Minnesota

Notes to the Financial Statements

June 30, 2025

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

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

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 Quality Compensation - This amount represents resources restricted for quality compensation related to alternative teacher professionals.

Restricted for Safe Schools - This amount represents resources restricted to spending on keeping schools safe.

Restricted for Read act literacy and teacher training aid - This amount represents resources restricted for teacher compensation related to read act training.

Restricted for Student Support - This amount represents resources restricted to be used for student support personnel that are in addition to current staff levels.

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.

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 Notes to the Financial Statements  
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**Note 4: Defined Benefit Pension Plans - Statewide**

**A. Teacher 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 within one year of eligible employment or elect coverage through the Defined Contribution Retirement Plan (DCR) administered by Minnesota State. A teacher employed by Minnesota State and electing DCR plan is not a member of TRA except for purposes of social security coverage.

**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 consecutive 60 months of formula service, age and years of formula service credit at termination of service. TRA members belong to either the Basic or Coordinated Plan.

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

Tier I:	Step Rate Formula	Percentage
Basic	First 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. 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  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

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. An early retirement reduction is applied to members retiring prior to age 65. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) reduction rate applied.

**Tier II:**

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. After July 1, 2024, the age will change to not to exceed 65. An early retirement reduction is applied to members retiring before age 66, but will be age 65 after July 1, 2024. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) early retirement reduction rate applied.

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. Contributions**

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for the fiscal year 2025 for coordinated were 7.75% for the employee and 8.75% for the employer. Basic rates were 11.25% for the employee and 12.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2025, 2024, and 2023 were \$8,173,137, \$8,072,904, and \$7,435,994. The District's contributions were equal to the required contributions for each year as set by state statute.

**4. Actuarial Assumptions**

The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

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

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	
Experience Studies	August 2, 2023 (demographic and economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage Growth Rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected Salary Increase	2.85 to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Cost of Living Adjustment	1% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually
Mortality Assumption	
Pre-retirement	PubT-2010(A) Employee Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Healthy Retirees	PubT-2010 (A) Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Beneficiaries	Pub-2010 (A) Contingent Survivor Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Disabled Retirees	PubNS-2010 Disabled Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.

\*The assumptions prescribed are based on the experience study dated August 2, 2023. For GASB 67 purposes, the long-term rate of return assumptions is selected by TRA management in consultation with actuary.

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	<u>100.0 %</u>	

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

Changes in the actuarial assumptions since the 2022 valuation:

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family.
- Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15% to reflect the continued lower than expected observations.

**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 2024 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. 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.

**6. Net Pension Liability**

On June 30, 2025, The District reported a liability of \$88,490,274 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. The District's proportionate share was 1.3926% at the end of the measurement period and 1.3679% 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	\$ 88,490,274
State's Proportionate Share of Net Pension Liability Associated with the District	<u>5,422,476</u>
 Total	 <u><u>\$ 93,912,750</u></u>

For the year ended June 30, 2025, the District recognized pension expense of \$6,305,261. It also recognized \$376,687 as an decrease to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$176 million to the Fund. The State of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the \$176 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$2,453,299 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Fund.

Independent School District No. 281  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

On June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 4,246,198	\$ 1,158,907
Changes in Actuarial Assumptions	8,708,125	15,105,449
Net Difference Between Projected and Actual Investment Earnings	-	3,914,075
Changes in Proportion	1,699,406	-
Contributions Paid to PERA Subsequent to the Measurement Date	8,173,137	-
Total	\$ 22,826,866	\$ 20,178,431

The \$8,173,137 reported as deferred outflows of resources related to pensions resulting from District Contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

2026	\$ (5,771,196)
2027	7,432,950
2028	3,235,503
2029	(4,860,516)
2030	(3,922,120)
Thereafter	(1,639,323)

**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 (preparer instructions: multiply the allocation % by TRA's sensitivity footnote info).

	District's Proportionate Share of NPL		
	1 Percent Decrease (6%)	Current (7%)	1 Percent Increase (8%)
Teachers Retirement Association	\$ 155,836,550	\$ 88,490,274	\$ 57,934,395

**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.

Independent School District No. 281  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**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). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

**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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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. The 2024 annual increase was 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 prorated increase.

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

**3. Contributions**

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 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, 2025, 2024 and 2023, were \$2,600,392, \$2,494,902 and \$2,261,901, respectively. The District's contributions were equal to the required contributions for each year as set by state statute.

**4. Pension Costs**

General Employees Fund Pension Costs

At June 30, 2025, the District reported a liability of \$14,530,533 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 \$375,730.

District's Proportionate Share of Net Pension Liability	\$ 14,530,533
State's Proportionate Share of Net Pension Liability Associated with the District	375,730
	\$ 14,906,263
Total	\$ 14,906,263

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.393 percent at the end of the measurement period and 0.3792 percent for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of \$1,504,438 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$10,073 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.

During the plan year ended June 30, 2025, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$668,539 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
June 30, 2025

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

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,351,268	\$ -
Changes in Actuarial Assumptions	69,220	8,329,352
Net Difference Between Projected and Actual Investment Earnings	-	1,259,557
Changes in Proportion	580,578	-
Contributions Paid to PERA Subsequent to the Measurement Date	2,600,393	-
Total	\$ 4,601,459	\$ 9,588,909

The \$2,600,392 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, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	\$ (4,567,654)
2027	(831,724)
2028	(1,817,594)
2029	(370,871)

**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 %	

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
June 30, 2025

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

**6. Actuarial Assumptions**

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service. Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2023. The assumption changes were adopted by the board and became effective with the July 1, 2024 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

General Employees Fund

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

-The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

**7. Discount Rate**

The discount rate used to measure the total pension liability in 2024 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 Plans 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.

Independent School District No. 281  
 New Hope, Minnesota  
 Notes to the Financial Statements  
 June 30, 2025

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

**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%)	Current (7%)	1 Percent Increase (8%)
General Employees Fund	\$ 31,737,023	\$ 14,530,533	\$ 376,626

**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  
 June 30, 2025

**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, 2025, 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, 2025, the District’s average contribution rate was 0.89 percent of covered-employee payroll.

During the year ended June 30, 2025 the District’s inactive plan members received benefits totaling \$1,106,730.

**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, 2025:

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, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 5.60 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  
June 30, 2025

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

**D. Actuarial Methods and Assumptions**

The District's net OPEB asset of \$5,274,084 was measured as of June 30, 2025.

The total OPEB (asset) on the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	5.60%
Expected Long-term Investment Return	5.60%, net of investment expense
20-Year Municipal Bond Yield	4.90%
Inflation Rate	2.50%
Salary Increases	See sample rate in actuarial report
Medical Trend Rate	Pre-65: 6.50% in 2024 grading to 5.00% over 6 years and then to 4.00% over the next 48 years Post-65: 5.00%
Dental Trend Rate	4.00%

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, 2024 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, 2025 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 5.60 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  
June 30, 2025

**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 (4.60%)	Current (5.60%)	1 Percent Increase (6.60%)
\$ (4,982,808)	\$ (5,274,084)	\$ (5,555,276)

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 5.25% decreasing to 4.00% then 3.00%	Healthcare Cost Trend Rates 6.25% decreasing to 5.00% then 4.00%	1 Percent Increase 7.25% decreasing to 6.00% then 5.00%
\$ (5,645,692)	\$ (5,274,084)	\$ (4,854,089)

**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, 2024	\$ 7,210,750	\$ 12,465,838	\$ (5,255,088)
Changes for the Year:			
Service cost	231,662	-	231,662
Interset cost	379,305	-	379,305
Assumption changes	101,307	-	101,307
Plan changes	(66,381)	-	(66,381)
Projected investment income	-	698,087	(698,087)
Differences between expected and actual experience	508,492	475,294	33,198
Benefit payments	(1,106,730)	(1,106,730)	-
Net Changes	47,655	66,651	(18,996)
Balances at June 30, 2025	\$ 7,258,405	\$ 12,532,489	\$ (5,274,084)

Plan Fiduciary Net Postion as a Percentage of the  
Total OPEB Liability 172.66 %

Independent School District No. 281  
New Hope, Minnesota  
Notes to the Financial Statements  
June 30, 2025

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

Since the prior measurement date, the following benefits changed:

- None

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, 2025, the District recognized a negative OPEB expense of \$207,947. At June 30, 2025, 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	\$ 576,711	\$ 291,735
Changes in Actuarial Assumptions	117,946	143,030
Investment Losses	33,433	-
Total	\$ 728,090	\$ 434,765

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:	
2026	\$ 217,834
2027	(15,552)
2028	(17,162)
2029	6,576
2030	101,629

**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.

Independent School District No. 281  
 New Hope, Minnesota  
 Notes to the Financial Statements  
 June 30, 2025

**Note 6: Other Information (Continued)**

**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: Prior Period Restatement**

During the current year audit a restatement was recorded to correct beginning year balances for accumulated depreciation and capital assets balances. A restatement was also done to record the beginning balance of the actuarially determined GASB Statement No. 101 compensated absences liability.

	June 30, 2025		
Fund	Net Position June 30, 2024 as Previously Reported	Restatement	Net Position July 1, 2024 as Restated
Governmental Activities	\$ 18,709,431	\$ (13,503,317)	\$ 5,206,114

**Note 8: Statutory Operating Debt**

As calculated by Minnesota Statute 123B.81, the District is in Statutory Operating Debt (SOD). The District is in SOD if the amount of operating debt is more than two-and one-half percent of the most recent fiscal year's expenditure amount. The District is required to develop a special operating plan with the Minnesota Department of Education (MDE) to reduce the District's deficit.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 281  
NEW HOPE, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2025

Independent School District No. 281

New Hope, Minnesota  
 Required Supplementary Information  
 For the Year Ended June 30, 2025

**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
6/30/2024	1.3926 %	\$ 88,490,274	\$ 5,422,476	\$ 93,912,750	\$ 92,261,760	95.9 %	82.1 %
6/30/2023	1.3679	112,936,888	7,910,855	120,847,743	86,970,690	129.9	76.4
6/30/2022	1.3826	110,711,294	8,210,514	118,921,808	85,465,540	129.5	76.2
6/30/2021	1.3588	59,465,151	5,015,220	64,480,371	81,309,938	73.1	86.6
6/30/2020	1.4035	103,692,461	8,689,629	112,382,090	81,558,245	127.1	75.5
6/30/2019	1.4199	90,504,724	8,009,618	98,514,342	80,617,432	112.3	78.2
6/30/2018	1.4328	89,992,691	8,455,056	98,447,747	79,028,493	113.9	78.1
6/30/2017	1.4426	287,969,129	27,837,905	315,807,034	77,493,787	371.6	51.6
6/30/2016	1.4503	345,931,154	34,723,065	380,654,219	75,441,107	458.5	44.9
6/30/2015	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)
6/30/2025	\$ 8,173,137	\$ 8,173,137	\$ -	\$ 93,407,280	8.75 %
6/30/2024	8,072,904	8,072,904	-	92,261,760	8.75
6/30/2023	7,435,994	7,435,994	-	86,970,690	8.55
6/30/2022	7,127,826	7,127,826	-	85,465,540	8.34
6/30/2021	6,610,498	6,610,498	-	81,309,938	8.13
6/30/2020	6,459,413	6,459,413	-	81,558,245	7.92
6/30/2019	6,215,604	6,215,604	-	80,617,432	7.71
6/30/2018	5,927,137	5,927,137	-	79,028,493	7.50
6/30/2017	5,812,034	5,812,034	-	77,493,787	7.50
6/30/2016	5,658,083	5,658,083	-	75,441,107	7.50

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended June 30, 2025

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

Changes in Actuarial Assumptions

2024  
Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family. Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience. Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience. Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience. Disability rates were decreased beyond age 45 by 15% to reflect the continued lower than expected observations.

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 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. 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.

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 for inflation.

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.

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended June 30, 2025

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

Changes in Plan Provisions

2024  
No changes noted.

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.

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended June 30, 2025

**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 1.4328 (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
6/30/2024	0.3930 %	\$ 14,530,533	\$ 375,730	\$ 14,906,263	\$ 33,265,360	43.7 %	86.7 %
6/30/2023	0.3792	21,204,439	584,603	21,789,042	30,158,680	70.3	83.1
6/30/2022	0.3835	30,373,327	890,358	31,263,685	28,722,427	105.7	76.7
6/30/2021	0.3856	16,466,847	502,895	16,969,742	27,760,240	59.3	87.0
6/30/2020	0.3993	23,939,860	738,197	24,678,057	28,473,027	84.1	79.0
6/30/2019	0.3937	21,766,791	676,471	22,443,262	27,843,293	78.2	80.2
6/30/2018	0.4341	24,082,088	789,866	24,871,954	29,158,627	82.6	79.5
6/30/2017	0.4442	28,357,435	-	28,357,435	28,592,707	99.2	75.9
6/30/2016	0.4506	36,586,485	-	36,586,485	27,936,987	131.0	68.9
6/30/2015	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)
6/30/2025	\$ 2,600,392	\$ 2,600,392	\$ -	\$ 34,671,893	7.50 %
6/30/2024	2,494,902	2,494,902	-	33,265,360	7.50
6/30/2023	2,261,901	2,261,901	-	30,158,680	7.50
6/30/2022	2,154,182	2,154,182	-	28,722,427	7.50
6/30/2021	2,082,018	2,082,018	-	27,760,240	7.50
6/30/2020	2,135,477	2,135,477	-	28,473,027	7.50
6/30/2019	2,088,247	2,088,247	-	27,843,293	7.50
6/30/2018	2,186,897	2,186,897	-	29,158,627	7.50
6/30/2017	2,144,453	2,144,453	-	28,592,707	7.50
6/30/2016	2,095,274	2,095,274	-	27,936,987	7.50

Independent School District No. 281  
New Hope, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended June 30, 2025

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

Changes in Actuarial Assumptions

2024

The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023

The investment return and single discount rates 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 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. 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, 2025

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

Changes in Plan Provisions

2024

The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 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 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 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

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

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, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	\$ 231,662	\$ 222,251	\$ 200,124	\$ 223,017	\$ 206,124	\$ 247,748	\$ 429,786	\$ 395,745	\$ 374,192
Interest	379,305	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	(66,381)	760,828	-	-	-	-	-	-	-
Differences between expected and actual experience	508,492	-	305,941	-	(1,432)	-	(2,065,851)	-	-
Changes in assumptions	101,307	-	-	76,342	(197,299)	(65,819)	(650,979)	(15,942)	-
Benefit payments	(1,106,730)	(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	47,655	(280,858)	(45,512)	(339,156)	(46,879)	166,408	(2,227,877)	355,712	(88,847)
Total OPEB Liability - Beginning	7,210,750	7,491,608	7,537,120	7,876,276	7,923,155	7,756,747	9,984,624	9,628,912	9,717,759
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 7,258,405</b>	<b>\$ 7,210,750</b>	<b>\$ 7,491,608</b>	<b>\$ 7,537,120</b>	<b>\$ 7,876,276</b>	<b>\$ 7,923,155</b>	<b>\$ 7,756,747</b>	<b>\$ 9,984,624</b>	<b>\$ 9,628,912</b>
Plan Fiduciary Net Position									
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,001
Net investment income	1,173,381	1,096,725	510,889	(1,900,673)	2,167,133	1,103,217	1,265,190	823,399	1,039,704
Benefit payments	(1,106,730)	(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	66,651	(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	12,465,838	13,012,718	13,447,624	16,409,167	14,735,749	14,081,931	18,254,097	18,100,972	18,054,443
<b>Total Plan Fiduciary Net Position - Ending (b)</b>	<b>12,532,489</b>	<b>12,465,838</b>	<b>13,012,718</b>	<b>13,447,624</b>	<b>16,409,167</b>	<b>14,735,749</b>	<b>14,081,931</b>	<b>18,254,097</b>	<b>18,100,972</b>
<b>District's Net OPEB Liability (Asset) - Ending (a) - (b)</b>	<b>\$ (5,274,084)</b>	<b>\$ (5,255,088)</b>	<b>\$ (5,521,110)</b>	<b>\$ (5,910,504)</b>	<b>\$ (8,532,891)</b>	<b>\$ (6,812,594)</b>	<b>\$ (6,325,184)</b>	<b>\$ (8,269,473)</b>	<b>\$ (8,472,060)</b>
Plan fiduciary net position as a percentage of the total OPEB liability	172.66 %	172.88 %	173.70 %	178.42 %	208.34 %	185.98 %	181.54 %	182.82 %	187.99
Covered - Employee Payroll	\$ 124,508,074	\$ 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	(4.24) %	(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, 2025

**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 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, 2025

**Schedule of District's Contributions**

	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Employer Contribution	\$ 1,106,730	\$ 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>1,106,730</u>	<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>	<u>\$ -</u>
Covered - Employee Payroll	\$ 124,508,074	\$ 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	0.89 %	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**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.60 %	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  
NEW HOPE, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2025

Independent School District No. 281

New Hope, Minnesota  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2025

	Special Revenue		Total
	Food Service	Community Service	
<b>Assets</b>			
Cash and temporary investments	\$ 5,117,657	\$ 4,272,103	\$ 9,389,760
Receivables			
Taxes	-	1,313,281	1,313,281
Accounts	322,232	-	322,232
Due from other governments	-	27,488	27,488
Due from Department of Education	-	427,131	427,131
Due from Federal Government	136,396	75,677	212,073
Inventories	79,893	-	79,893
Prepaid items	-	2,155	2,155
<b>Total Assets</b>	<b>\$ 5,656,178</b>	<b>\$ 6,117,835</b>	<b>\$ 11,774,013</b>
<b>Liabilities</b>			
Salaries and wages payable	\$ 24,474	\$ 288,851	\$ 313,325
Severance payable	4,507	7,457	11,964
Accounts and other payables	46,405	68,807	115,212
Due to other governments	-	1,163	1,163
Unearned revenue	130,947	100,898	231,845
<b>Total Liabilities</b>	<b>206,333</b>	<b>467,176</b>	<b>673,509</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - delinquent property taxes	-	17,892	17,892
Property taxes levied for subsequent year	-	2,598,788	2,598,788
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>2,616,680</b>	<b>2,616,680</b>
<b>Fund Balances</b>			
<b>Nonspendable</b>			
Inventories	79,893	-	79,893
Prepaid items	-	2,155	2,155
<b>Restricted for</b>			
Community education	-	2,223,811	2,223,811
Early childhood family education	-	264,968	264,968
School readiness	-	47,774	47,774
Adult basic education	-	363,341	363,341
Community service	-	131,930	131,930
Food service	5,369,952	-	5,369,952
<b>Total Fund Balances</b>	<b>5,449,845</b>	<b>3,033,979</b>	<b>8,483,824</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,656,178</b>	<b>\$ 6,117,835</b>	<b>\$ 11,774,013</b>

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, 2025

	Special Revenue		Total
	Food Service	Community Service	
Revenues			
Local property tax levies	\$ -	\$ 2,394,143	\$ 2,394,143
Other local revenue			
Investment earnings	152,222	168,726	320,948
Other	196,697	5,367,038	5,563,735
Revenue from state sources	2,785,251	3,354,409	6,139,660
Revenue from federal sources	6,276,182	770,852	7,047,034
Total Revenues	<u>9,410,352</u>	<u>12,055,168</u>	<u>21,465,520</u>
Expenditures			
Current			
Community education and services	-	12,368,383	12,368,383
Food service	8,483,620	-	8,483,620
Total current	<u>8,483,620</u>	<u>12,368,383</u>	<u>20,852,003</u>
Capital outlay			
Community education and services	-	147,795	147,795
Food service	75,515	-	75,515
Total capital outlay	<u>75,515</u>	<u>147,795</u>	<u>223,310</u>
Total Expenditures	<u>8,559,135</u>	<u>12,516,178</u>	<u>21,075,313</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	851,217	(461,010)	390,207
Other Financing Sources			
Transfer in	318	-	318
Net Change in Fund Balances	851,535	(461,010)	390,525
Fund Balances, July 1	4,598,310	3,494,989	8,093,299
Fund Balances, June 30	<u>\$ 5,449,845</u>	<u>\$ 3,033,979</u>	<u>\$ 8,483,824</u>

Independent School District No. 281

New Hope, Minnesota

General Fund

Balance Sheet

June 30, 2025

	<u>2025</u>
<b>Assets</b>	
Cash and temporary investments	\$ 16,176,342
Receivables	
Taxes	24,890,458
Accounts	188,630
Due from other governments	625,860
Due from post-employment benefits trust	1,106,730
Due from Department of Education	14,435,374
Due from Federal Government	3,114,056
Inventory	215,182
Prepaid items	1,031,181
Total Assets	<u>\$ 61,783,813</u>
<b>Liabilities</b>	
Salaries and wages payable	\$ 4,570,287
Severance payable	81,331
Accounts and other payables	2,043,263
Due to other governments	270,268
Total Liabilities	<u>6,965,149</u>
<b>Deferred Inflows of Resources</b>	
Unavailable revenue - delinquent property taxes	395,549
Property taxes levied for subsequent year	49,117,980
Total Deferred Inflows of Resources	<u>49,513,529</u>
<b>Fund Balances</b>	
Nonspendable	
Prepaid items and inventory	1,246,363
Restricted for	
Student activity accounts	76,384
Scholarships	516,415
Capital projects levy	6,400,553
Literacy incentive aid	920,680
Operating capital	2,817,708
Area learning center	910,900
Quality compensation	204,867
Safe schools	368,338
Read act - literacy aid	428,756
Read act - tchr training compensation	139,572
Long-term facilities maintenance	451,184
Student support	194,596
Medical assistance	1,396,835
Unassigned	(10,768,016)
Total Fund Balances	<u>5,305,135</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	
	<u>\$ 61,783,813</u>

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, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Local property tax levies	\$ 50,759,201	\$ 50,765,299	\$ 50,056,202	\$ (709,097)	\$ 46,820,022
Other local revenue					
Investment earnings	813,695	714,952	735,405	20,453	939,999
Other	4,615,057	3,231,358	6,685,597	3,454,239	5,219,250
Revenue from state sources	140,361,765	142,870,998	142,844,722	(26,276)	138,778,005
Revenue from federal sources	5,002,000	4,681,553	8,493,417	3,811,864	10,651,543
<b>Total Revenues</b>	<b>201,551,718</b>	<b>202,264,160</b>	<b>208,815,343</b>	<b>6,551,183</b>	<b>202,408,819</b>
<b>Expenditures</b>					
<b>Current</b>					
<b>Administration</b>					
Salaries	5,771,366	5,839,221	6,197,904	(358,683)	5,902,741
Employee benefits	1,840,526	1,917,482	2,045,450	(127,968)	2,012,213
Purchased services	137,420	227,309	215,131	12,178	230,918
Supplies and materials	16,200	14,800	54,084	(39,284)	35,244
Other	82,351	81,151	177,556	(96,405)	75,961
<b>Total administration</b>	<b>7,847,863</b>	<b>8,079,963</b>	<b>8,690,125</b>	<b>(610,162)</b>	<b>8,257,077</b>
<b>District support services</b>					
Salaries	3,495,569	3,277,867	3,373,886	(96,019)	3,595,877
Employee benefits	1,021,722	1,654,962	950,787	704,175	1,702,026
Purchased services	441,647	788,045	615,915	172,130	277,844
Supplies and materials	1,931,250	2,418,911	1,852,265	566,646	2,147,306
Other	8,450	35,450	44,375	(8,925)	35,679
<b>Total district support services</b>	<b>6,898,638</b>	<b>8,175,235</b>	<b>6,837,228</b>	<b>1,338,007</b>	<b>7,758,732</b>
<b>Elementary and secondary     regular instruction</b>					
Salaries	60,634,359	62,566,731	62,707,315	(140,584)	63,008,515
Employee benefits	19,768,583	21,525,845	18,554,996	2,970,849	17,921,453
Purchased services	1,845,743	2,357,167	3,606,922	(1,249,755)	3,575,271
Supplies and materials	1,284,055	1,323,195	1,739,458	(416,263)	1,534,678
Other	489,582	530,555	2,018,956	(1,488,401)	545,621
<b>Total elementary and secondary         regular instruction</b>	<b>84,022,322</b>	<b>88,303,493</b>	<b>88,627,647</b>	<b>(324,154)</b>	<b>86,585,538</b>
<b>Vocational education instruction</b>					
Salaries	1,111,234	931,977	818,289	113,688	975,377
Employee benefits	339,090	1,128,498	237,452	891,046	273,810
Purchased services	69,950	87,950	94,674	(6,724)	113,312
Supplies and materials	32,600	32,600	59,950	(27,350)	49,009
Other	-	-	29,359	(29,359)	4,476
<b>Total vocational education instruction</b>	<b>1,552,874</b>	<b>2,181,025</b>	<b>1,239,724</b>	<b>941,301</b>	<b>1,415,984</b>
<b>Special education instruction</b>					
Salaries	26,408,968	28,670,131	28,510,398	159,733	24,667,458
Employee benefits	9,427,398	9,797,718	10,102,267	(304,549)	8,607,952
Purchased services	558,735	1,314,235	4,101,402	(2,787,167)	1,864,183
Supplies and materials	318,450	313,050	367,624	(54,574)	265,614
Other	500	13,000	622,874	(609,874)	97,860
<b>Total special education instruction</b>	<b>36,714,051</b>	<b>40,108,134</b>	<b>43,704,565</b>	<b>(3,596,431)</b>	<b>35,503,067</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, 2025  
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Community education and services					
Employee benefits	\$ 2,500	\$ 26,000	\$ 25,173	\$ 827	\$ 28,281
Instructional support services					
Salaries	8,190,767	9,649,734	9,433,556	216,178	10,915,921
Employee benefits	2,579,997	2,672,088	2,672,591	(503)	3,174,153
Purchased services	325,950	378,500	380,191	(1,691)	635,543
Supplies and materials	782,300	1,039,435	1,325,214	(285,779)	896,082
Other	16,000	22,000	325,648	(303,648)	72,006
Total instructional support services	<u>11,895,014</u>	<u>13,761,757</u>	<u>14,137,200</u>	<u>(375,443)</u>	<u>15,693,705</u>
Pupil support services					
Salaries	7,228,762	7,228,716	8,072,301	(843,585)	7,446,858
Employee benefits	2,823,033	2,813,219	2,762,006	51,213	2,576,853
Purchased services	16,498,002	17,205,652	17,782,325	(576,673)	17,096,811
Supplies and materials	730,432	936,432	959,343	(22,911)	1,083,939
Other	-	-	158,871	(158,871)	36,303
Total pupil support services	<u>27,280,229</u>	<u>28,184,019</u>	<u>29,734,846</u>	<u>(1,550,827)</u>	<u>28,240,764</u>
Sites and buildings					
Salaries	5,776,740	5,398,653	6,076,957	(678,304)	5,802,957
Employee benefits	2,468,287	2,377,976	2,435,637	(57,661)	2,312,799
Purchased services	7,032,002	7,988,109	6,881,516	1,106,593	7,388,481
Supplies and materials	759,760	760,260	964,187	(203,927)	1,033,329
Other	180,929	221,529	159,919	61,610	111,072
Total sites, buildings and equipment	<u>16,217,718</u>	<u>16,746,527</u>	<u>16,518,216</u>	<u>228,311</u>	<u>16,648,638</u>
Expenditures (Continued)					
Current (continued)					
Fiscal and other fixed cost programs					
Purchased services	\$ 807,000	\$ 807,000	\$ 878,333	\$ (71,333)	\$ 577,621
Total current	<u>193,238,209</u>	<u>206,373,153</u>	<u>210,393,057</u>	<u>(4,019,904)</u>	<u>200,709,407</u>
Capital outlay					
Administration	-	-	16,832	(16,832)	-
District support services	2,940,000	3,020,000	1,448,793	1,571,207	3,875,435
Elementary and secondary regular instruction	814,543	817,793	141,162	676,631	1,017,784
Vocational education instruction	1,500	1,500	-	1,500	6,553
Special education instruction	475,000	475,000	35,925	439,075	252,822
Instructional support services	70,500	126,500	98,522	27,978	86,318
Pupil support services	-	-	7,807	(7,807)	1,522,795
Sites and buildings	507,747	517,747	1,679,665	(1,161,918)	682,579
Total capital outlay	<u>4,809,290</u>	<u>4,958,540</u>	<u>3,428,706</u>	<u>1,529,834</u>	<u>7,444,286</u>
Debt service					
Principal	2,390,876	2,390,876	1,304,457	1,086,419	1,277,704
Interest and other	356,707	356,707	387,123	(30,416)	618,788
Total debt service	<u>2,747,583</u>	<u>2,747,583</u>	<u>1,691,580</u>	<u>1,056,003</u>	<u>1,896,492</u>
Total Expenditures	<u>200,795,082</u>	<u>214,079,276</u>	<u>215,513,343</u>	<u>(1,434,067)</u>	<u>210,050,185</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, 2025  
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025				2024
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 756,636	\$ (11,815,116)	\$ (6,698,000)	\$ 5,117,116	\$ (7,641,366)
Other Financing Sources (Uses)					
Lease issued	-	-	-	-	1,050,060
Insurance Recovery	-	-	62,878	62,878	53,002
Sale of capital assets	1,515	1,515	186,504	184,989	1,773
Transfer out	-	-	(318)	(318)	-
Total Other Financing Sources (Uses)	1,515	1,515	249,064	247,549	1,104,835
Net Change in Fund Balances	758,151	(11,813,601)	(6,448,936)	5,364,665	(6,536,531)
Fund Balances, July 1	11,754,071	11,754,071	11,754,071	-	18,290,602
Fund Balances, June 30	<u>\$ 12,512,222</u>	<u>\$ (59,530)</u>	<u>\$ 5,305,135</u>	<u>\$ 5,364,665</u>	<u>\$ 11,754,071</u>

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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, 2025  
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Other local revenue					
Investment earnings	\$ -	\$ -	\$ 152,222	\$ 152,222	\$ 183,330
Other	223,949	204,199	196,697	(7,502)	136,756
Revenue from state sources	2,720,031	2,836,056	2,785,251	(50,805)	2,487,052
Revenue from federal sources	5,510,996	6,341,937	6,276,182	(65,755)	6,672,141
Total Revenues	<u>8,454,976</u>	<u>9,382,192</u>	<u>9,410,352</u>	<u>28,160</u>	<u>9,479,279</u>
Expenditures					
Current					
Food service					
Salaries	2,731,704	2,918,236	2,571,677	346,559	2,781,787
Employee benefits	1,245,249	1,254,249	1,160,671	93,578	1,161,213
Purchased services	155,000	592,500	284,411	308,089	622,564
Supplies and materials	4,301,155	4,240,379	4,440,505	(200,126)	4,341,132
Other	25,000	20,000	26,356	(6,356)	24,890
Capital outlay					
Food service	430,500	430,500	75,515	354,985	604,620
Total Expenditures	<u>8,888,608</u>	<u>9,455,864</u>	<u>8,559,135</u>	<u>896,729</u>	<u>9,536,206</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(433,632)	(73,672)	851,217	924,889	(56,927)
Other Financing Sources					
Transfer In	-	-	318	318	-
Net Change in Fund Balances	(433,632)	(73,672)	851,535	925,207	(56,927)
Fund Balances, July 1	4,598,310	4,598,310	4,598,310	-	4,655,237
Fund Balances, June 30	<u>\$ 4,164,678</u>	<u>\$ 4,524,638</u>	<u>\$ 5,449,845</u>	<u>\$ 925,207</u>	<u>\$ 4,598,310</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, 2025  
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025				2024
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Local property tax levies	\$ 2,396,321	\$ 2,573,594	\$ 2,394,143	\$ (179,451)	\$ 1,676,849
Other local revenue					
Investment earnings	-	-	168,726	168,726	231,449
Other	4,786,366	5,034,656	5,367,038	332,382	5,149,025
Revenue from state sources	3,071,776	2,999,313	3,354,409	355,096	3,073,426
Revenue from federal sources	909,647	959,686	770,852	(188,834)	976,155
Total Revenues	<u>11,164,110</u>	<u>11,567,249</u>	<u>12,055,168</u>	<u>487,919</u>	<u>11,106,904</u>
Expenditures					
Current					
Community education and services					
Salaries	7,457,864	8,176,288	8,418,292	(242,004)	7,414,110
Employee benefits	2,329,622	2,514,529	2,650,916	(136,387)	2,348,289
Purchased services	1,041,133	1,017,734	930,347	87,387	929,253
Supplies and materials	159,193	170,628	351,446	(180,818)	226,349
Other	103,780	97,030	17,382	79,648	8,044
Capital outlay					
Community education and services	89,300	95,950	147,795	(51,845)	60,359
Total Expenditures	<u>11,180,892</u>	<u>12,072,159</u>	<u>12,516,178</u>	<u>(444,019)</u>	<u>10,986,404</u>
Net Change in Fund Balances	(16,782)	(504,910)	(461,010)	43,900	120,500
Fund Balances, July 1	<u>3,494,989</u>	<u>3,494,989</u>	<u>3,494,989</u>	-	<u>3,374,489</u>
Fund Balances, June 30	<u>\$ 3,478,207</u>	<u>\$ 2,990,079</u>	<u>\$ 3,033,979</u>	<u>\$ 43,900</u>	<u>\$ 3,494,989</u>

Independent School District No. 281

New Hope, Minnesota

Debt Service Fund

Balance Sheet by Account

June 30, 2025

	Components of the Debt Service Fund		Total General Fund
	Regular Debt Service Fund	OPEB Debt Service Fund	
<b>Assets</b>			
Cash and temporary investments	\$ 14,142,091	\$ 491,159	\$ 14,633,250
Receivables			
Taxes	12,511,566	21,348	12,532,914
Due from Department of Education	90,010	-	90,010
Prepaid items	475	-	475
<b>Total Assets</b>	<u>\$ 26,744,142</u>	<u>\$ 512,507</u>	<u>\$ 27,256,649</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - delinquent property taxes	169,083	17,087	186,170
Property taxes levied for subsequent year	24,766,389	-	24,766,389
<b>Total Deferred Inflows of Resources</b>	<u>24,935,472</u>	<u>17,087</u>	<u>24,952,559</u>
<b>Fund Balances</b>			
Nonspendable for prepaid items	475	-	475
Restricted for debt service	1,808,195	495,420	2,303,615
<b>Total Fund Balances</b>	<u>1,808,670</u>	<u>495,420</u>	<u>2,304,090</u>
<b>Total Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 26,744,142</u>	<u>\$ 512,507</u>	<u>\$ 27,256,649</u>

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, 2025

	<u>Components of the Det Service Fund</u>		<u>Total Debt Service Fund</u>
	<u>Regular Debt Service Fund</u>	<u>OPEB Debt Service Fund</u>	
Revenues			
Local property tax levies	\$ 21,735,463	\$ 1,681,420	\$ 23,416,883
Other local revenue			
Interest earned on investments	323,751	52,368	376,119
Revenue from state sources	900,085	3	900,088
Total Revenues	<u>22,959,299</u>	<u>1,733,791</u>	<u>24,693,090</u>
Expenditures			
Debt service			
Principal	15,465,000	1,700,000	17,165,000
Interest	6,871,937	56,100	6,928,037
Other	6,975	400	7,375
Total Expenditures	<u>22,343,912</u>	<u>1,756,500</u>	<u>24,100,412</u>
Net Change in Fund Balances	615,387	(22,709)	592,678
Fund Balances, July 1	<u>1,193,283</u>	<u>518,129</u>	<u>1,711,412</u>
Fund Balances, June 30	<u>\$ 1,808,670</u>	<u>\$ 495,420</u>	<u>\$ 2,304,090</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, 2025  
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
<b>Revenues</b>					
Local property tax levies	\$ 23,416,927	\$ 23,416,927	\$ 23,416,883	\$ (44)	\$ 21,332,752
Other local revenue					
Investment earnings	3,000	3,000	376,119	373,119	466,755
Revenue from state sources	800,080	800,080	900,088	100,008	900,097
<b>Total Revenues</b>	<u>24,220,007</u>	<u>24,220,007</u>	<u>24,693,090</u>	<u>473,083</u>	<u>22,699,604</u>
<b>Expenditures</b>					
<b>Debt service</b>					
Principal	17,165,000	17,165,000	17,165,000	-	16,180,000
Interest	6,984,505	6,928,405	6,928,037	368	6,766,944
Other	7,900	7,900	7,375	525	10,938
<b>Total Expenditures</b>	<u>24,157,405</u>	<u>24,101,305</u>	<u>24,100,412</u>	<u>893</u>	<u>22,957,882</u>
<b>Net Change in Fund Balances</b>	62,602	118,702	592,678	473,976	(258,278)
<b>Fund Balances, July 1</b>	<u>1,711,412</u>	<u>1,711,412</u>	<u>1,711,412</u>	<u>-</u>	<u>1,969,690</u>
<b>Fund Balances, June 30</b>	<u>\$ 1,774,014</u>	<u>\$ 1,830,114</u>	<u>\$ 2,304,090</u>	<u>\$ 473,976</u>	<u>\$ 1,711,412</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, 2025  
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025				2024
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Other local revenue					
Investment earnings	\$ 750,000	\$ 450,000	\$ 1,027,479	\$ 577,479	\$ 826,545
Other	4,500	-	4,125	4,125	60,210
Total Revenues	<u>754,500</u>	<u>450,000</u>	<u>1,031,604</u>	<u>581,604</u>	<u>886,755</u>
Expenditures					
Sites and buildings					
Salaries	189,185	388,855	371,531	17,324	214,003
Employee benefits	54,845	80,061	90,844	(10,783)	63,122
Purchased services	547,500	1,160,118	447,950	712,168	622,452
Capital outlay	17,795,637	18,096,040	10,070,126	8,025,914	16,297,430
Debt service					
Fiscal charges and other	-	-	-	-	360,830
Total Expenditures	<u>18,587,167</u>	<u>19,725,074</u>	<u>10,980,451</u>	<u>8,744,623</u>	<u>17,557,837</u>
Over (Under) Expenditures	<u>(17,832,667)</u>	<u>(19,275,074)</u>	<u>(9,948,847)</u>	<u>9,326,227</u>	<u>(16,671,082)</u>
Other Financing Sources					
Bonds issued	19,000,000	19,183,125	18,475,000	(708,125)	19,260,000
Premium on debt issued	-	-	661,070	661,070	532,009
Total other financing sources	<u>19,000,000</u>	<u>19,183,125</u>	<u>19,136,070</u>	<u>(47,055)</u>	<u>19,792,009</u>
Net Change in Fund Balances	1,167,333	(91,949)	9,187,223	9,279,172	3,120,927
Fund Balances, July 1	<u>12,624,806</u>	<u>12,624,806</u>	<u>12,624,806</u>	<u>-</u>	<u>9,503,879</u>
Fund Balances, June 30	<u>\$ 13,792,139</u>	<u>\$ 12,532,857</u>	<u>\$ 21,812,029</u>	<u>\$ 9,279,172</u>	<u>\$ 12,624,806</u>

Independent School District No. 281

New Hope, Minnesota

Statement of Net Position

Internal Service Funds

June 30, 2025

	Governmental Activities		Totals
	Dental Self-Insurance	Health Benefits Self-Insurance	
Current Assets			
Cash and temporary investments	\$ 1,368,811	\$ 431,830	\$ 1,800,641
Prepaid items	-	136,898	136,898
Total Assets	<u>1,368,811</u>	<u>568,728</u>	<u>1,937,539</u>
Current Liabilities			
Claims payable	<u>22,733</u>	<u>2,323,973</u>	<u>2,346,706</u>
Net Position			
Unrestricted	<u>\$ 1,346,078</u>	<u>\$ (1,755,245)</u>	<u>\$ (409,167)</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, 2025

	Governmental Activities		Totals
	Dental Self-Insurance	Health Benefits Self-Insurance	
Operating Revenues			
Charges to other funds			
Contributions from governmental funds	\$ 1,294,419	\$ 20,963,684	\$ 22,258,103
Operating Expenses			
Dental Benefit Claims	1,365,602	-	1,365,602
Health Benefit Claims	-	20,902,032	20,902,032
Total operating expenses	1,365,602	20,902,032	22,267,634
Operating income (loss)	(71,183)	61,652	(9,531)
Nonoperating Revenues			
Interest earned on investments	34,438	12,740	47,178
Change in Net Position	(36,745)	74,392	37,647
Net Position, July 1	1,382,823	(1,829,637)	(446,814)
Net Position, June 30	\$ 1,346,078	\$ (1,755,245)	\$ (409,167)

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  
Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2025

	Governmental Activities		Totals
	Dental Self-Insurance	Health Benefits Self-Insurance	
Cash Flows from Operating Activities			
Receipts from interfund premiums	\$ 1,294,419	\$ 20,826,786	\$ 22,121,205
Payments for dental claims	(1,369,437)	-	(1,369,437)
Payments for health claims	-	(21,584,021)	(21,584,021)
Net Cash Provided (Used) by Operating Activities	(75,018)	(757,235)	(832,253)
Cash Flows from Investing Financing Activities			
Interest received on investments	34,438	12,740	47,178
Net Increase (Decrease) in Cash and Cash Equivalents	(40,580)	(744,495)	(785,075)
Cash and Cash Equivalents, July 1	1,409,391	1,176,325	2,585,716
Cash and Cash Equivalents, June 30	<u>\$ 1,368,811</u>	<u>\$ 431,830</u>	<u>\$ 1,800,641</u>
Reconciliation of Operating Income to Net Cash			
Provided (Used) by Operating Activities			
Operating income (loss)	\$ (71,183)	\$ 61,652	\$ (9,531)
Adjustments to reconcile operating income to net cash			
provided (used) by operating activities			
(Increase) Decrease in assets			
Prepays items	-	(136,898)	(136,898)
(Increase) Decrease in liabilities			
Accounts payable	(3,835)	(681,989)	(685,824)
Net Cash Provided (Used) by Operating Activities	<u>\$ (75,018)</u>	<u>\$ (757,235)</u>	<u>\$ (832,253)</u>

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



**Fiscal Compliance Report - 6/30/2025**  
**District: ROBBINSDALE (281-1)**

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
<b>01 GENERAL FUND</b>				<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$208,815,343	<u>\$208,815,312</u>	<u>\$31</u>	Total Revenue	\$1,031,604	<u>\$1,031,599</u>	<u>\$5</u>
Total Expenditures	\$215,513,343	<u>\$215,513,308</u>	<u>\$35</u>	Total Expenditures	\$10,980,451	<u>\$10,980,446</u>	<u>\$5</u>
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$1,246,363	<u>\$1,246,363</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$76,384	<u>\$76,385</u>	<u>(\$1)</u>	4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>
4.02 Scholarships	\$516,415	<u>\$516,416</u>	<u>(\$1)</u>	4.13 Funded by COP/FP	\$0	<u>\$0</u>	<u>\$0</u>
4.03 Staff Development	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$21,550,535	<u>\$21,550,535</u>	<u>\$0</u>
4.07 Capital Projects Levy	\$6,400,553	<u>\$6,400,553</u>	<u>\$0</u>	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$261,494	<u>\$261,494</u>	<u>\$0</u>
4.12 Literacy Incentive Aid	\$920,680	<u>\$920,680</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.14 Operating Debt	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.16 Levy Reduction	\$0	<u>\$0</u>	<u>\$0</u>	<b>07 DEBT SERVICE</b>			
4.17 Taconite Building Maint	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$22,959,299	<u>\$22,959,297</u>	<u>\$2</u>
4.20 American Indian Education Aid	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$22,343,912	<u>\$22,343,912</u>	<u>\$0</u>
4.24 Operating Capital	\$2,817,708	<u>\$2,817,708</u>	<u>\$0</u>	<i>Non Spendable:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$475	<u>\$475</u>	<u>\$0</u>
4.27 Disabled Accessibility	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.28 Learning & Development	\$0	<u>\$0</u>	<u>\$0</u>	4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.34 Area Learning Center	\$910,900	<u>\$910,900</u>	<u>\$0</u>	4.33 Maximum Effort Loan Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	<u>\$0</u>	4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.37 Q Comp	\$204,867	<u>\$204,871</u>	<u>(\$4)</u>	<i>Restricted:</i>			
4.38 Gifted & Talented	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$1,808,195	<u>\$1,808,194</u>	<u>\$1</u>
4.39 English Learner	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.41 Basic Skills Programs	\$0	<u>\$0</u>	<u>\$0</u>	<b>08 TRUST</b>			
4.43 School Library Aid	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.49 Safe Schools Levy	\$368,338	<u>\$368,338</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>	4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.53 Unfunded Sev & Retirement Levy	\$0	<u>\$0</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
4.56 READ Act - Literacy Aid	\$428,756	<u>\$428,756</u>	<u>\$0</u>	<b>18 CUSTODIAL</b>			
4.57 READ Act - Tchr Training Compensation	\$139,572	<u>\$139,573</u>	<u>(\$1)</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.59 Basic Skills Extended Time	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.67 LTFM	\$451,184	<u>\$451,184</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.71 Student Support Personnel Aid	\$194,596	<u>\$194,596</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.72 Medical Assistance	\$1,396,835	<u>\$1,396,836</u>	<u>(\$1)</u>	4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>				4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.75 Title VII Impact Aid	\$0	<u>\$0</u>	<u>\$0</u>	<b>20 INTERNAL SERVICE</b>			
4.76 Payments in Lieu of Taxes	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$22,305,281	<u>\$22,305,280</u>	<u>\$1</u>
<i>Committed:</i>				Total Expenditures	\$22,267,634	<u>\$22,267,634</u>	<u>\$0</u>
4.18 Committed for Separation	\$0	<u>\$0</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net Assets)	(\$409,167)	<u>(\$409,168)</u>	<u>\$1</u>
4.61 Committed Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	<b>25 OPEB REVOCABLE TRUST</b>			
<i>Assigned:</i>				Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.62 Assigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	118 Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>							
4.22 Unassigned Fund Balance	(\$10,768,016)	<u>(\$10,768,022)</u>	<u>\$6</u>				

Minnesota Department of Education

**02 FOOD SERVICES**

Total Revenue	\$9,410,166	<u>\$9,410,173</u>	(\$7)
Total Expenditures	\$8,559,135	<u>\$8,559,143</u>	(\$8)
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$79,893	<u>\$79,893</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	\$5,369,952	<u>\$5,369,951</u>	\$1
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0

**04 COMMUNITY SERVICE**

Total Revenue	\$12,055,168	<u>\$12,055,161</u>	\$7
Total Expenditures	\$12,516,178	<u>\$12,516,171</u>	\$7
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$2,155	<u>\$2,155</u>	\$0
<i>Restricted / Reserved:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	\$0
4.31 Community Education	\$2,223,811	<u>\$2,223,814</u>	(\$3)
4.32 E.C.F.E	\$264,968	<u>\$264,968</u>	\$0
4.37 Q Comp	\$0	<u>\$0</u>	\$0
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	\$0
4.44 School Readiness	\$47,774	<u>\$47,774</u>	\$0
4.47 Adult Basic Education	\$363,341	<u>\$363,341</u>	\$0
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0
4.56 READ Act - Literacy Aid	\$0	<u>\$0</u>	\$0
4.57 READ Act - Tchr Training Compensation	\$0	<u>\$0</u>	\$0
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$131,930	<u>\$131,930</u>	\$0
<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	\$1,205,774	<u>\$1,205,774</u>	\$0
Total Expenditures	\$1,139,123	<u>\$1,139,123</u>	\$0
4.22 Unassigned Fund Balance (Net Assets)	\$12,532,489	<u>\$12,532,489</u>	\$0

**47 OPEB DEBT SERVICE**

Total Revenue	\$1,733,791	<u>\$1,733,791</u>	\$0
Total Expenditures	\$1,756,500	<u>\$1,756,500</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	\$495,420	<u>\$495,419</u>	\$1
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0

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STATISTICAL SECTION (UNAUDITED)  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NEW HOPE, MINNESOTA  
FOR THE YEAR ENDED  
JUNE 30, 2025

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

Table 1

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 90,691,187
Restricted	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	33,101,028
Unrestricted	<u>(86,000,673)</u>	<u>(142,988,687)</u>	<u>(199,663,718)</u>	<u>(164,847,615)</u>	<u>(172,365,636)</u>	<u>(168,240,437)</u>	<u>(157,149,952)</u>	<u>(122,758,344)</u>	<u>(102,938,880)</u>	<u>(123,325,098)</u>
Total Governmental Activities Net Position	<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>	<u>\$ 467,117</u>

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.

Note: GASB Statement No. 101 was implemented for the year ended June 30, 2025 and required a \$12.8 million restatement of beginning net position. Prior year amounts have not been restated.

Independent School District No. 281  
 New Hope, Minnesota  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

Table 2

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Expenses										
Administration	\$ 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	\$ 8,772,844
District support services	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	8,343,050
Elementary and secondary regular instruction	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	89,297,184
Vocational education instruction	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	1,238,505
Special education instruction	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	44,130,900
Instructional support services	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	14,211,492
Pupil support services	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	30,038,145
Sites and buildings	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	39,294,444
Fiscal and other fixed cost programs	454,428	557,141	521,264	452,980	432,254	447,607	506,401	591,978	600,584	878,333
Food service	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	8,559,135
Community service	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	12,661,388
Interest and fiscal charges on debt	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	6,915,877
Total expenses	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	264,341,297
Charges for services										
Administration	652	625	330	330	-	-	-	-	328	426
District support services	247,734	145,124	134,508	225,115	120,685	117,984	180,990	140,096	77,724	74,774
Elementary and secondary regular instruction	1,119,601	1,264,788	1,182,309	940,917	485,766	345,605	503,279	565,398	839,170	1,008,599
Vocational education instruction	18	14	-	-	-	-	-	-	-	-
Special education instruction	195,777	267,964	483,254	400,456	709,428	380,362	477,905	868,063	7,117	2,360
Instructional support services	903	222	1,503	1,871	3,255	3,722	6,713	4,271	69,629	8,998
Pupil support services	38,486	-	2,768	166,538	-	-	-	60,795	157,435	106,816
Sites and buildings	93,200	113,621	15,008	20,618	754,317	193,066	16,727	29,300	35,767	7,541
Food service	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	301,793
Community service	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	4,504,806
Total charges for services	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	6,016,113
Operating grants and contributions	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	51,990,906
Total program revenues	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	58,007,019
Net (expense) revenue	(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)	(206,334,278)
General revenues and other changes in net position										
Taxes										
Property taxes, levied for general purposes	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	50,236,290
Property taxes, levied for community service	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	2,394,143
Property taxes, levied for building construction	1,440,091	-	-	-	-	-	-	-	-	-
Property taxes, levied for debt service	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	23,416,927
General grants and aids	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	113,445,722
Other general revenues	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	9,345,688
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	1,773	186,504
Investment earnings (charges)	106,758	377,622	509,073	858,243	462,138	66,094	(20,673)	1,541,370	3,815,915	2,507,129
Insurance recovery	-	-	-	-	-	-	-	-	53,002	62,878
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	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	201,595,281
Change in net position	\$ 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	\$ (4,738,997)

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

Table 3

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 552,260	\$ 375,117	\$ 486,096	\$ 264,546	\$ 713,515	\$ 1,218,616	\$ 1,687,909	\$ 1,054,268	\$ 358,405	\$ 1,246,363
Restricted	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	14,826,788
Assigned	1,839,081	873,292	-	1,210,419	1,507,829	1,882,535	6,960,051	1,734,895	1,354,137	-
Unassigned	13,580,091	7,963,180	(1,319,348)	(415,357)	622,412	7,502,120	2,154,900	5,644,195	(666,485)	(10,768,016)
<b>Total General Fund</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>\$ 5,305,135</b>
All other governmental funds										
Nonspendable, reported in										
Special Revenue Funds	\$ 71,158	\$ 102,859	\$ 81,060	\$ 66,365	\$ 86,354	\$ 115,288	\$ 93,978	\$ 85,916	\$ 73,317	\$ 82,048
Capital Projects – Building										
Construction Fund	-	-	-	-	-	356	-	-	-	-
Debt Service Fund	900	1,350	1,500	-	-	-	-	-	-	475
Restricted, reported in										
Special revenue funds	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	8,401,776
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	21,812,029
Debt Service Fund	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	2,303,615
<b>Total all other governmental funds</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>	<b>\$ 32,599,943</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)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>										
Local sources										
Taxes	\$ 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	\$ 75,867,228
Investment earnings (charges)	106,758	349,903	462,688	812,707	437,945	63,843	(22,034)	1,506,673	2,648,078	2,459,951
Other	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	12,253,457
State sources	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	149,884,470
Federal sources	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	15,540,451
<b>Total revenues</b>	<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>	<u>256,005,557</u>
<b>Expenditures</b>										
Current										
Administration	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	8,690,125
District support services	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	6,837,228
Elementary and secondary regular instruction	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	88,627,647
Vocational education instruction	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	1,239,724
Special education instruction	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	43,704,565
Instructional support services	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	14,137,200
Pupil support services	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	38,218,466
Sites and buildings	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	17,428,541
Fiscal and other fixed cost programs	454,428	557,141	521,264	452,980	432,254	447,607	506,401	591,978	577,621	878,333
Food service	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	8,779,365	9,529,583	10,366,492	10,854,534	10,437,784	9,544,358	9,095,991	10,300,264	10,983,395	12,393,556
Capital outlay	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	13,722,142
Debt service										
Principal	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	18,469,457
Interest and other	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	7,322,535
<b>Total expenditures</b>	<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>	<u>271,669,519</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(22,578,365)</u>	<u>(54,114,060)</u>	<u>(24,460,901)</u>	<u>(12,482,872)</u>	<u>(19,756,479)</u>	<u>(2,978,318)</u>	<u>(11,373,811)</u>	<u>(26,579,648)</u>	<u>(24,507,153)</u>	<u>(15,663,962)</u>
<b>Other financing sources (uses)</b>										
Refunding debt issued	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	18,475,000
Premiums on debt issued	3,932,191	1,476,967	924,549	-	2,580,174	2,568,540	2,338,794	955,476	532,009	661,070
Payment to refunded bond escrow agent	(2,515,000)	(21,309,077)	-	(9,815,000)	(11,295,000)	(15,125,000)	-	-	-	-
Sale of capital assets and insurance recoveries	5,170	-	50	-	748,439	185,975	80,433	101,523	1,773	186,504
Transfers in	9,238	-	-	-	-	-	-	-	-	-
Transfers (out)	(9,238)	-	-	-	-	-	-	-	-	-
Insurance recovery	-	-	-	-	-	-	-	-	53,002	62,878
<b>Total other financing sources (uses)</b>	<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>	<u>19,385,452</u>
Special item – OPEB trust draw	-	-	-	4,749,736	-	-	-	-	-	-
<b>Net change in fund balances</b>	<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>	<u>\$ 3,721,490</u>
Debt service as a percentage of noncapital expenditures	<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>	<u>10.0%</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						
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	
2025	4,767	163,753,568	(15,364,677)	21,484,589	(5,382,433)	164,495,814	25.379	14,076,062,186	1.17	

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	
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
2025	50,056,202	2,394,143	-	23,416,883	75,867,228

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
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%
2025	52,450,345 22.78%	148,984,382 64.70%	15,540,451 6.75%	13,305,685 5.78%	230,280,863 100.00%

(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 and Buildings	Other	Total
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%
2025	8,706,957 3.71%	8,286,021 3.53%	88,768,809 37.79%	1,239,724 0.53%	43,740,490 18.62%	12,541,351 5.34%	14,235,722 6.06%	38,301,788 16.31%	18,197,881 7.75%	878,333 0.37%	234,897,076 100.00%

(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)
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	92.4	165,246,690	14,459,416,600	1.16	15,648,719,264
2025	96.2	164,495,814	14,588,096,400	1.17	15,164,341,372

(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.

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
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
2025	25.379	62.192	53.196	59.596	57.017	64.444	26.136	57.824	7.246	37.081

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		
2016	162.011	145.409	139.217	143.171	146.124	116.557	142.504		0.28484
2017	155.019	139.728	134.881	140.630	144.452	111.480	135.095		0.28216
2018	151.713	135.654	133.697	138.433	141.870	110.085	133.627		0.24959
2019	152.180	133.015	129.091	134.100	148.310	106.675	131.127		0.23433
2020	152.180	133.015	129.091	134.100	148.310	106.675	131.127		0.26683
2021	137.090	117.959	120.337	123.426	134.770	97.339	122.973		0.25032
2022	130.000	121.229	120.264	127.627	137.214	100.465	124.092		0.24121
2023	121.547	108.726	112.985	119.406	124.082	90.221	115.274		0.21608
2024	122.379	112.133	114.038	119.818	123.954	90.066	113.548		0.21763
2025	131.898	122.902	129.302	126.723	134.150	95.842	127.530		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  
New Hope, Minnesota  
Property Tax Levies and Receivables  
Last Ten Fiscal Years

Table 11

For Taxes Collectible	Original Levy			Uncollected Taxes Receivable as of June 30, 2025			
	Local Spread	Fiscal Disparities	Total Levy	Amount Collected	Percent of Levy Collected	Delinquent Amount	Current Amount
2016	\$49,272,306	\$ 8,943,065	\$ 58,215,371	\$ 58,215,371	100.00 %	\$ -	\$ -
2017	47,767,783	9,911,188	57,678,971	57,678,971	100.00	-	-
2018	50,546,470	9,283,437	59,829,907	59,797,744	99.95	32,163	-
2019	55,482,277	9,501,656	64,983,933	64,983,804	100.00	129	-
2020	55,303,400	10,256,071	65,559,471	65,546,952	99.98	12,519	-
2021	56,041,674	9,515,308	65,556,982	65,534,851	99.97	22,131	-
2022	57,476,955	9,894,875	67,371,830	67,309,899	99.91	61,931	-
2023	63,176,759	9,036,155	72,212,914	72,019,718	99.73	193,196	-
2024	67,002,913	8,866,537	75,869,450	75,438,023	99.43	431,427	-
2025	67,488,141	8,989,997	76,478,138	38,494,981	50.33	-	37,983,157
						<u>\$ 753,496</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  
New Hope, Minnesota  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

**Table 12**

Fiscal Year	Governmental Activities			Total	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds (1)	Certificates of Participation (1)	Financed Purchases and Leases			
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
2025	202,521,331	4,239,626	9,561,486	216,322,443	0.18	2,066

(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

Table 13

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

<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>
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
2025	17,165,000	6,935,412	24,100,412	271,669,519	8.87

(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  
 Ratio of General Bonded Debt Outstanding  
 Last Ten Fiscal Years

**Table 14**

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Value of Taxable Property
2016	\$ 217,763,960	2.72 %
2017	196,769,592	2.32
2018	197,200,309	2.15
2019	181,230,185	1.84
2020	184,648,567	1.72
2021	186,756,137	1.66
2022	194,858,386	1.63
2023	197,508,295	1.45
2024	200,832,423	1.41
2025	202,521,331	1.44

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
2016	1,221,703	\$82,242,602,554	\$ 67,318	36.2	679,285	3.4	104,207	12,499
2017	1,237,604	84,476,373,832	68,258	36.2	694,060	3.2	104,207 (2)	12,326
2018	1,249,512	87,483,333,168	70,014	36.2	703,310	3.2	104,207 (2)	12,014
2019	1,261,104	93,066,952,992	73,798	36.5	715,567	2.4	104,207 (2)	11,968
2020	1,279,981	98,436,938,805	76,905	36.5	706,189	6.2	104,207 (2)	11,814
2021	1,281,565	90,259,341,385	70,429	36.5	700,247	3.7	108,821	11,257
2022	1,289,645	110,271,095,725	85,505	37.4	710,823	2.7	101,797	10,855
2023	1,293,651	116,235,836,001	89,851	37.2	703,017	3.2	102,224	10,453
2024	1,258,713	120,300,236,262	95,574	37.4	699,826	2.9	104,686 (2)	10,213
2025	1,273,334	121,697,623,716	95,574	37.8	729,557	3.7	104,686 (2)	10,253

Sources:

- (1) Hennepin County
- (2) Estimated

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

**Table 16**

Employer	2024*			2016		
	Approximate Number of Employees	Rank	Percent of Total (1) Employees	Approximate Number of Employees	Rank	Percent of Total (1) Employees
North Memorial Medical Center	6,000	1	43.1 %	4,300	1	33.1 %
ISD No. 281	1,792	2	12.9	1,778	4	13.7
Honeywell, Inc.	1,700	3	12.2	2,000	2	15.4
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
All Around Taxi	620	6	4.4	620	7	4.8
US Food Service	550	7	3.9	550	9	4.2
Courage Center	450	8	3.2	400	#	3.1
St. Therese of New Hope	439	9	3.2	620	7	4.8
North Ridge Care Center	379	#	3	720	6	5.5
Total	<u>13,930</u>		<u>100.0 %</u>	<u>12,988</u>		<u>100.0 %</u>

\*Note that 2024 is most up to data available

(1) Total employees for the area encompassed by district boundaries is not available. Percentages represent the proportion of the total for the 10 largest employers as presented above.

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

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

Independent School District No 281

Table 17

New Hope, Minnesota  
FTE Staff Allocation  
Last Ten Fiscal Years

	<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>	<u>2024-2025</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	6.00	6.00	6.00	6.00	6.72	7.00	6.00	5.00
Principals	15.00	16.00	17.00	18.00	19.00	18.00	20.90	21.00	19.00	18.00
Assistant principals	20.00	21.00	22.00	22.00	24.00	22.00	19.31	20.00	23.00	19.00
Program directors	34.00	32.00	31.00	32.00	33.00	39.87	37.31	47.90	53.45	42.72
Program assistants	96.00	75.00	100.00	70.00	126.00	103.58	86.23	104.56	106.58	81.00
Teachers	759.00	757.00	750.47	781.00	772.10	803.11	756.70	767.27	785.06	731.59
Counselors	17.00	17.00	16.20	17.00	20.20	19.84	18.29	31.41	32.27	29.50
Social workers	17.00	17.00	16.80	17.00	20.50	22.90	21.39	23.66	24.43	27.30
Psychologists	12.00	13.00	12.20	13.00	12.60	16.60	16.60	17.97	19.40	19.80
Nurses	12.00	10.00	8.60	9.00	9.00	12.00	12.40	12.88	12.88	12.00
Special assignments	77.00	63.00	57.40	88.00	79.65	72.59	82.07	93.24	89.92	74.65
Education assistants	287.00	342.00	342.70	318.00	346.70	278.54	279.72	311.98	341.13	254.00
Bus monitor	6.00	6.00	6.38	6.00	3.35	3.33	3.35	3.64	3.69	-
Custodians	81.00	102.00	74.50	74.00	72.00	65.89	70.28	81.50	79.00	87.00
Custodial/bus drivers	9.00	10.00	10.00	8.00	7.40	7.00	6.32	4.67	3.00	-
Community education	72.00	80.00	52.73	50.00	47.45	43.98	35.84	38.18	36.61	91.00
Office employees	53.00	65.00	58.80	70.00	63.55	61.73	61.23	61.12	61.06	50.00
Food service	95.00	96.00	88.00	92.00	91.30	77.70	75.24	78.04	89.50	90.00
<b>Total</b>	<u>1,670.00</u>	<u>1,730.00</u>	<u>1,671.78</u>	<u>1,692.00</u>	<u>1,754.80</u>	<u>1,675.66</u>	<u>1,610.90</u>	<u>1,727.02</u>	<u>1,786.98</u>	<u>1,633.56</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					
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	
2025	284.58	707.14	4,350.56	4,951.64	10,293.92	11,283.11	

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  
NEW HOPE, MINNESOTA  
FOR THE YEAR ENDED  
JUNE 30, 2025

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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, 2025, and the related notes to the financial statements, and have issued our report thereon dated November 11, 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 and Responses as items 2025-001 and 2025-002. 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  
November 11, 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 11, 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 and Response as item 2025-003 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 and Response. 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  
November 11, 2025



Independent School District No. 281  
New Hope, Minnesota  
Schedule of Findings and Responses  
For the Year Ended June 30, 2025

<u>Finding</u>	<u>Description</u>
<b>2025-001</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>2025-002</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 and Responses (Continued)  
For the Year Ended June 30, 2025

<u>Finding</u>	<u>Description</u>
2025-003	<b>Material Audit Adjustment</b>
<i>Condition:</i>	During this year's audit, adjustments were needed to materially adjust accounts payable.
<i>Criteria:</i>	The financial statements needed to be materially correct.
<i>Cause:</i>	The District's management had not prepared a year end trial balance reflecting all necessary accounting entries.
<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 accounts payable to ensure that there are checks and balances to prevent this type of 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 material adjustment is not needed in the future.

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## 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, 2025.

#### FINDING 2025-001

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 2026 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 2026.

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



## 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, 2025.

#### FINDING 2025-002

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 2026 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 2026.

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

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, 2025.

#### FINDING 2025-003

During this year's audit, it was noted that accounts payable was materiality understated.

#### 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 2026 audit to improve the accounts payable audit preparation process.

13. Official Responsible for Ensuring CAP:

Kristen Hoheisel, Chief Financial Officer

14. Planned Completion Date for CAP:

During the next fiscal year 2026.

15. Plan to Monitor Completion of CAP:

Monitored by the Executive Officer 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

Independent School District No. 281  
New Hope, Minnesota  
Schedule of Prior Findings  
For the Year Ended June 30, 2025

<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.

***Fiscal Year 2025 Update:***

This is a repeat finding for fiscal year 2025.

<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.

***Fiscal Year 2025 Update:***

This is a repeat finding for fiscal year 2025.

Independent School District No. 281  
New Hope, Minnesota  
Schedule of Prior Findings (Continued)  
For the Year Ended June 30, 2025

<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.

***Fiscal Year 2025 Update:***

This finding has been resolved.

<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.

***Fiscal Year 2025 Update:***

The District is being issued a finding again in fiscal year 2025, however the finding is not related to construction in progress.