



South St. Paul School Board Meeting

Monday, October 28, 2024 6:00 PM

CITY HALL, 125 THIRD AVENUE NORTH, South St Paul, Minnesota 55075

I. ROLL CALL and PLEDGE OF ALLEGIANCE

II. APPROVAL OF MEETING AGENDA/MINUTES

II.A. School Board Meeting Agenda, October 28, 2024

II.B. Work Session and Regular Meeting Minutes: September 23, 2024, and Work Session Minutes: October 14, 2024

III. QUALITY-IN-ACTION and REPORTS

III.A. **Quality-in-Action:** Lincoln Center Principal Theresa Marty is excited to introduce the school's new Science Specialist, Liz Sierminski. The team will share what students have been working on, their enthusiasm for science, and Liz will demonstrate a quick experiment she is currently doing with 5th-grade students.

The team will also highlight the success they've seen in promoting positive student behavior and how they have significantly reduced adverse behaviors and office referrals. (T. Marty)

III.B. **Report:** Amy Winter, Executive Director of Educational Services and Dr. Candace Burckhardt, Director of Student Services, will provide an overview of the district's performance on the Minnesota Comprehensive Assessment (MCA) and Minnesota Test of Academic Skills (MTAS), as well as a summary of attendance and graduation rates. Her presentation will highlight trends, showcase areas of growth, and address key areas for improvement. (A. Winter/C. Burckhardt)

III.C. **Report:** Chair John Raasch will highlight the Public Listening Session submissions. (J. Raasch)

III.D. **Report:** School Board members will highlight items from the Board's Work Sessions. (Board)

III.E. **Report:** Superintendent Zambreno will provide highlights from around the District. (B. Zambreno)

IV. CONSENT ITEMS

IV.A. Financial Claims: Bills Payable

IV.B. Staffing: Appointments, Resignations, Transfers, Retirements, Abolishments, and Leaves

V. **POLICY REVIEW**

VI. **BUSINESS ITEMS**

VI.A. Approval, for the South St. Paul School Board to approve the Resolution of Governing Board Supporting Form A Application to the Minnesota State High School League Foundation. (B. Krueger)

VI.B. Approval, for the South St. Paul School Board to approve the boys' swimming cooperative agreement between South St. Paul Public Schools and Two Rivers beginning with the 2024-25 school year. (B. Krueger)

VI.C. Approval, for the South St. Paul School Board to approve scheduling a special board meeting on Tuesday, November 12, 2024, to canvas the election results. (L. Brandecker)

VI.D. Approval, for the South St. Paul School Board to approve the Acceptance of Gifts Report. (B. Hoffman)

VI.E. Approval, for the South St. Paul School Board to approve the June 30, 2024 audit report. (B. Hoffman/A. Nielsen)

VI.F. Approval, for the South St. Paul School Board to approve the revised TDE agreement. (A. Winter)

VI.G. Approval, for the South St. Paul School Board to approve the Resolution authorizing Employment of Board Member Wendy Felton as a Substitute in a Classified Position in the School District. (J. Milteer)

VI.H. Approval, for the South St. Paul School Board to approve the Resolution authorizing Employment of Board Member Kim Humann as a Substitute in a Classified Position in the School District. (J. Milteer)

VI.I. Approval, for the South St. Paul School Board to approve the Resolution authorizing Employment of Board Member Tim Felton as a Substitute in a Classified Position in the School District. (J. Milteer)

VII. **INFORMATIONAL ITEMS**

VII.A. **Student School Board Representative Report:** Amal and Jackson will provide an update on recent events, activities and other informational items. (A. Fickak and J. Schultz)

VII.B. **Board Members' Reports/Committee Updates/Where Have You Seen a Passion:** Board members will report on recent educational activities/events in which they have participated as well as other informational items.

VIII. ADJOURNMENT



SOUTH ST. PAUL PUBLIC SCHOOLS

Special School District No. 6

Work Session - September 23, 2024

The School Board Work Session for South St. Paul Public Schools, Special School District 6, was held in the Conference Room at City Hall on Monday, September 23, 2024. Chair John Raasch called the meeting to order at 5:00 PM with six Board members present: Claflin, W. Felton, Humann, Laliberte, Raasch, and Weber. Director T. Felton was absent. Student School Board Member Amal, Superintendent Dr. Brian Zambreno and several staff members were also present.

Preliminary Levy Certification

The Finance Director provided an overview of the 2024 Payable 2025 Proposed Levy Certification, which pertains to taxes payable in the 2025 calendar year and generates revenue for the 2025-2026 school year. The District is recommending approval of the proposed levy at the "Maximum" level.

School districts have the option to certify levies at the "Maximum" instead of specifying a set dollar amount, as the Minnesota Department of Education continues to update levy data. Certifying at the "Maximum" protects districts from potential increases in levy amounts, while certifying a specific dollar amount would cap any future increases. The District is required to certify the proposed levy to the County Auditor by September 30, 2024.

The information submitted to the County Auditor will be used to calculate proposed property taxes, which will be mailed to taxpayers in November. In compliance with Truth in Taxation statutes, the District will hold a public hearing during a regular school board meeting. The date and time of the meeting must be announced at the time the proposed levy is certified. The Truth in Taxation hearing is scheduled for the regular school board meeting on Monday, December 9, 2024, at 6:00 p.m.

Community Representative on the Teacher Relicensure Committee

The board is requested to approve retired teacher Beth Johnson as the community representative for the teacher relicensure committee. This appointment fulfills a key requirement outlined in the Minnesota Department of Education (MDE) bylaw, which mandates that the committee include a district resident who is not employed by the school district.

Beth Johnson will contribute to the committee's work in ensuring teacher re-licensure compliance and supporting professional development. This appointment aligns with the board's commitment to maintaining a well-rounded committee that meets state guidelines and supports the district's educational goals.

Student School Board Representative Engagement

Chair John Raasch engaged with Student School Board Representative Amal about the student's perspective on the School Resource Officer Agreement that is on the agenda for approval this evening. Amal shared the engagement is positive with our resource officers and appreciates the safety and security it provides to our students and staff.

Public Relations and Community Engagement

Board members discussed events and opportunities to be engaged with our community.

Committee Updates - Board members provided updates on the various committees in which they serve.

The September 23, 2024, Work Session was adjourned at 5:46 PM.

Official Board Minutes are available in the
District Office at 104 - 5th Ave. S. - South St. Paul

Respectfully Submitted by:

Lisa Brandecker, Acting Secretary-Clerk
Board of Education



SOUTH ST. PAUL PUBLIC SCHOOLS

Special School District No. 6

September 23, 2024

The regular meeting of the School Board, Special School District No. 6, South St. Paul, was held in the city hall council chambers on Monday, September 23, 2024. Chair John Raasch called the meeting to order at 6:00 PM, and six board members were present for the roll call: Claflin, W. Felton, Humann, Laliberte, Raasch, and Weber. Director T. Felton was Absent. Superintendent Dr. Brian Zambreno and several staff and community members were also present.

PLEDGE OF ALLEGIANCE

The pledge of allegiance was recited.

MINUTES

By Director Humann

Seconded by Director Claflin

That the South St. Paul School Board approves the September 23, 2024, School Board meeting agenda as well as minutes from the August 26th, 2024, work session and regular meetings and the September 9th, 2024, work session and special meeting.

Motion carried (6-0)

QUALITY-IN-ACTION AND REPORTS

Quality-in-Action: The 2024-25 Student School Board Representatives Amal Fickak and Jackson Schultz recited the Oath of Office.

Quality-in-Action - Human Resource Director Joel Milteer and Student Services Director Dr. Candace Burckhardt highlighted the new special education teacher pipeline grant and 2024-25 cohorts through the Grow Your Own Grant program.

Report - There were no stakeholder comments to the board submissions this evening.

Work Session Report: Vice Chair Claflin highlighted the items reviewed and discussed at the Sept 9th and 23rd, 2024 work sessions.

Superintendent Report - Superintendent Zambreno provided highlights from around the district.

CONSENT ITEMS

By Director Laliberte

Seconded by Director W. Felton

A. Financial Claims - Bills Payable

B. Staffing: Appointments, Resignations, Transfers, Retirements, Abolishments, and Leaves

Motion Carried (6-0)

BUSINESS ITEMS

By Director Humann

Seconded by Director Weber

Approval, for the South St. Paul School Board to approve the non-exclusive dance cooperative sponsorship with St. Paul Conservatory for Performing Arts (SPCPA).

Motion carried (6-0)

By Director Laliberte

Seconded by Director Humann

Approval, for the South St. Paul School Board to approve the boys' hockey cooperative agreement between South St. Paul Public Schools and New Life Academy, beginning with the 2024-25 school year.

Motion carried (6-0)

By Director Weber

Seconded by Director W. Felton

Approval, for the South St. Paul School Board to approve the Special Education Pipeline Grants Tuition Reimbursement Agreements with Heidi Therres, Michelle Wallace, Hannah Danielson, Jody Jaakola, Devon Moe, and Victoria Menzie.

Motion carried (6-0)

By Director Laliberte

Seconded by Director Humann

Approval, for the South St. Paul School Board to approve the Grow Your Own Grant Tuition Reimbursement Agreements with Vidmarie Pumarejo Torrens and Stephanie Oliva.

Motion carried (6-0)

By Director Weber

Seconded by Director Humann

Approval, to table the Resolution authorizing the employment of Board member Wendy Felton as a Substitute in a Classified Position in the School District.

Motion carried (6-0)

By Director Weber

Seconded by Director Claflin

Approval, to table the Resolution authorizing the employment of Board member Kim Humann as a Substitute in a Classified Position in the School District.

Motion carried (6-0)

By Director Weber

Seconded by Director Humann

Approval, to table the Resolution authorizing the employment of Board member Tim Felton as a Substitute in a Classified Position in the School District.

Motion carried (6-0)

By Director Humann

Seconded by Director W. Felton

Approval, for the South St. Paul School Board to approve the September 1, 2024, to June 30, 2026, Agreement for School Resource Officer Services Between Special School District No. 6 and the City of South St. Paul.

Motion carried (6-0)

By Director Humann

Seconded by Director Weber

Approval, for the South St. Paul School Board to approve the Resolution for the Increase of the Federal Micro-Purchase Threshold of \$10,000 to \$25,000 to be consistent with Minnesota Statute 471.345, Subd. 5, as allowed by 2 CFR 200.320(a)(1)(iv), for the acquisition of property or services under a federal award.

Motion carried 6 yeas - W. Felton, Claflin, Laliberte, Humann, Weber and Raasch
0 nays

By Director Humann

Seconded by Director Laliberte

Approval, for the South St. Paul School Board to approve the 2024 Payable 2025 Proposed Levy.

Motion carried (6-0)

By Director W. Felton

Seconded by Director Claflin

Approval, for the South St. Paul School Board to approve the Acceptance of Gifts Resolution.

Motion carried 6 yeas - Weber, W. Felton, Claflin, Laliberte, Humann and Raasch
0 nays

By Director Laliberte

Seconded by Director Humann

Approval, for the South St. Paul School Board to approve the Community Representative on the Teacher Relicensure Committee.

Motion carried (6-0)

INFORMATIONAL ITEMS

Student School Board Representative Report: Amal and Jackson provided an update on recent events, activities, and other information.

Board Members' Reports/ Committee Updates/ Where Have You Seen a Passion: Board members reported on recent educational activities/events in which they have participated and other informational items.

ADJOURN

By Director Humann

Seconded by Director W. Felton

Approval, for the South St. Paul School Board to adjourn the September 23, 2024, meeting at 7:17 PM.

Motion carried (6-0)

Official Board Minutes are available in the
District Office at 104 - 5th Ave. S. - South St. Paul

Respectfully Submitted by:

Lisa Brandecker, Acting Secretary-Clerk
Board of Education



SOUTH ST. PAUL PUBLIC SCHOOLS

Special School District No. 6

Work Session - October 14, 2024

The School Board Work Session for South St. Paul Public Schools, Special School District 6, was held in the District Office Conference Room on Monday, October 14, 2024. Chair John Raasch called the meeting to order at 5:00 PM with six Board members present: Claflin, T. Felton, W. Felton, Humann, Laliberte, and Raasch. Director Weber was absent. Superintendent Dr. Brian Zambreno and several staff and community members were also present.

Minnesota Comprehensive Assessment (MCA) Minnesota Test of Academic Skills (MTAS) Report

Amy Winter, Executive Director of Educational Services, provided an overview of the district's performance on the Minnesota Comprehensive Assessment (MCA) and Minnesota Test of Academic Skills (MTAS), as well as a summary of attendance and graduation rates. Their presentation highlighted trends, showcased areas of growth, and addressed key areas for improvement.

The MCA/MTAS are state-mandated assessments to measure student progress towards Minnesota Academic Standards. The district has seen significant gains in our reading (+5.3%), math (1.3%), and science (2.4%).

World's Best WorkForce

In compliance with Minnesota legislation, the Educational Services Department shared progress on the following goal areas outlined in the World's Best Workforce initiative:

- All children are ready for school
- All students can read at grade level
- All racial and economic achievement gaps between students are closed
- All students are ready for career and college
- All students graduate from high school

Additionally, goals for the 2024-25 school year were outlined. The board was also provided with an update on the progress of the district's three-year Achievement & Integration plan.

Teacher Growth and Development Plan

The 2023-2026 Alternative Teacher Professional Pay System (ATPPS) and Teacher Growth, Development, and Evaluation (TDE) plan was approved by the board earlier this year. As the changes have been implemented, a request was made to modify the Teacher Growth, Development, and Evaluation (TDE) timeline, specifically the one outlined on pages 25-28 of the plan.

Recess

The work session was recessed at 6:27 PM for the Stakeholder Comments to the Board session.

Stakeholder Comments to the Board

Six staff and community members participated in the Stakeholder Comments to the Board, sharing their perspectives on the AmazeWorks curriculum. Concerns were raised about the need for clearer and more transparent communication, particularly regarding specific content around gender identity. Some expressed discomfort with aspects of the curriculum, while others voiced full support, emphasizing that the AmazeWorks curriculum aligns with the district's mission to create a welcoming and safe environment for all students. They urged the board to remain committed to this important goal.

The Board adjourned their Stakeholder Comments to the Board session and reconvened their Work Session at 6:55 PM.

Student School Board Representative Highlights

The student school board representatives provided a presentation discussing potential factors affecting test scores, including the new cell phone policy, Packer Pathway courses, and this year's enhanced college and career support. They briefly mentioned homecoming, noting that a more detailed update will be provided during the October 28 presentation. Additionally, they shared that the Principal Advisory Group will be starting soon and promised to provide future updates on the group's work.

Public Relations and Community Engagement

School Board members reviewed and discussed the various opportunities and events to engage with the SSP community.

2023-24 Superintendent Evaluation Timeline and Process

Chair John Raasch outlined the timeline and process for the 2023-24 superintendent evaluation. The evaluation includes components and a professional practice rubric based on the following standards: Governance, District Finances, Communication and Community Relationships, District Operations, Human Resources, Teaching and Learning, Student Support, and Ethical and Inclusive Leadership. Evaluation forms were distributed to all Board members, who were asked to complete and return them to Chair Raasch or Lisa Brandecker by Monday, October 21. The Superintendent Executive Committee will review the evaluations and prepare a summary to be presented at an upcoming business meeting.

Board Committee Updates

Board members provided updates on the various committees in which they serve.

Adjourn

The South St. Paul School Board adjourned their October 14, 2024 work session at 7:36 PM.

Official Board Minutes are available in the
District Office at 104 - 5th Ave. S. - South St. Paul

Respectfully Submitted by:

Lisa Brandecker, Acting Secretary-Clerk
Board of Education



SOUTH ST. PAUL PUBLIC SCHOOLS
School Board Agenda Item

Meeting Date: October 28, 2024

Place on Agenda: Business Meeting - Reports

Action Requested: None. Report Only.

Attachment: MCA Presentation

Topic: Annual Accountability District Wide Student Achievement Report
Presenter(s): Amy Winter, Executive Director of Educational Service and Dr. Candace Burckhardt, Director of Student Services
Background: Amy Winter, Executive Director of Educational Services and Dr. Candace Burckhardt, Director of Student Services, will provide an overview of the district's performance on the Minnesota Comprehensive Assessment (MCA) and Minnesota Test of Academic Skills (MTAS), as well as a summary of attendance and graduation rates. Her presentation will highlight trends, showcase areas of growth, and address key areas for improvement.
Recommendation: None
Alternatives: N/A

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Minnesota Accountability Measures Performance Report

District Overview- October 2024

Presenters:

Dr. Candace Burckhardt

Director of Student Services

Amy Winter

Executive Director of Educational Programs



Goal:

Provide an overview of the district's performance on the Minnesota accountability measurement including attendance, graduation rate, MCA/ MTAS assessment.

- Highlight trends
- Celebrate areas of growth
- Identify focus areas for improvement



ATTENDANCE



Attendance:

Entity	2021-2022 Consistent Attendance	2022-2023 Consistent Attendance	Growth Percentile
Statewide	69.8%	74.5%	+4.7%
South St. Paul Public Schools	55.1%	61.3%	+6.2%

Consistent Attendance is defined as at school more than 90% of school days.



Improvement Strategies - Attendance

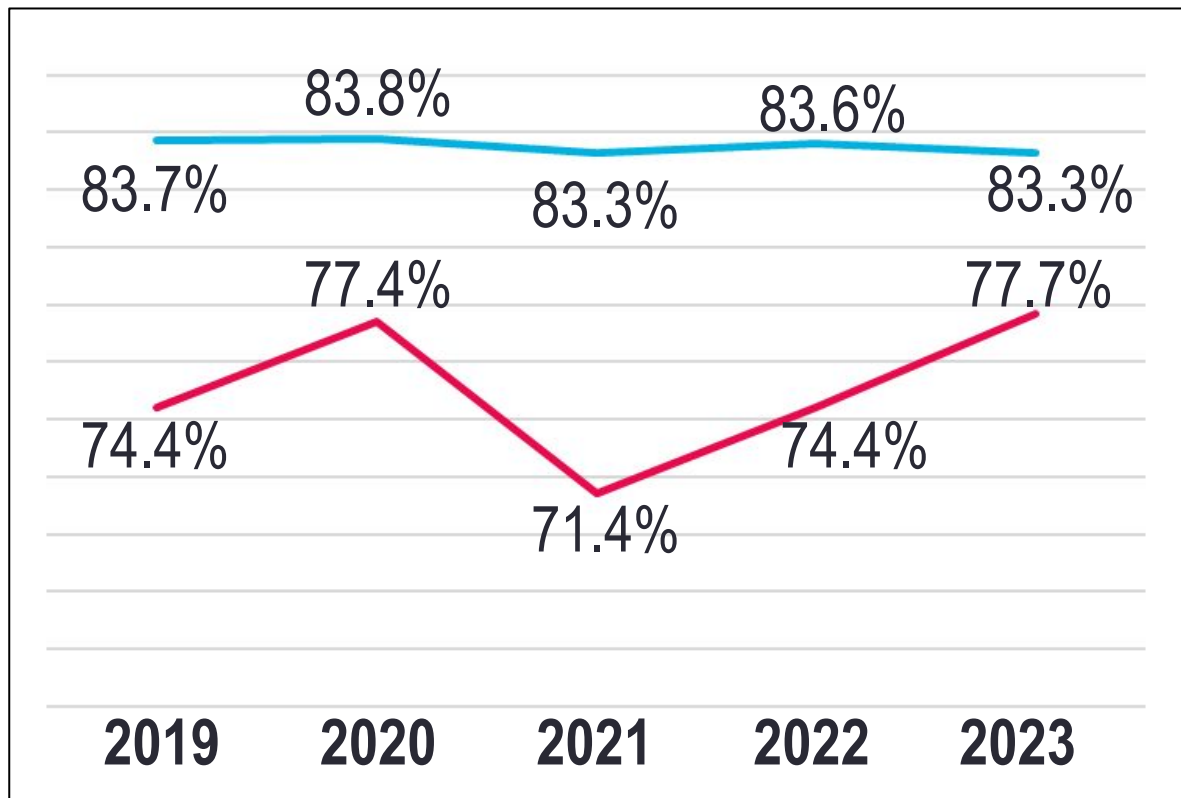
- Additional social-emotional and attendance supports starting in the 2023-2024 school year
- Project Aware grant with the University of Minnesota through 2028
- Increased partnership with Dakota County
- Monthly social worker/community 360 and clerical meetings
- Creation of an Attendance Guidebook for internal procedures
- Revision of the School Board Policy 503: Student Attendance



GRADUATION



Graduation Rates:



Minnesota —
SSPPS —



MCA/ MTAS



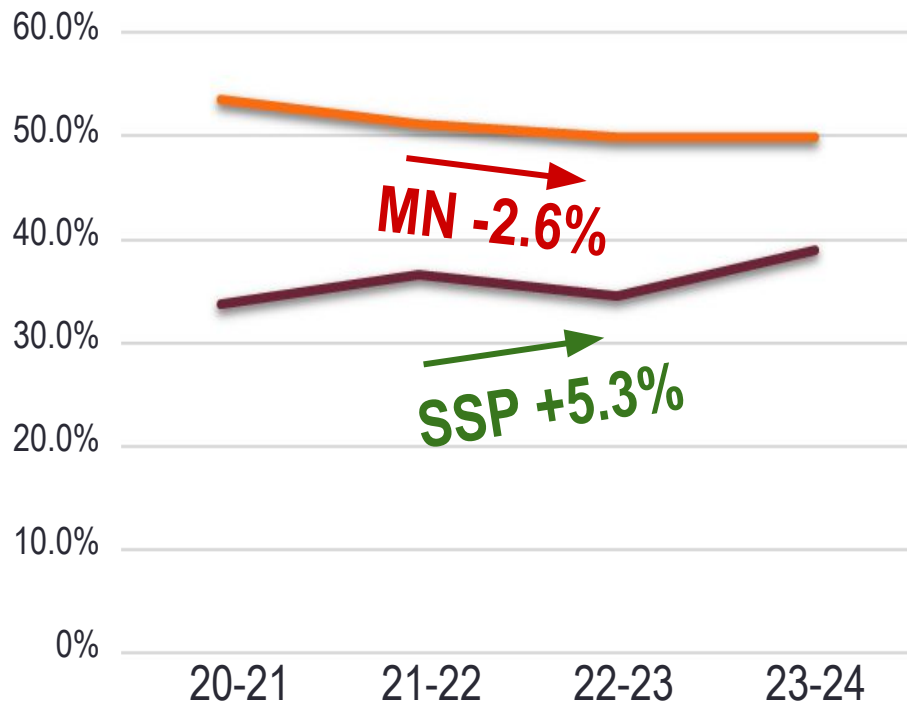
Overview of the Minnesota MCAs

- MCA/ MTAS are the state-mandated assessment to measure student progress towards Minnesota State Academic Standards.
- Subjects tested:
 - Reading (grades 3-8 and 10)
 - Math (grades 3-8 and 11)
 - Science (5,8, and high school)





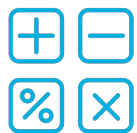
Reading (Multi Year)



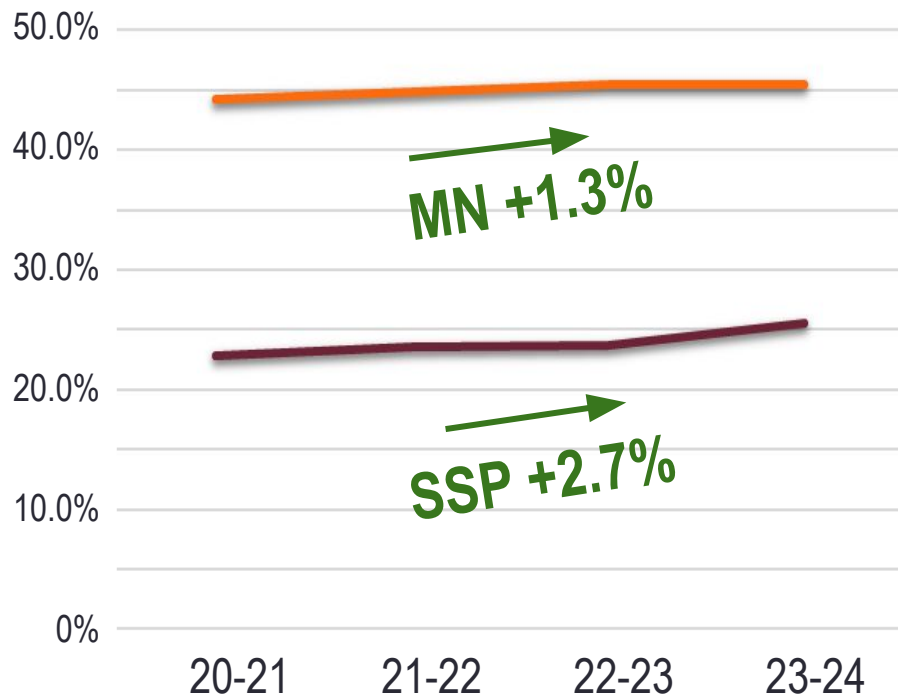
	SSP	MN
2020-21	33.7%	52.5%
2021-22	36.6%	51.1%
2022-23	34.5%	49.9%
2023-24	39.0%	49.9%
Net Change	+5.3%	-2.6%

Gap Closure = 7.9%





Math (Multi Year)



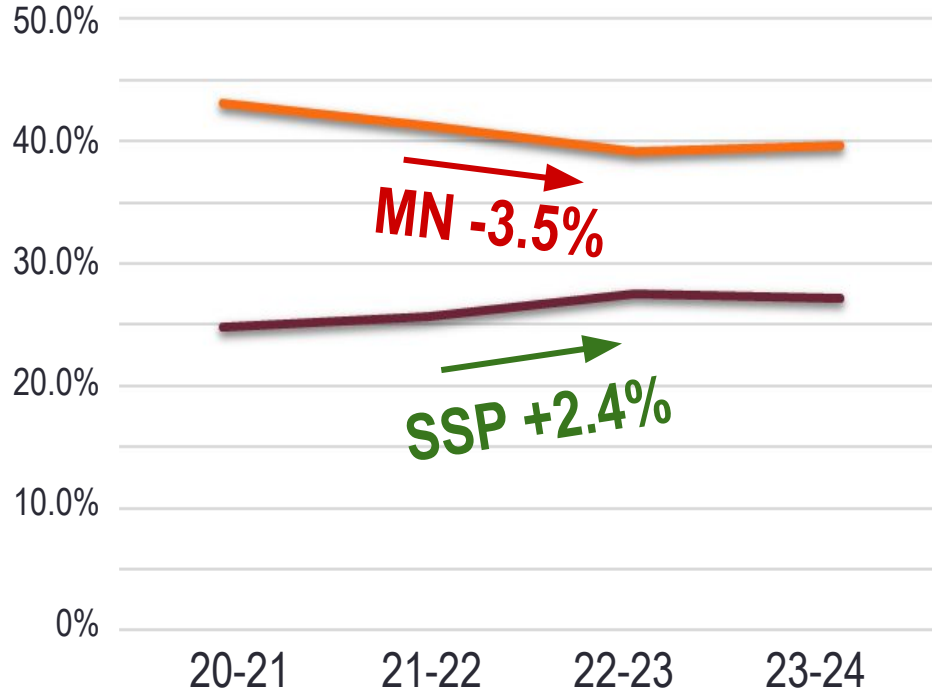
	SSP	MN
2020-21	22.8%	44.2%
2021-22	23.5%	44.8%
2022-23	23.7%	45.5%
2023-24	25.5%	45.5%
Net Change	+2.7%	+1.3%

Gap Closure = 1.4%





Science (Multi Year)



	SSP	MN
2020-21	24.8%	43.1%
2021-22	25.6%	41.3%
2022-23	27.5%	39.2%
2023-24	27.2%	39.6%
Net Change	+2.4%	-3.5%

Gap Closure = 5.9%



Subgroup Performance 2024 - Reading

	SSP	MN
All Students	39.0%	49.9%
Of the students proficient:		
White	51.2%	58.7%
Students of Color	29.1%	35.6%
Free/Reduced	28.8%	33.4%
SPED	17.0%	25.5%
English Learners	5.7%	10.2%

Subgroup Performance 2024 - Math

	SSP	MN
All Students	25.5%	45.5%
Of the students proficient:		
White	36.0%	55.6%
Students of Color	16.9%	29.1%
Free/Reduced	17.7%	27.0%
SPED	12.9%	24.4%
English Learners	5.5%	12.5%

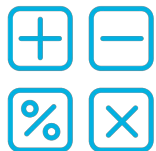
Subgroup Performance 2024 - Science

	SSP	MN
All Students	27.2%	39.6%
Of the students proficient:		
White	40.1%	48.4%
Students of Color	16.8%	24.6%
Free/Reduced	18.6%	23.5%
SPED	18.1%	22.6%
English Learners	0%	5.5%

Key Takeaways:



READING multi-year **South St. Paul** has increased proficiency while the state has decreased.



MATH multi-year **South St. Paul** has increased proficiency at a larger rate than the state.



SCIENCE multi-year **South St. Paul** has increased proficiency while the state has decreased.



Improvement Strategies- District-wide

- Building Instructional Leadership Team (BILT) Data Dig 2x year
 - Districtwide walkthroughs
 - School Improvement Plans
- Professional Learning Communities (PLCs)
- Danielson Framework
- District-wide coaching structure
- ATPPS/TDE Plans Alignment



Improvement Strategies- Elementary

- Science specialists
- Math instruction alignment to MN state standards
- Alignment of math assessments to MN state standards
- ELL co-teaching model
- CORE professional development for all ELA teachers
- Year 2 of Wit & Wisdom (K-5)/ UFLI implementation (K-2) State Approved Curriculum



Improvement Strategies- Secondary

- English Language Learner co-teaching model
- CORE professional development for all ELA teachers
- Pathway- CTE
 - CTE approved pathways
 - Work Based Learning
 - Partnership between community, secondary, CLC
- Lesson plan design and implementation
- Equity Training



Thank you

Any Questions or Thoughts?





SOUTH ST. PAUL PUBLIC SCHOOLS
School Board Agenda Item

Place on Agenda: Regular Meeting Reports

Action Requested: None

Attachment: None

Topic: Stakeholder Comments to the Board

Presenter(s): Board Chair

At the Work Session and Regular Business Meeting, the Board Chair will provide an overview of the Stakeholder Comments to the Board submissions.

The South St. Paul School Board provides the following opportunities for community members to address the board:

- **In-Person** on the first meeting date of each month according to the schedule listed on the [district's website](#). Stakeholder Comments to the Board sessions are held at the District Office (104 - 5th Avenue South) beginning at 6:30PM.
- **Electronic form Submissions** are accepted on all meeting dates listed on the [district's website](#). Click [here](#) to submit a Stakeholder Comment tot the Board.
 - Form submissions will be acknowledged by the Board Chair and/or Superintendent on-air during the regular business meeting. The Board Chair and/or Superintendent will also follow-up personally with the individuals submitting a Stakeholder Comment to the Board form.

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SOUTH ST. PAUL PUBLIC SCHOOLS
School Board Agenda Item

Place on Agenda: Reports

Action Requested: None

Attachment: None

Topic: Work Session Meeting Update
Presenter(s): Board
Background: School Board members will highlight items from the Work Session meeting.
Recommendation: N/A
Alternatives: N/A

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SOUTH ST. PAUL PUBLIC SCHOOLS

School Board Agenda Item

Place on Agenda: Reports

Action Requested: None

Attachment: None

Topic: Superintendent's Update
Presenter(s): Dr. Brian Zambreno, Superintendent
Background: Superintendent Zambreno will provide highlights from around the District.
Recommendation: N/A
Alternatives: N/A



Meeting Date: October 28, 2024

Place on Agenda: Consent Items

Action Requested: Approval

Attachment: Financials – Bills Payable

Topic: Financials – Bills Payable
Presenter(s): Chair
Background: It is the policy of the school district to maintain its records so that they will be available for inspection by members of the general public and to provide for the publication of its official proceedings in compliance with law.
Recommendation: Administration recommends the approval of the attached financial statement.
Alternatives: N/A

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CHECK CHE		CHECK		
NUMBER	TYP	AMOUNT	DATE	VENDOR
206664	V	-1,700.00	10/02/2024	MOUNT CARMEL PUBLISHING
206846	R	426.36	09/30/2024	CHILD SUPPORT SERVICES DIVISION
206847	R	438.50	09/30/2024	LOCAL #70
206848	R	1,260.90	09/30/2024	MINNESOTA CHILD SUPPORT PAYMENT CENTER
206849	R	96.00	09/30/2024	NCPERS GROUP LIFE INS
206850	R	176.25	09/30/2024	OFFICE AND PROF EMPLOYEES UNION
206851	R	13,300.06	09/30/2024	SOUTH ST PAUL TEACHER'S ASSOCIATION
206852	R	5.00	09/30/2024	SOUTH ST PAUL OPEN FOUNDATION
206853	R	60.00	09/30/2024	SOUTH ST PAUL EDUCATION FOUNDATION
206854	R	4.59	10/01/2024	ACE HARDWARE & PAINT
206855	R	350.00	10/01/2024	AGBORENOW, NGOTE
206856	R	2,134.96	10/01/2024	AMAZON CAPITAL SERVICES
206857	R	20,861.75	10/01/2024	AMPERSAND THERAPY LLC
206858	R	831.27	10/01/2024	BIMBO BAKERIES USA
206859	R	1,076.41	10/01/2024	BIX PRODUCE COMPANY
206860	R	79.00	10/01/2024	BLAZICK-PETERSON, PATRICIA
206861	R	22.05	10/01/2024	BLICK ART MATERIALS
206862	R	150.00	10/01/2024	BONK, ALLISON
206863	R	170.00	10/01/2024	BOVEE, CHAD
206864	R	170.00	10/01/2024	BRUZEK, JEFFREY
206865	R	203.50	10/01/2024	BURGESON, NANCY
206866	R	12,985.80	10/01/2024	CDW GOVERNMENT INC
206867	R	200.00	10/01/2024	CHISAGO LAKES BPA
206868	R	101.77	10/01/2024	CINTAS
206869	R	288.20	10/01/2024	CINTAS
206870	R	750.00	10/01/2024	COMPLETE WEDDINGS + EVENTS
206871	R	9,200.40	10/01/2024	COMPUTER INTEGRATION TECHNOLOGIES
206872	R	641.77	10/01/2024	CONTINENTAL CLAY CO
206873	R	227.00	10/01/2024	DEPT OF HUMAN SERVICES
206874	R	85.00	10/01/2024	DURKOT, ANDREW
206875	R	394.15	10/01/2024	EARL F ANDERSON INC
206876	R	120.00	10/01/2024	EASTVIEW HS DEBATE
206877	R	85.00	10/01/2024	EKEREKE, OTORO
206878	R	82.00	10/01/2024	ELLERD, JEFFREY
206879	R	4,841.98	10/01/2024	FIELD ENVIROMENTAL CONSULTING
206880	R	46.92	10/01/2024	FIRST SUPPLY LLC - TWIN CITIES
206881	R	148.00	10/01/2024	FISCHBACH, DAN
206882	R	54.60	10/01/2024	GLENN, DANEIKA
206883	R	7,080.00	10/01/2024	GO2 PRINT MEDIA GROUP
206884	R	235.00	10/01/2024	GRAPHIC EDGE DBA GAME ONE
206885	R	5,817.30	10/01/2024	GREAT MINDS PBC
206886	R	280.00	10/01/2024	GUTZMAN, DEBRA
206887	R	595.00	10/01/2024	HAWKEYE BUILDING AUTOMATION
206888	R	210.00	10/01/2024	HELD, CHARLES
206889	R	81,824.64	10/01/2024	HILLER COMMERCIAL FLOORS
206890	R	89.00	10/01/2024	HUOT, JOHN
206891	R	29,986.95	10/01/2024	IND SCHOOL DISTRICT #197
206892	R	2,580.75	10/01/2024	INDIANHEAD FOODSERVICE DISTRIBUTOR, INC
206893	R	325.00	10/01/2024	INFINITE CAMPUS
206894	R	12,660.00	10/01/2024	INTERNATIONAL BACCALAUREATE ORGANIZATION
206895	R	9,200.00	10/01/2024	IXL LEARNING
206896	R	85.00	10/01/2024	JACKSON, KIP
206897	R	147.00	10/01/2024	JOHNSON, THOMAS
206898	R	2,238.54	10/01/2024	JOSTENS
206899	R	89.00	10/01/2024	KROTZ, CLIFTON
206900	R	16,790.00	10/01/2024	LAKE CITY TRANSPORTATION LLC

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NUMBER	TYP	AMOUNT	DATE	VENDOR
206901	R	468.00	10/01/2024	LIGHTNING DISPOSAL INC
206902	R	1,258.29	10/01/2024	MACKIN EDUCATIONAL RESOURCES
206903	R	339.48	10/01/2024	MARK'S PLUMBING PARTS
206904	R	984.00	10/01/2024	MASSP
206905	R	22,320.00	10/01/2024	MATH FOR LOVE LLC
206906	R	875.00	10/01/2024	METRO DINING CLUB
206907	R	750.00	10/01/2024	METRO TRANSIT STORE
206908	R	25.00	10/01/2024	MNSTA TREASURER
206909	R	155.00	10/01/2024	MUSCANTO, STEPHEN
206910	R	21,868.40	10/01/2024	NORTHLINE TRANSPORTATION
206911	R	60.00	10/01/2024	NYLIN, STEPHEN
206912	R	400.00	10/01/2024	PARK HIGH SCHOOL
206913	R	170.00	10/01/2024	PERSON, JARRETT
206914	R	936.70	10/01/2024	PETERSON BROS. ROOFING & CONSTRUCTION
206915	R	1,483.33	10/01/2024	PITNEY BOWES INC PURCHASE POWER
206916	R	3,200.00	10/01/2024	PORTAGE PSYCHOLOGY PA
206917	R	16,704.00	10/01/2024	POWERSCHOOL GROUP LLC
206918	R	3,000.00	10/01/2024	REGENTS OF THE UNIVERSITY OF MINNESOTA
206919	R	8,692.26	10/01/2024	SAFEWAY BUS COMPANY
206920	R	2,157.40	10/01/2024	SCHOOL DATEBOOKS INC
206921	R	50.05	10/01/2024	SCHOOL SPECIALTY LLC
206922	R	79.00	10/01/2024	SORENSEN-WAGNER, MARK
206923	R	150.00	10/01/2024	SPRING LAKE PARK
206924	R	3,339.83	10/01/2024	ST PAUL BEVERAGE SOLUTIONS
206925	R	3,293.75	10/01/2024	SUNBELT STAFFING
206926	R	256.28	10/01/2024	T-MOBILE
206927	R	170.00	10/01/2024	TAYLOR, ARON
206928	R	330.00	10/01/2024	TO A TEE CUSTOM DESIGN & PRINT
206929	R	85.00	10/01/2024	TOBIN, CONOR
206930	R	40.00	10/01/2024	TRAFERA HOLDINGS LLC
206931	R	1,299.00	10/01/2024	TRANSPORTATION & DELIVERY INC
206932	R	940.02	10/01/2024	TRIO SUPPLY CO
206933	R	82.00	10/01/2024	TUFTE, JON
206934	R	24,568.26	10/01/2024	UPPER LAKES FOODS
206935	R	2,287.83	10/03/2024	JOHNSON AUTO BODY INC
206936	R	14,287.50	10/04/2024	HRM HELPS LLC
206937	R	8,220.47	10/08/2024	ALLSTREAM
206938	R	170.00	10/08/2024	ALY, ZAKARIA
206939	R	1,358.64	10/08/2024	AMAZON CAPITAL SERVICES
206940	R	200.00	10/08/2024	ANDERSON, FALLON
206941	R	80.00	10/08/2024	APPLEQUIST, BRIAN
206942	R	750.00	10/08/2024	BACKUPIFY
206943	R	4,140.00	10/08/2024	BAKKEN MUSEUM
206944	R	31.00	10/08/2024	BIMBO BAKERIES USA
206945	R	488.95	10/08/2024	BIX PRODUCE COMPANY
206946	R	1,529.66	10/08/2024	BLICK ART MATERIALS
206947	R	150.00	10/08/2024	BONK, ALLISON
206948	R	100.00	10/08/2024	BRIESE, RYAN
206949	R	200.00	10/08/2024	BRUNDIECK, ALEX
206950	R	170.00	10/08/2024	BRUZEK, JEFFREY
206951	R	500.72	10/08/2024	BUILDING CONTROLS GROUP
206952	R	860.81	10/08/2024	BUILDING WINGS LLC
206953	R	149.99	10/08/2024	CATALYST SOURCING SOLUTIONS
206954	R	38.10	10/08/2024	CINTAS
206955	R	241.90	10/08/2024	COLLINS SPORTS MEDICINE
206956	R	2,940.00	10/08/2024	CONCORD LANES

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NUMBER	TYP	AMOUNT	DATE	VENDOR
206957	R	36,855.00	10/08/2024	CORE
206958	R	1,312.46	10/08/2024	CONVERGINT TECHNOLOGIES LLC
206959	R	1,949.00	10/08/2024	CPI
206960	R	127.27	10/08/2024	CULLIGAN-MILBERT COMPANY
206961	R	11.20	10/08/2024	DAVIS, NICOLE
206962	R	1,795.96	10/08/2024	DEMCO
206963	R	415.17	10/08/2024	EDUCATORS BENEFIT CONSULTANTS LLC
206964	R	827.00	10/08/2024	EGAN
206965	R	155.00	10/08/2024	EKEREKE, OTORO
206966	R	140.00	10/08/2024	FISCHBACH, DAN
206967	R	150.15	10/08/2024	GENERAL PARTS INC
206968	R	89.92	10/08/2024	GERTEN GREENHOUSES & GARDEN CENTER
206969	R	170.00	10/08/2024	GHEORGHIAN, MIHAIL
206970	R	170.00	10/08/2024	HARKRADER III, ALAN
206971	R	125.00	10/08/2024	HENNEPIN THEATRE TRUST
206972	R	1,747.24	10/08/2024	HORIZON COMMERCIAL POOL SUPPLY
206973	R	12,169.50	10/08/2024	HURON CONSULTING SERVICES LLC
206974	R	650.00	10/08/2024	IND SCHOOL DISTRICT #11
206975	R	75.00	10/08/2024	IND SCHOOL DISTRICT #200
206976	R	300.00	10/08/2024	INFINITE HEALTH COLLABORATIVE
206977	R	294.66	10/08/2024	INVER GROVE FORD
206978	R	147.00	10/08/2024	JOHNSON, THOMAS
206979	R	14.00	10/08/2024	JOSTENS
206980	R	15.85	10/08/2024	KUEHN, KIMBERLY
206981	R	1,670.00	10/08/2024	LINDENMEYR MUNROE
206982	R	5,970.00	10/08/2024	LOVING GUIDANCE INC
206983	R	984.00	10/08/2024	MASSP
206984	R	6,850.00	10/08/2024	MAVERICK CUTTING & BREAKING, LLC
206985	R	7,194.70	10/08/2024	MEI TOTAL ELEVATOR SOLUTIONS
206986	R	2,880.00	10/08/2024	MERIDIAN CONSULTING/DAVID SLOMKOWSKI
206987	R	100.00	10/08/2024	METRO COMMUNITY EDUCATION DIRECTORS ASSO
206988	R	7,359.31	10/08/2024	METROPOLITAN STATE UNIVERSITY
206989	R	71.40	10/08/2024	THE MINNESOTA CHEMICAL CO
206990	R	38.25	10/08/2024	MINNESOTA LOCKS
206991	R	20.00	10/08/2024	MPA DEBATE
206992	R	250.78	10/08/2024	MTI DISTRIBUTING COMPANY
206993	R	3,657.46	10/08/2024	MUSKEGON HEIGHTS SOLAR LLC
206994	R	14,462.00	10/08/2024	NAC
206995	R	891.27	10/08/2024	NASSEFF MECHANICAL CONTRACTORS
206996	R	13,580.00	10/08/2024	NEO ELECTRIC SOLUTIONS
206997	R	3,244.26	10/08/2024	NETWORK SERVICES COMPANY
206998	R	350.00	10/08/2024	NORTH HIGH CHOIR
206999	R	40.00	10/08/2024	NOVAK, JANICE
207000	R	30.00	10/08/2024	NYLIN, STEPHEN
207001	R	170.00	10/08/2024	OLEYAR, DAVID
207002	R	189.53	10/08/2024	OXYGEN SERVICE CO INC
207003	R	1,421.10	10/08/2024	PETERSON BROS. ROOFING & CONSTRUCTION
207004	R	81.00	10/08/2024	PITNEY BOWES INC PURCHASE POWER
207005	R	349.26	10/08/2024	PLUNKETT'S PEST CONTROL
207006	R	105.00	10/08/2024	RINALDI, LINDA
207007	R	85.00	10/08/2024	SAUERS, TODD
207008	R	2,099.62	10/08/2024	SCAN AIR FILTER
207009	R	453.26	10/08/2024	SCHOLASTIC INC
207010	R	691.55	10/08/2024	SCHOOL SPECIALTY LLC
207011	R	452.00	10/08/2024	SCHWAB-VOLLHABER-LUBRATT SERVICE CORP
207012	R	575.00	10/08/2024	SCOPETEKK

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NUMBER	TYP	AMOUNT	DATE	VENDOR
207013	R	181.70	10/08/2024	SHERWIN WILLIAMS CO
207014	R	6,985.35	10/08/2024	SQUIRES WALDSPURGER & MACE PA
207015	R	1,377.28	10/08/2024	ST PAUL BEVERAGE SOLUTIONS
207016	R	28.54	10/08/2024	STACK-JOHNSON, SUSAN
207017	R	281.40	10/08/2024	STATE SUPPLY COMPANY INC
207018	R	3,187.50	10/08/2024	SUNBELT STAFFING
207019	R	1,893.75	10/08/2024	SWENSON, SHANNON
207020	R	1,180.00	10/08/2024	T-MOBILE
207021	R	170.00	10/08/2024	TAYLOR, ARON
207022	R	3,956.00	10/08/2024	TRAFERA HOLDINGS LLC
207023	R	847.99	10/08/2024	TRANSPORTATION & DELIVERY INC
207024	R	1,612.67	10/08/2024	TRIO SUPPLY CO
207025	R	82.00	10/08/2024	TUFTE, JON
207026	R	3,570.75	10/08/2024	TWIN CITY JANITOR SUPPLY INC
207027	R	115.23	10/08/2024	TWIN CITY HARDWARE CO
207028	R	1,218.18	10/08/2024	UNITED REFRIGERATION INC
207029	R	22,821.79	10/08/2024	UPPER LAKES FOODS
207030	R	85.00	10/08/2024	VENTURA OLIVEIRA, YNGRID
207031	R	82.00	10/08/2024	WILLITS, DAVID
207032	R	542.57	10/08/2024	XCEL ENERGY
207033	R	2,158.57	10/11/2024	AMAZON CAPITAL SERVICES
207034	R	6,408.00	10/11/2024	AMPERSAND THERAPY LLC
207035	R	489.14	10/11/2024	BIMBO BAKERIES USA
207036	R	962.18	10/11/2024	BIX PRODUCE COMPANY
207037	R	100.00	10/11/2024	BONK, ALLISON
207038	R	2,144.22	10/11/2024	CAPITAL ONE TRADE CREDIT
207039	R	552.23	10/11/2024	CINTAS
207040	R	52,167.99	10/11/2024	CITY OF SOUTH ST PAUL
207041	R	35.33	10/11/2024	CULLIGAN-MILBERT COMPANY
207042	R	2,822.57	10/11/2024	DAKOTA COUNTY TECHNICAL COLLEGE
207043	R	775.00	10/11/2024	DEWALD, RINA
207044	R	17,753.15	10/11/2024	DTB SYSTEMS, INC
207045	R	140.00	10/11/2024	FISCHBACH, DAN
207046	R	41.33	10/11/2024	GENERAL PARTS INC
207047	R	98.00	10/11/2024	JOHNSON, THOMAS
207048	R	300.00	10/11/2024	MAHTOMEDI HIGH SCHOOL
207049	R	20,185.00	10/11/2024	MMKR & CO
207050	R	22,213.40	10/11/2024	NORTHLINE TRANSPORTATION
207051	R	1,918.34	10/11/2024	PETERSON BROS. ROOFING & CONSTRUCTION
207052	R	25.00	10/11/2024	SOUTH ST PAUL STEEL
207053	R	1,503.64	10/11/2024	ST PAUL BEVERAGE SOLUTIONS
207054	R	3,187.50	10/11/2024	SUNBELT STAFFING
207055	R	2,118.75	10/11/2024	SWENSON, SHANNON
207056	R	2,955.56	10/11/2024	TRIO SUPPLY CO
207057	R	153.12	10/11/2024	TWIN CITY HARDWARE CO
207058	R	16,821.02	10/11/2024	UPPER LAKES FOODS
207059	R	31,871.72	10/11/2024	XCEL ENERGY
207060	R	426.36	10/15/2024	CHILD SUPPORT SERVICES DIVISION
207061	R	438.50	10/15/2024	LOCAL #70
207062	R	1,095.30	10/15/2024	MINNESOTA CHILD SUPPORT PAYMENT CENTER
207063	R	176.25	10/15/2024	OFFICE AND PROF EMPLOYEES UNION
207064	R	13,024.98	10/15/2024	SOUTH ST PAUL TEACHER'S ASSOCIATION
207065	R	5.00	10/15/2024	SOUTH ST PAUL OPEN FOUNDATION
207066	R	60.00	10/15/2024	SOUTH ST PAUL EDUCATION FOUNDATION
207067	R	888.88	10/15/2024	SSP EASRP
202400138	W	150.50	09/16/2024	MINNESOTA PAYROLL TAXES

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NUMBER	TYP	AMOUNT	DATE	VENDOR
202400139	W	929.14	09/16/2024	FEDERAL PAYROLL TAXES
202400140	W	205.86	09/16/2024	TSA/ACH DEDUCTION
202400141	W	679.34	09/16/2024	TEACHER RETIREMENT ASSOCIATION
202400145	W	49,715.25	09/30/2024	MINNESOTA PAYROLL TAXES
202400146	W	296,687.03	09/30/2024	FEDERAL PAYROLL TAXES
202400147	W	378.56	09/30/2024	MN DEPT OF REVENUE
202400148	W	48,627.67	09/30/2024	PERA
202400149	W	55,440.04	09/30/2024	TSA/ACH DEDUCTION
202400150	W	155,544.77	09/30/2024	TEACHER RETIREMENT ASSOCIATION
202400178	W	11,839.92	09/30/2024	MEDSURETY
202400179	W	49,049.67	10/15/2024	MINNESOTA PAYROLL TAXES
202400180	W	292,082.17	10/15/2024	FEDERAL PAYROLL TAXES
202400181	W	378.56	10/15/2024	MN DEPT OF REVENUE
202400182	W	47,615.93	10/15/2024	PERA
202400183	W	53,814.42	10/15/2024	TSA/ACH DEDUCTION
202400184	W	154,685.58	10/15/2024	TEACHER RETIREMENT ASSOCIATION
202400193	W	141,107.34	09/16/2024	HEALTH PARTNERS
202400194	W	147,474.99	09/23/2024	HEALTH PARTNERS
202400195	W	61,881.61	09/30/2024	HEALTH PARTNERS
202400196	W	181,901.76	10/07/2024	HEALTH PARTNERS
202400197	W	62,296.94	10/15/2024	HEALTH PARTNERS
242500098	A	90.00	09/30/2024	AHSENMACHER WINTER, AMY
242500099	A	90.00	09/30/2024	ANDERSON, CHAD
242500100	A	90.00	09/30/2024	BARTER, ANDREW
242500101	A	90.00	09/30/2024	BAUER, MEREDITH
242500102	A	90.00	09/30/2024	BERCHTOLD, JAMIE
242500103	A	90.00	09/30/2024	BOURG, LEAH
242500104	A	90.00	09/30/2024	BRANDECKER, LISA
242500105	A	90.00	09/30/2024	BRETOI, TERRENCE
242500106	A	90.00	09/30/2024	BURCKHARDT, CANDACE
242500107	A	90.00	09/30/2024	CHILDS, DANETTE
242500108	A	90.00	09/30/2024	DANIELSON, JENNIFER
242500109	A	90.00	09/30/2024	FENTON, MARK
242500110	A	90.00	09/30/2024	GAMEZ, LESLY
242500111	A	90.00	09/30/2024	HANSEN, JODY
242500112	A	90.00	09/30/2024	HOFFMAN, BRADY
242500113	A	45.00	09/30/2024	JACOBS-BUSE, LINDA
242500114	A	90.00	09/30/2024	KRUEGER, BRADY
242500115	A	45.00	09/30/2024	LENTSCH, PETER
242500116	A	45.00	09/30/2024	LOUGH, LAWRENCE
242500117	A	90.00	09/30/2024	MILTEER, JOEL
242500118	A	90.00	09/30/2024	MOSES, CHRISTINA
242500119	A	90.00	09/30/2024	OCHOCKI, CHARLES
242500120	A	45.00	09/30/2024	OSTER, PATRICK
242500121	A	45.00	09/30/2024	PENMAN, MICHELLE
242500122	A	90.00	09/30/2024	PETERSON, LORI
242500123	A	90.00	09/30/2024	SCHWAB, ROBIN
242500124	A	90.00	09/30/2024	SEXAUER, JENNIFER
242500125	A	90.00	09/30/2024	TAYLOR MINER, MELANEE
242500126	A	45.00	09/30/2024	VANDERBILT, TONY
242500127	A	90.00	09/30/2024	WELLS, TRAVIS
242500128	A	90.00	09/30/2024	ZAMBRENO, BRIAN
242500129	A	90.00	09/30/2024	ZEHNDER, JEAN
242500135	A	17.00	10/01/2024	CORNELL, JANE
242500136	A	55.90	10/01/2024	DAHLE, LISA
242500137	A	263.25	10/01/2024	HART, THOMAS

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NUMBER	TYP	AMOUNT	DATE	VENDOR
242500138	A	35.00	10/01/2024	MOEN, PAUL
242500139	A	290.55	10/01/2024	RIESSELMAN, NINA
242500140	A	15.54	10/08/2024	BECRAFT, BENJAMIN
242500141	A	119.66	10/08/2024	BRIAN, TIFFANY
242500142	A	68.74	10/08/2024	HANLEY, KATHLEEN
242500143	A	273.00	10/08/2024	HOLSEN, ERIC
242500144	A	275.80	10/08/2024	LOUGH, LAWRENCE
242500145	A	89.99	10/08/2024	NAVAS LEIVA, MAYRA
242500146	A	97.73	10/08/2024	SKELLY, CHRISTOPHER
242500147	A	68.21	10/08/2024	THERRES, HEIDI
242500148	A	91.87	10/11/2024	ANDERSON, CONRAD
242500149	A	21.99	10/11/2024	BAGWILL, JULIE
242500150	A	42.61	10/11/2024	EMERY, HEATHER
242500151	A	30.98	10/11/2024	HANA, DINA
242500152	A	35.64	10/11/2024	ROGERS, KAYLA
242500153	A	55.48	10/11/2024	WOHLERS, DARII

2,609,331.84 Totals for checks

FUND SUMMARY

<u>FUND</u>	<u>DESCRIPTION</u>	<u>BALANCE SHEET</u>	<u>REVENUE</u>	<u>EXPENSE</u>	<u>TOTAL</u>
01	GENERAL	1,194,821.71	0.00	451,015.34	1,645,837.05
02	FOOD SERVICE	25,998.79	11.20	91,600.11	117,610.10
04	COMMUNITY EDUCATION	49,800.05	0.00	19,906.88	69,706.93
05	CAPITAL	1,620.80	0.00	178,634.30	180,255.10
20	INTERNAL SERVICE	0.00	0.00	27,228.38	27,228.38
21	MEDICAL	0.00	0.00	567,434.26	567,434.26
50	ACTIVITY ACCOUNT	1,260.02	0.00	0.00	1,260.02
***	Fund Summary Totals ***	1,273,501.37	11.20	1,335,819.27	2,609,331.84

***** End of report *****

CHECKRUNS

		September 20, 2024 - October 24, 2024
FUND	DESCRIPTION	
1	GENERAL	\$ 1,645,837.05
2	FOOD SERVICE	117,610.10
4	COMMUNITY EDUCATION	69,706.93
5	CAPITAL	180,255.10
7	DEBT SERVICE	-
20	INTERNAL SERVICE	594,662.64
50	ACTIVITY ACCOUNTS	1,260.02
TOTAL		\$ 2,609,331.84

PAYROLL		9/30/24 & 10/15/24
Payroll Direct Deposit	900107535-900108649	\$ 1,726,743.92



SOUTH ST. PAUL PUBLIC SCHOOLS
School Board Agenda Item

Meeting Date: October 28, 2024

Place on Agenda: Consent Items

Action Requested: Approval

Attachment: Staffing

Topic: Staffing
Presenter(s): Chair
Background: The staffing report includes the Appointments, Resignations, Transfers, Retirements, Abolishments and Leaves being recommended to the School Board for approval.
Recommendation: Administration recommends approval of the proposed staffing and supplemental staffing as presented.
Alternatives: Amend the motion to remove a certain appointment, resignation, transfer, retirement, abolishment, or leave. Provide administration with directions for next steps.

Passionate Learners Positively Changing Our World

**VII.A.1 Staff Appointments, Resignations, Retirements, Terminations
and Leaves (Joel Milteer)**

10-28-2024

Certified

A. Appointments/Reassignments

1. Kori Charbonneau- 1.0 FTE School Counselor, Kaposia, MA, Step 2, effective November 12, 2024
2. Noel Giesbrecht- 1.0 FTE (Long Term Substitute) Special Education Teacher, High School, BA, Step 1, effective October 15, 2024

2024-25 After School Credit Recovery (\$31.50 per hour; 4 hours per week)

Jessica Kohanek - Virtual Credit Recovery, SSP Education Center

2024-25 Building & Instructional Leadership Team (BILT) (\$1,000 Stipend)

Lincoln

Susan Bergquist
Michelle Laliberte
Brittni Peters
Lindsey Peterson
Lauren Ryan
Mara Seurer
Rebecca Spreigl
Kristine Thompson
Anna Watt
Tracy Weir

Kaposia

Maciel Caridad-Aquino
Kimberly Dahlen
Lauren Foley
Megan Frantzen
Jacob Knaus
Kelly Kopp
Kimberly Laska
Mary Molumby
Maggie Stoltzman
Lindsey Wilkening
Kelly Dietz-Preschool

CLC

Jessica Oftedahl
Jody Sielski

ECSE

Makayla Griffin
Paige Heuer

Middle School

Chris Almen-Sjogren
Josh Craig
Jonathan Gustafson
Daniel Hodge
Michael Kvalheim
Lindsay Lowther
Mark Meyer
Shannon Smith
Scott Sundly

High School

Kari Aanenson
William Bauman
Shane Eggerstedt
Jeffrey Lagoo
Amy McEvoy
Carole Pankow
Mary Weinfurtnr
Scott Youdas
Elizabeth Zender

2024-25 Site Solutions Team (\$631 Stipend)

Lincoln

Mara Seurer
Tina Beeler
Nicola Derryberry
Arlene McAlpine
Maggie Costain (Mary)
Emily Seaberg
Robbyn Wincentzen
Jen Friedges
Heather Gysbers
Julie Casillas

Kaposia

Soviatt Loyd
Kristin Troup
Tori Harker (Carrier)
Kris Kirchner
Brea Lorentz
Andrew Cin-Walker
Brenda Johnson
Hannah Anderson
Kim Dahlen

Middle School

Andrew Harrison
Jon Gustafson
Jenna Ramirez
Aimee Rumpza
Connie Ecklund
Brooke Wood

High School

Shane Eggerstedt
Linda Gilbert
Andrew Gustafson
Lisa Kaufman
Brandon Lambert
Jessika Lukes Cuhel
Christopher Marquis
Nina Riesselman

ATHLETICS 2024-25

Football Additional Coach	Anthony Baggett	\$2,600.00 (Booster Paid)
Basketball Boys Head Coach	Edwards, Darren	\$6,628.00
Basketball Boys Varsity Asst/JV Coach	Moe, Devon	\$4,532.00
Basketball Boys Varsity/Sophomore Coach	Salas, Lionel	\$4,532.00
Basketball Boys Freshman Coach	Baggett, Anthony	\$3,775.00
Basketball Boys Middle School Coach	Davis, Dajoun	\$2,237.00
Basketball Girls Head Coach	Douglas, Isaac	\$6,628.00
Basketball Girls Varsity Asst/JV Coach	Sweeney, Coleman	\$4,532.00
Basketball Girls Varsity/Sophomore Coach	Jenness, Harry	\$4,532.00
Basketball Girls Freshman Coach	Bakken, Chris	\$3,775.00
Basketball Girls Middle School Coach	Britton, Larry	\$2,237.00
Basketball Girls Volunteer Coach	Peterson, Lindsay	\$2,000.00 (Booster Club)
Dance Team Head Coach	Wilson, Rozlyn	\$5,010.00
Dance Team Asst Coach	Fitzgerald, Janna	\$3137.00 (\$900 booster)
Dance Team Asst Coach (shared)	Molnar, Hope	\$1968.50 (\$850 booster)
Dance Team Asst Coach (shared)	Garcia-Cornelio, Bethani	\$1,968.50 (\$850 booster)
Dance Team Asst Additional Coach	Jerikovski, Lauren	\$1,200.00 (booster)
Dance Team Asst Additional Coach	Rozales, Alayna	\$1,200.00 (booster)

Gymnastics Head Coach	Tautges, Kaia	\$5,476.00
Gymnastics Varsity Assistant Coach	Balza, Annie	\$3,967.00
Gymnastics Volunteer Coach	Flock, Heather	(volunteer)
Hockey Boys Head Coach	Palmquist, Zach	\$6,628.00
Hockey Boys Varsity Asst Coach	Blueger, Robert	\$4,532.00
Hockey Boys Varsity Asst/JV	Ross, Nick	\$4,532.00
Hockey Boys Additional Coach (Var. Asst.) Club)	McGinn, Corey	\$4,500.00 (Booster Club)
Hockey Boys Additional Coach (Var. Asst.)	Warner, Hunter	\$4,500.00 (Booster Club)
Hockey Boys Additional Coach (JV)	Krier, Taylor	\$3,500.00 (Booster Club)
Hockey Boys Additional Coach (Goalie)	Clifford, Chad	\$2,000.00 (Booster Club)
Hockey Boys Additional Coach	Moen, Paul	\$1,500.00 (Booster Club)
Hockey Girls Head Coach	Palmquist, David	\$6,628.00
Hockey Girls Varsity Asst Coach	Palmquist, Josh	\$4,532.00
Hockey Girls Varsity Asst/JV	Shepard, Jamie	\$4,532.00
Hockey Additional Coach (Varsity)	Moline, Mike	\$3,000.00 (Booster Club)
Hockey Additional Coach (Varsity)	Palmquist, Abby	\$1,500.00 (Booster Club)
Hockey Additional Coach (JV Asst.) Club)	Miller, Brigitte(Strom)	\$1,500.00 (Booster Club)
Softball Head Coach	Casalenda, Mike	\$5,177.00
Wrestling Head Coach	Nihart, Don	\$6,628.00
Wrestling Varsity Asst/JV Coach	Trevino, Jose	\$4,532.00
Wrestling Middle School Coach	Sundly, Scott	\$3,053.00
Wrestling Middle School Coach	Kvalheim, Mike	\$3,053.00
Wrestling Girls Head Coach (Flex Position)	Roddis, Aaron	\$3,314.00
Wrestling Girls Head Coach (Flex Position)	Tuttle, Faith	\$3,314.00
Wrestling Girls Varsity Asst Coach (Flex Position)	Roddis, Aaron	\$2,266.00
Wrestling Girls Varsity Asst Coach (Flex Position)	Tuttle, Faith	\$2,266.00
Wrestling Additional Coach	Coen-Tonda, Teresa	\$2,000.00 (booster paid)
Wrestling Volunteer Coach	Reynolds, Todd	
Wrestling Volunteer Coach`	Bjorklund, Randy	
Wrestling Volunteer Coach	Brito, Jose	
Wrestling Volunteer Coach	Burns, Alex	
Wrestling Volunteer Coach	Bauer, Shad	
Wrestling Volunteer Coach	Brito, Gibby	

ECA ACTIVITIES 2024-25

Equipment Manager	Paul Moen	\$6903.00
Student Council Advisor (HS)	Meghan Schultz	\$4027.00
Teacher License Coordinator	Shelly Moland	\$377.00

Teacher License Coordinator	Rachel Mettillie	\$377.00
WEB Advisor	Harrison, Andrew	\$1,769.00 (Revised)
WEB Advisor	Coleman, Charmaine	\$1,769.00 (Revised)
Prom Advisor	Lenarz,Tammy	\$1279.00

B. Resignations/Retirements/Leaves/Reductions/Other

1. Karen Anderson- Resignation, Special Education Teacher, Lincoln Center, Effective October 11, 2024
2. Sara Voss - Resignation, C.A.S. Coordinator, High School, Effective October 4, 2024
3. Caitlin Carlson- Resignation, School Counselor, Kaposia, Effective October 31, 2024
4. Megan Frantzen - Leave of Absence, Teacher Grade 2, Kaposia Elementary, effective November 25, 2024 **through March 6, 2025**
5. Ellie Ritzer - Leave of Absence, Special Education Teacher, High School, effective October 21, 2024 **through December 6, 2024**
6. Eamon Whiteaker-Smith - Leave of Absence, ECFE Parent Educator, Family Ed Center, effective October 17, 2024 **through December 2, 2024**

VII.A.2 Staff Appointments, Resignations, Retirements, Terminations and Leaves (Joel Milteer)

10-28-2024

Classified

A. Appointments/Reassignments

1. Carolyn Plasch - Early Learning Assistant, Kaposia, \$18.86 per hour, 7 hours per day, effective August 26, 2024
2. Maura Rauda De Serrano - PT Cleaner Substitute, Kaposia, \$17.00 per hour, 4 hours per day, effective September 23, 2024
3. Alexandra Cervantes - SPED Assistant, Secondary, \$20.16 per hour, 3 hours per day, effective September 23, 2024
4. Gary Tourville - PT Cleaner, Lincoln Center, **\$19.39** per hour, 4 hours per day, effective October 7, 2024
5. Tayshawn Goss - PT Cleaner, Lincoln Center, **\$19.39** per hour, 4 hours per day, effective **September 3, 2024**
6. Christine Hernandez - SPED Assistant, High School, \$20.16 per hour, effective October 14, 2024

7. Kelly Hoffman - SPED Assistant, High School, \$20.16 per hour, effective October 8, 2024
8. Jaclyn Klaehn - Educational Assistant, Lincoln Center, \$18.53 per hour, effective October 8, 2024
9. Raneesha Price-Presley - Kids Choice Assistant Substitute, District Wide, \$18.86 per hour, effective October 7, 2024
10. Colleen Wojnar - PT Cleaner, Lincoln Center, \$19.39 per hour, 4 hours per day, effective October 7, 2024
11. Kennedy Pointer - Lifeguard, Central Square, \$16 per hour, effective October 5, 2024
12. Brittany Cole - Student Supervisor Substitute, Lincoln Center, \$17.62 per hour, effective October 21, 2024
13. Jessica Weeks - Tech Media Assistant, Lincoln Center, \$25.51 per hour, effective November 4, 2024
14. Erick Estrada Mendez - PT Cleaner, Secondary, **\$19.39** per hour, 4 hours per day, effective October 21, 2024

B. Resignations/Retirements/Leaves/Reductions/Other

1. Colin Iverson - Resignation, PT Custodian (Summer), Secondary, Effective August 22, 2024
2. Richard Buhl - Resignation, Cleaner, Lincoln Center, Effective September 27, 2024
3. Devon Moe - Resignation, SPED Assistant, Middle School, Effective October 11, 2024
4. Hunter Seaberg - Resignation, Kids Choice Program Assistant, Lincoln Center, Effective October 11, 2024
5. Laurine Cheney - Resignation, Preschool Assistant, Lincoln Center, Effective August 23, 2024
6. Louise Vega - Resignation, Early Learning Assistant Preschool Lunch, Effective October 4, 2024
7. Alexis Hewitt - Resignation, Early Learning Assistant Preschool Lunch, Effective October 11, 2024
8. Jon Speake - Resignation, SPED Assistant, High School, Effective October 16, 2024
9. Nancy Bahena - Resignation, SPED Assistant, Lincoln Center, Effective November 8, 2024

10. Steven Heltne - Leave of Absence, PT Cleaner, High School, effective October 28, 2024



SOUTH ST. PAUL PUBLIC SCHOOLS

School Board Agenda Item

Meeting Date: October 28, 2024

Place on Agenda: Business Meeting

Action Requested: Approval

Attachment: Minnesota State High School League Foundation Form A Grant Application

Topic: Minnesota State High School League Foundation Form A Grant Application
Presenter(s): Brady Krueger, Activities Director
Background: <p>The Minnesota State High School League (MSHSL) Foundation is a nonprofit association, serving both public and private schools, created to complement the MSHSL by providing support for Minnesota's high school youth to participate in athletics and fine arts. Minnesota State High School League Foundation's goals are to promote the growth of high school students through participation in valuable extra-curricular activities.</p> <p>The primary goal of the Foundation will be to award grants that assist, recognize, promote, and fund extra-curricular participation by high school students in athletic and fine arts programs. These grants will be awarded based upon gender balance, school size, and geographic location to the extent possible.</p> <p>The Minnesota State High School League Foundation Board of Directors has determined that the number of free and reduced lunch students in grades 9-12 will be used for classification purposes. The MSHSL Foundation wants to encourage each school to seek students whose family income may be limited and encourage them to participate in athletic and fine arts programs in each school community and to recognize the role you play in this endeavor and to assist you in your continued efforts to engage more students.</p> <p>South St. Paul Public Schools administration is finalizing the Form A grant application. School Board approval is needed prior to the grant submission deadline on November 15th, 2024</p>
Recommendation: <p>Administration recommends the approval of the Resolution of Governing Board Supporting Form A Application to Minnesota State High School League Foundation.</p>
Alternatives: <p>Do not approve the Form A Resolution and direct administration with next steps.</p>

Passionate Learners Positively Changing Our World

FORM A

RESOLUTION OF GOVERNING BOARD SUPPORTING FORM A APPLICATION TO MINNESOTA STATE HIGH SCHOOL LEAGUE FOUNDATION

WHEREAS, the Minnesota State High School League Foundation was formed to provide support for Minnesota's high school youth to participate in athletics and fine arts;

WHEREAS, the Governing Board of South St. Paul Public Schools recognizes the value of student participation in extracurricular activities; and

WHEREAS, the MSHSL Foundation is offering grants and funding to assist schools in recognizing, promoting and funding extracurricular participation by high school students in athletic and fine arts programs.

THEREFORE, BE IT RESOLVED, that the Governing Board of South St. Paul Public Schools supports the school's application to the Minnesota State High School League Foundation for a **FORM A** grant to offset student activity fees.

John Raasch
10/28/24

Board Chair/Head of School

Nikki Laliberte
10/28/24

Board Clerk – Treasurer/ Finance Director



SOUTH ST. PAUL PUBLIC SCHOOLS

School Board Agenda Item

Meeting Date: October 28, 2024

Place on Agenda: Business Meeting

Action Requested: Approval

Attachment: Cooperative Agreement - Boys' Swimming

Topic: Cooperative Agreement - Boys' Swimming
Presenter(s): Brady Krueger, Activities Director
Background: <p>South St Paul and Two Rivers are seeking approval to form a co-operative partnership in Boys Swimming that will compete in the Metro East Conference and Section 3AA.</p> <ol style="list-style-type: none">1. South St Paul's swim program numbers have continued to decline to the point where we are no longer able to fill a swim line up. Despite our efforts to recruit and retain student athletes we have not been able to recover our swim program numbers. Historically our program has averaged around 10-15 boys swimming. However, the aftermath of COVID coupled with a lack of interest, and graduations has caused our numbers to drop significantly. This year we have 3-4 boys returning. We are looking to join the Two Rivers program to give our kids the opportunity to continue swimming. Without a co-op, we would not be able to run a program.2. Forming a co-op with Two Rivers will enable students at SSP the opportunity to continue to participate in boys swimming. It will also help foster relationships amongst programs as well enable all swimmers to create lasting relationships through participation in education based athletics.3. MSHSL Bylaw 403 Requires that we get approval from a majority of the schools in our conference, section, and region. <p>The financial impact of the co-op swimming programs would be split between the schools on a per-athlete basis.</p>
Recommendation: <p>Administration Recommends the approval of the boys' swimming cooperative agreement between South St. Paul Public Schools and Two Rivers beginning with the 2024-25 school year.</p>
Alternatives: <p>Do not approve the boys' swimming cooperative with Two Rivers and direct administration with next steps.</p>

South St Paul and Two Rivers are seeking approval to form a co-operative partnership in Boys Swimming that will compete in the Metro East Conference and Section 3AA.

South St Paul's swim program numbers have continued to decline to the point where we are no longer able to fill a swim line up. Despite our efforts to recruit and retain student athletes we have not been able to recover our swim program numbers. Historically our program has averaged around 10-15 boys swimming. However, the aftermath of COVID coupled with a lack of interest, and graduations has caused our numbers to drop significantly. This year we have 3-4 boys returning. We are looking to join the Two Rivers program to give our kids the opportunity to continue swimming. Without a co-op, we would not be able to run a program.

Forming a co-op with Two Rivers will enable students at SSP the opportunity to continue to participate in boys swimming. It will also help foster relationships amongst programs as well enable all swimmers to create lasting relationships through participation in education based athletics.

Thanks,

Brady Krueger South St Paul

Prentice Smith Two Rivers

Application for Cooperative Sponsorship

Deadline: Not later than 30 days prior to the first day of practice for that sport season.
PLEASE SEE BYLAW 403.2 (A-C) and 403.4 (A-D) (amended May 15, 2017) FOR INFORMATION REGARDING REQUIRED DOCUMENTATION
AND APPLICATION PROCEDURE

The governing boards of each participating school must jointly make application for cooperative sponsorship.

On behalf of the following schools, we hereby apply for cooperative sponsorship of Boys Swimming
(activity) (boys' or girls') (Adapted-CL or PI)
beginning with the 2024 - 2025 school year.

List ALL schools included in the cooperative sponsorship. Attach another form if necessary.

	School	Enrollment (9-12)*	City	Administrative Region**	Competitive Section**
High School #1:	Two Rivers	1202	Mendota Heights MN	3AA	3AA
High School #2:	South St. Paul	720	South St. Paul	3AA	4A
High School #3:					
High School #4:					

*Enrollment reported to the State of Minnesota on October 1 of the previous school year.

**Current (Number and Class)

- Do any of the above schools belong to a conference in this activity?
☒ Yes This application must include a review and comments from the conference(s) of which the schools are members.
☐ No
- Do any of the above schools currently have a cooperative agreement in this activity?
☐ Yes An application for dissolution must be submitted for the existing agreement.
☒ No
- Describe the conditions which have prompted your request to co-sponsor this activity. (See model resolution at [www.mshsl.org/About MSHSL/Membership Information: A History & Model Resolution for School Boards](http://www.mshsl.org/About%20MSHSL/Membership%20Information%20A%20History%20&%20Model%20Resolution%20for%20School%20Boards))
- List the number of students, by grade level, who participated in this activity during the previous year. If the school did not sponsor the program last year, indicate the number of students expected to participate in this cooperatively-sponsored activity this year if approved.

	7th	8th	9th	10th	11th	12th
High School #1		1	6	6	5	9
High School #2				1	2	
High School #3						
High School #4						

5. Team Identification: (Indicate how cooped schools should be identified in tournament programs): Two Rivers

6. Team Colors: Red & Vegas Gold Team Mascot: Warrior

7. Host School (school that will receive revenue share check):

Board of Education (or designee)	School	Date
Signed <u>[Signature]</u> AD	<u>TWO RIVERS</u>	<u>10/24/24</u>
Signed <u>Brady King</u> AD	<u>South St. Paul</u>	<u>10/24/24</u>
Signed _____	_____	_____
Signed _____	_____	_____

Official Action of the MSHSL Board of Directors

☐ Approved ☐ Not Approved

Signature:

Date:

MSHSL Executive Director

Timestamp	Email Address	Name	School	Approve/Disapprove	Comments	Column 1
10/14/2024 11:54:13	chris.peterson@rpsmn.c	Chris Peterson	Richfield	Approve of the co-op betw		Region
10/14/2024 11:55:03	ermanny@vischool.org	Elisa Manny	Visitation	Approve of the co-op betw		Region
10/14/2024 11:59:44	jhelwig2@isd622.org	Jed Helwig	North St Paul	Approve of the co-op betw		Conference
10/14/2024 12:02:40	tmbakwe@isd622.org	Trevor Mbakwe	Tartan	Approve of the co-op betw		Conferene
10/14/2024 12:06:43	pkuemmel@apps.district	Phil Kuemmel	Park	Approve of the co-op betw	Good luck	Section/Region
10/14/2024 12:12:52	rhornung@cadets.com	Reed Hornung	St Thomas	Approve of the co-op betw		Conference/Region
10/14/2024 12:19:26	thanson@isd200.org	Trent Hanson	Hastings	Approve of the co-op betw		Conference/Section
10/14/2024 12:30:41	carnebeck@ahastars.org	Carolyn Arnebeck	Academy of Holy Angels	Approve of the co-op betw		Region
10/14/2024 12:52:59	jpohl@hill-murray.org	John Pohl	Hastings	Approve of the co-op betw		Conference
10/15/2024 9:39:56	spalodic@apps.district8	Sara Palodichuk	East Ridge	Approve of the co-op betw		Section
10/16/2024 11:47:37	spalodic@apps.district8	Sara Palodichuk	East Ridge	Approve of the co-op betw		Section
10/16/2024 11:51:55	prentice.smith@isd197.org	Prentice Smith	Two Rivers	Approve of the co-op betw		
10/16/2024 12:10:31	kurt.habeck@gmail.com	Kurt Habeck	Eastview	Approve of the co-op betw		Section/Region
10/18/2024 10:12:06	cory.hanson@apps.district	Cory Hanson	Apple Valley	Approve of the co-op betw		Section/Region
10/25/2024 8:08:16	shortw@isd199.org	Yes	Simley	Approve of the co-op betw		Conference/Region
10/25/2024 8:13:35	bfuller@plsas.org	Beth Fuller	Prior Lake	Approve of the co-op betw		Region

Conference - 6/6 Approve

Region - 8/12 Approve

Section - 5/7 Approve

METRO EAST CONFERENCE

Cooperative Sponsorship of Athletics/Activities by Member Schools

Cooperative sponsorship proposals must be brought before the Metro East Athletics/Activities Directors for review and approval. Cooperative sponsorship activities by member schools may be allowed for participation in MEC contests under the following conditions:

A. Circumstances/conditions for consideration may include:

1. New start-up program or a new school opening
2. Lack of numbers of participants
3. Cooperative sponsorships will only be considered for in-district schools or charter schools in which the student(s) resides in the district for which they are applying for the cooperative sponsorship. Charter schools may have more than one cooperative sponsorship agreement for each activity within the same season.
4. Exceptions to the above will require a 2/3rds majority vote of member schools

B. Circumstances/conditions not to be considered – Budget concerns.

1. Exceptional circumstances may be considered by the MEC.
2. Individual team members of cooperative sponsored teams will be eligible for all conference awards.
3. All timelines for cooperative sponsorships must meet MSHSL guidelines. Schools may apply for cooperative sponsorships up to the start of a season.
4. A two-thirds (2/3rds) vote of the Athletics Directors will be required for approval.

400.00 BYLAWS: ADMINISTRATION OF ATHLETIC PROGRAMS

BYLAW 401.00**CHEERLEADING**

Cheerleaders will be required to qualify under the following eligibility bylaws: Age, 101.00; Credit Requirements, 103.00; Enrollment, 104.00; Physical Examination, 107.00; Seasons, 109.00; Semesters, 110.00 and Chemical, 205.00.

Note: Board Policy indicates Bylaw 206 Good Standing and General Eligibility Requirements is now applicable.

BYLAW 402.00**CONTEST RULES**

The following rules, except as modified by the League, shall govern all interschool competition in the respective sport or activity. League rule modifications are printed in the current Athletic Rules and Policies Manual in the section designated for each activity. The Rules and Policies Manual is available on the League website.

1. National Federation Rules Books:

Baseball	Gymnastics, Girls	Softball, Girls Fastpitch
Basketball	Hockey	Swimming and Diving
Cheerleading (Spirit)	Lacrosse, Boys	Track and Field
Cross Country Running	Lacrosse, Girls	Volleyball
Football	Soccer	Wrestling
2. Sport Association Rules Books:

Badminton, Girls	United States Badminton Association's Official Rules of Play and Court Officials Handbook
Golf	United States Golf Association
Tennis	United States Tennis Association
Skiing	Federation International de Ski & National Collegiate Athletic Association
Synchronized Swimming, Girls	United States of America Artistic Swimming as modified and approved by the League Board of Directors
3. Dance Team Competition rules as adapted by the League Board of Directors
4. Adapted Bowling Competition rules as adapted by the League Board of Directors
5. Adapted Team Sports:

Soccer	NFHS rules as adapted by the League Board of Directors
Floor Hockey.....	NFHS rules as adapted by the League Board of Directors
Softball	NFHS rules as adapted by the League Board of Directors

BYLAW 403.00**COOPERATIVE SPONSORSHIP OF AN ACTIVITY
BY TWO OR MORE MEMBER SCHOOLS*****Purpose of Cooperative Sponsorships (11/17/20)***

Cooperative Sponsorships of MSHSL programs are established for the purpose of creating, growing, and maintaining education-based opportunities through programs that provide access for all students to a broad range of activities. These agreements support student participation in programs that are sustainable (financial, participation numbers, other etc.), have access to suitable facilities, provide appropriate levels of competition, and create communities for students. Through these agreements, member schools are expected to promote cooperation, partnership, sportsmanship and the beliefs of the MSHSL.

1. Cooperative sponsorship of an activity by two or more member schools will be considered under the following conditions. Class A and Class AA refers to the school size for placement into Administrative Regions and does not refer to the tournament classification to which a school may be assigned for a particular sport. For purposes of administering this bylaw, the largest 128 schools by enrollment shall be Class AA, and the rest of the schools shall be Class A.
 - A. When any member school cooperatively sponsors an activity with any other member school(s), 100% of the total enrollment of the largest member school in the co-op and 50% of the enrollment of the other member school(s) in the co-op school be combined to determine the appropriate competitive classification.

For the purposes of the competitive section placement process, the geographic location of the cooperative sponsorship will be the geographic location of the school with the largest MSHSL enrollment.

Cooperative sponsorship between two or more member schools.**MSHSL Sponsored Activities:**

Badminton, Girls	Floor Hockey, Adapted	One Act Play
Baseball	Football	Skiing, Alpine, B/G
Basketball, B/G	Golf, B/G	Skiing, Nordic Ski Racing, B/G
Bowling, Adapted	Gymnastics, Girls	Soccer, Adapted
Cross Country Running, B/G	Hockey, B/G	Soccer, B/G
Dance Team	Lacrosse, B/G	Softball, Adapted
Debate	Music	Softball, Girls Fastpitch

Continued on Page 69

Speech
Swimming and Diving, B/G
Synchronized Swimming, Girls

Tennis, B/G
Visual Arts

Volleyball, B/G
Wrestling

2. Newly formed Cooperative Sponsorships

A. Each school that wishes to cooperatively sponsor an MSHSL activity must provide:

- 1) the documented need for the co-op including participation numbers for each school at all grade levels 7-12, facilities available, financial impacts or benefits and appropriate student data that indicates interest in the program.
- 2) a summary of the steps each school has taken to promote participation in the activity for which a cooperative sponsorship is proposed and what is the future intent of the program.
- 3) a written review and comment regarding the proposed cooperative sponsorship from:
 - a) the AD of each member school of the conference/conferences in which the proposed cooperative sponsorship school(s) participates.
 - b) the AD of each school in the most current competitive section or sub-section in which the proposed cooperative sponsorship will participate.
 - c) the Secretary of the Region Committee in which the largest school in the proposed cooperative sponsorship competes as reviewed at a Region Committee meeting OR by contacting the Region Committee members, individually, for their response.

In each instance in letters a-c above, a simple majority of the schools in the conference, section(s) and the Region Committee must approve the proposed cooperatively sponsored activity before any of the required information can be submitted to the MSHSL office.

- 4) any other information as may be deemed informative for the MSHSL Board of Directors in making a final determination regarding the proposed cooperative sponsorship.

B. Appeal to Add a Cooperative Sponsorship:

The **League Board of Directors** will provide a hearing process for any member school requesting an exception to any cooperative sponsorship not approved per MSHSL Bylaw 403.2.A or 403.4.B. The request for a hearing shall be submitted in writing and sent to the Executive Director of the Minnesota State High School League prior to the first day of that sport season.

C. Appeal to Review an Existing Cooperative Sponsorship:

By October 15th of the school year in which the League completes the two-year competitive placement cycle, any conference or school(s) within the section in which members of the cooperative sponsorship competes can request a review in writing of any existing cooperative sponsorship to the Executive Director of the MSHSL provided the reason for the request fully details why the Board of Directors should consider such review of the cooperative sponsorship. The process for a review of an existing cooperative sponsorship is available through the League Office.

3. Cooperative Sponsorship with Charter Schools (Non-Exclusive Cooperative Sponsorship)

Charter schools who are members of the Minnesota State High School League and who are organized as prescribed by M.S. 124E.03 may have multiple non-exclusive cooperative sponsorships in the same League-sponsored activity with public schools provided that:

- A. The Charter School does not have its own team in that activity;
- B. The Charter School student(s) return(s) to the public school in the attendance area of the public school where the student(s) officially resides with his/her parent(s) or guardian(s);
- C. The Charter Schools, on behalf of the student(s) officially enrolled in the Charter School, comply with all of the eligibility and financial requirements prescribed by the public school in the attendance area where the student(s) officially resides with his/her parent(s) or guardian(s).
- D. The boards of education of the public school(s) and the Charter School agree to cooperatively sponsor the activity and complete the required League cooperative sponsorship form(s).

4. Application Procedure

- A. Each member school participating in a cooperative sponsorship must register and pay as an individual school to participate in each cooperatively sponsored activity.
- B. The governing boards of participating member schools must jointly make the application to the League Board of Directors.
 - 1) The request must include a resolution adopted by each board of education stating the purpose for sponsoring a joint team or activity.
 - 2) Each application for a cooperative sponsorship must include the requirements as identified in 403.2.A.
 - 3) **Deadline for Application:** Requests for a cooperative sponsorship must be submitted to the League not later than 30 days prior to the first day of practice for that sport season to be considered for that sport season. Decisions for applications for cooperative sponsorship activities will be determined by the League at the next Board of Directors meeting.
- C. Cooperative sponsorship agreements must be for a minimum of two years. Cooperative sponsorship agreements will be continuous following the first two-year agreement unless an application for dissolution is submitted as outlined in MSHSL Bylaw 403.8.
- D. Any member school(s) who add a co-op later than 30 days prior to the first day of practice in that sport may request the Board of Directors to review the request as identified in 403.2.B.

5. Transfers Between Schools with Cooperative Programs

When a student transfers from one school to another school that cooperatively sponsor a program or programs the student shall remain fully eligible in all programs that are cooperatively sponsored. MSHSL Bylaw 111—Transfer and Residence, shall be used to determine the student's eligibility for the programs that are not cooperatively sponsored.

Continued on Page 70

6. Home Schools and Charter Schools

Home schools and Charter schools joining the League and entering into cooperative sponsorship agreements after September 1 will be allowed a late registration provided they can show evidence from their local school administration that they had no knowledge of the League deadline dates, process, etc.

7. Identification of Cooperatively Sponsored Teams

The official school identification in tournament programs and press releases for cooperatively sponsored teams will be listed as indicated on the cooperative sponsorship resolutions submitted by the schools.

8. Reviewing, Amending, Dissolving a Cooperative Sponsorship

- A. Cooperative Sponsorship agreements must be reviewed by representatives from all schools involved every two years. Amendments to the cooperative sponsorship may not be unreasonably denied by the participating schools.
- B. If either or any of the schools involved in the cooperative sponsorship wish to dissolve the agreement, they may do so provided a minimum of one year's notice is given in writing to the other school(s) unless the schools involved mutually agree to discontinue the cooperative sponsorship agreement.
- C. Requests to dissolve the cooperative sponsorship must be submitted to the League not later than the first day of practice for that sport season. Decisions on all applications will be determined by the League at the next Board of Directors meeting.
- D. The dissolution request must include a resolution stating the purpose for dissolving the cooperative sponsorship.
- E. Any conference or competitive section school(s) in which the members of the cooperative sponsorship activity competes may ask the MSHSL Board of Directors to review the co-op approval as identified in 403.2C.
- F. The Board of Directors may establish a committee to review all requests.

BYLAW 403.00 INTERPRETATION

Q. What procedure should be followed when an additional school is to be added to an existing cooperative sponsorship agreement?

A. Cooperative sponsorship is an agreement between two or more member schools. When an additional school is to be added to an existing cooperative sponsorship agreement, a new application must be submitted on behalf of all of the schools that are going to be involved in the new agreement. At the same time an application for dissolution should be submitted for the existing agreement. The new agreement creates a Cooperative Sponsorship that must be in place for two years.

BYLAW 404.00**LOCAL CONTROL**

Member schools may, if they so desire, prescribe eligibility bylaws that are more restrictive than those of the League. They may not adopt bylaws which lessen the effect of or change League bylaws except as noted in 302.00.

BYLAW 405.00**MINIMUM REQUIREMENTS FOR PARTICIPATION
IN LEAGUE-SPONSORED TOURNAMENTS**

Team: A member school must schedule a minimum of three interscholastic varsity games, meets or matches to qualify for League-sponsored tournament participation in that sport.

Individual: Nordic and Alpine skiers must compete in at least three separate high school meets to be eligible to enter section competition.

BYLAW 406.00**PHYSICAL DEVELOPMENT PROGRAMS**

Group and individual physical development programs open to all students between the close of one season and the opening of the next season are encouraged. The use of high school gymnasiums and other athletic facilities during the same period is also encouraged. Coaching of sport techniques and skills to students who have participated on high school teams is a violation of the bylaw and should not be included in a program which emphasizes physical development rather than skills and techniques of specific sports. Chalk talks/"skull sessions" emphasizing sport skills and techniques are a violation of the bylaw. There shall be no requirement for athletes to participate in the program as a criteria for being on a high school team. Activities conducted by secondary students and sanctioned camps or clinics are exceptions to this bylaw.

BYLAW 407.00**PROTESTS AGAINST DECISIONS OF CONTEST OFFICIALS**

1. Protests against decisions of contest officials will not be honored.
 - A. League officials will render an interpretation to all parties involved as to the proper application of contest rules in cases protested if the complete facts are presented, in writing, to the League office. Such interpretations, however, will not alter the outcome of the contest. The decisions of contest officials are final.
 - B. It is recognized that errors in interpretations and application of bylaws and in judgment situations are inevitable. However, the orderly and sportsmanlike conduct of high school activities requires that officials' decisions must be honored and be final.
 - C. Video recordings will not be used to overrule an official's decision or change the outcome of the game, meet or contest.
2. It is strongly recommended that contest officials be agreed upon well ahead of the date for all dual and tournament contests. School officials are expected to employ the best-qualified contest officials available and to place the operation of the contest entirely in their hands. Contest officials include referees, umpires, judges, timers, scorers and others responsible for the direct operation of a contest.



SOUTH ST. PAUL PUBLIC SCHOOLS
School Board Agenda Item

Meeting Date: October 28, 2024
Place on Agenda: Work Session and Business Meeting
Action Requested: Approval
Attachment: None

Topic: Special Board Meeting
Presenter(s): Lisa Brandecker, Manager of Administrative Services and Communications
Background: <p>South St. Paul Public Schools, Special School District 6, will hold a general election on Tuesday, November 5, 2024. According to Minnesota Statute, school districts are required to canvass election results between the third and tenth day following the election.</p> <p>The Board's next regular business meeting falls outside this required timeframe. To comply with the statute, the Board will need to schedule a special meeting to canvass the November 5, 2024 election results.</p>
Recommendation: <p>The administration recommends approving the scheduling of a special meeting on Tuesday, November 12, 2024, to canvass the results of the November 5 election.</p>
Alternatives: <p>N/A</p>

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SOUTH ST. PAUL PUBLIC SCHOOLS
School Board Agenda Item

Meeting Date: October 28, 2024

Place on Agenda: Regular Agenda/Business Items

Action Requested: Approval

Attachment: Acceptance of Gifts

Topic: Acceptance of Gifts
Presenter(s): Brady Hoffman, Finance Director
Background: Per school board policy, the School Board may receive and accept , for the benefit of the school district, bequests, donations of money or gifts for any purpose. All gifts received by the District must comply with applicable fire codes, health guidelines, and safety regulations (i.e. furniture, technology, and appliances).
Recommendation: Administration recommend the approval of the Acceptance of Gifts Report
Alternatives: Do not approve the Acceptance of Gifts Report and direct administration with next steps.

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Board Meeting Date: October 28, 2024

Acceptance of Gifts

Monetary

Donation Amount	Designated To	Donation From	Purpose
\$2,200	Middle School	SSP Lion's	Planners
\$500	Lincoln	Waterous	Safety Patrols
\$500	Kaposia	Woodbury Lutheran Church	Family Fun Night

Value in Kind

Donation Item	Designated To	Donation From	Purpose



SOUTH ST. PAUL PUBLIC SCHOOLS
School Board Agenda Item

Meeting Date: Monday, October 28, 2024
Place on Agenda: Work Session and Regular Meeting
Action Requested: Approval
Attachment: June 30, 2024 Financial Statements
June 30, 2024 Management Report

Topic: Approve 2023-24 Audit Report
Presenter(s): Brady Hoffman, Director of Finance
<p>Background: Attached are the Financial Statements and Management Report for the fiscal year ended June 30, 2024. We have received an unmodified or ‘clean’ opinion on the District’s financial statements.</p> <p>Aaron Nielsen, the district’s independent auditor from MMKR, will review these reports with the School Board. Aaron has prepared a power point presentation to share with you at the meeting.</p>
<p>Recommendation:</p> <p>Accept the June 30, 2024 Financial Statements and Management Report</p>
<p>Alternatives:</p> <p>N/A</p>

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SPECIAL SCHOOL DISTRICT NO. 6
SOUTH ST. PAUL, MINNESOTA

Financial Statements and
Supplementary Information

Year Ended
June 30, 2024

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SPECIAL SCHOOL DISTRICT NO. 6

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INTRODUCTORY SECTION

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SPECIAL SCHOOL DISTRICT NO. 6

School Board and Administration
Year Ended June 30, 2024

SCHOOL BOARD

	<u>Board Position</u>
John Raasch	Chair
Anne Claflin	Vice Chair
Nikki Laliberte	Clerk
Kim Humann	Treasurer
Tim Felton	Director
Wendy Felton	Director
Monica Weber	Director

ADMINISTRATION

Brian Zambreno	Superintendent of Schools
Brady Hoffman	Finance Director
Shannon Swenson	Finance Manager

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Special School District No. 6
South St. Paul, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Special School District No. 6 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

BASIS FOR OPINIONS

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

EMPHASIS OF MATTER

Change in Accounting Principle

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

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education, and is also not a required part of the basic financial statements of the District. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the Schedule of Expenditures of Federal Awards, and the UFARS Compliance 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 included in the annual report. The other information comprises the introductory and other district information sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

(continued)

PRIOR YEAR COMPARATIVE INFORMATION

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 4, 2023. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
October 22, 2024

SPECIAL SCHOOL DISTRICT NO. 6

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

This section of Special School District No. 6's (the District) annual financial statements presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the other components of the District's annual financial statements.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$9,467,869. The District's total net position increased by \$13,541,930 compared to the prior year.
- Government-wide revenues totaled \$63,865,933 and were \$13,387,490 more than expenses of \$50,478,443.
- The District adopted new accounting guidance for capital assets in the current year, which increased beginning net position by \$154,440. This change is further described in Note 1 of the notes to basic financial statements.
- The General Fund's total fund balance (under the governmental fund presentation) increased by \$4,362,193 from the prior year, compared to an increase of \$2,884,864 planned in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual financial statements consists of the following parts:

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The District maintains the following types of funds:

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1 Summary Statement of Net Position as of June 30, 2024 and 2023		
	2024	2023
Assets		
Current and other assets	\$ 53,038,658	\$ 46,362,676
Capital assets, net of depreciation/amortization	39,141,609	39,692,675
Total assets	<u>\$ 92,180,267</u>	<u>\$ 86,055,351</u>
Deferred outflows of resources		
Pension plan deferments	\$ 7,040,601	\$ 9,535,752
OPEB plan deferments	563,752	418,699
Total deferred outflows of resources	<u>\$ 7,604,353</u>	<u>\$ 9,954,451</u>
Liabilities		
Current and other liabilities	\$ 6,565,762	\$ 5,988,671
Long-term liabilities, including due within one year	61,050,562	66,409,541
Total liabilities	<u>\$ 67,616,324</u>	<u>\$ 72,398,212</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 14,593,342	\$ 14,641,887
Pension plan deferments	4,606,616	8,961,442
OPEB plan deferments	3,500,469	4,082,322
Total deferred inflows of resources	<u>\$ 22,700,427</u>	<u>\$ 27,685,651</u>
Net position		
Net investment in capital assets	\$ 14,501,534	\$ 12,090,957
Restricted	5,776,074	4,990,571
Unrestricted	(10,809,739)	(21,155,589)
Total net position	<u>\$ 9,467,869</u>	<u>\$ (4,074,061)</u>

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

The District's increase in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being added, depreciated/amortized, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The District's increase in net position restricted for debt service, food service, community service, and other state funding restrictions contributed to the change in restricted net position. The change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows, long-term liabilities, deferred inflows, and unrestricted net position. Positive operations in the General Fund and in self-insured activities also contributed to the increase in unrestricted net position.

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

Table 2 Summary Statement of Activities for the Years Ended June 30, 2024 and 2023		
	2024	2023
Revenues		
Program revenues		
Charges for services	\$ 1,616,196	\$ 1,935,859
Operating grants and contributions	11,886,214	9,511,041
General revenues		
Property taxes	15,150,665	11,448,061
General grants and aids	32,513,703	31,261,422
Other	2,699,155	1,403,105
Total revenues	<u>63,865,933</u>	<u>55,559,488</u>
Expenses		
Administration	1,378,956	1,118,524
District support services	2,589,598	2,399,481
Elementary and secondary regular instruction	18,190,771	13,719,694
Vocational education instruction	188,712	139,854
Special education instruction	9,175,453	6,964,002
Instructional support services	3,296,190	2,623,095
Pupil support services	4,033,285	3,034,585
Sites and buildings	4,823,508	4,722,976
Fiscal and other fixed cost programs	333,884	296,544
Food service	2,139,738	2,041,581
Community service	2,036,031	1,918,753
Depreciation/amortization not allocated to other functions	1,565,447	1,478,380
Interest and fiscal charges	726,870	960,391
Total expenses	<u>50,478,443</u>	<u>41,417,860</u>
Change in net position	13,387,490	14,141,628
Net position – beginning, as previously reported	(4,074,061)	(18,215,689)
Change in accounting principle	154,440	–
Net position – beginning, restated	<u>(3,919,621)</u>	<u>(18,215,689)</u>
Net position – ending	<u>\$ 9,467,869</u>	<u>\$ (4,074,061)</u>

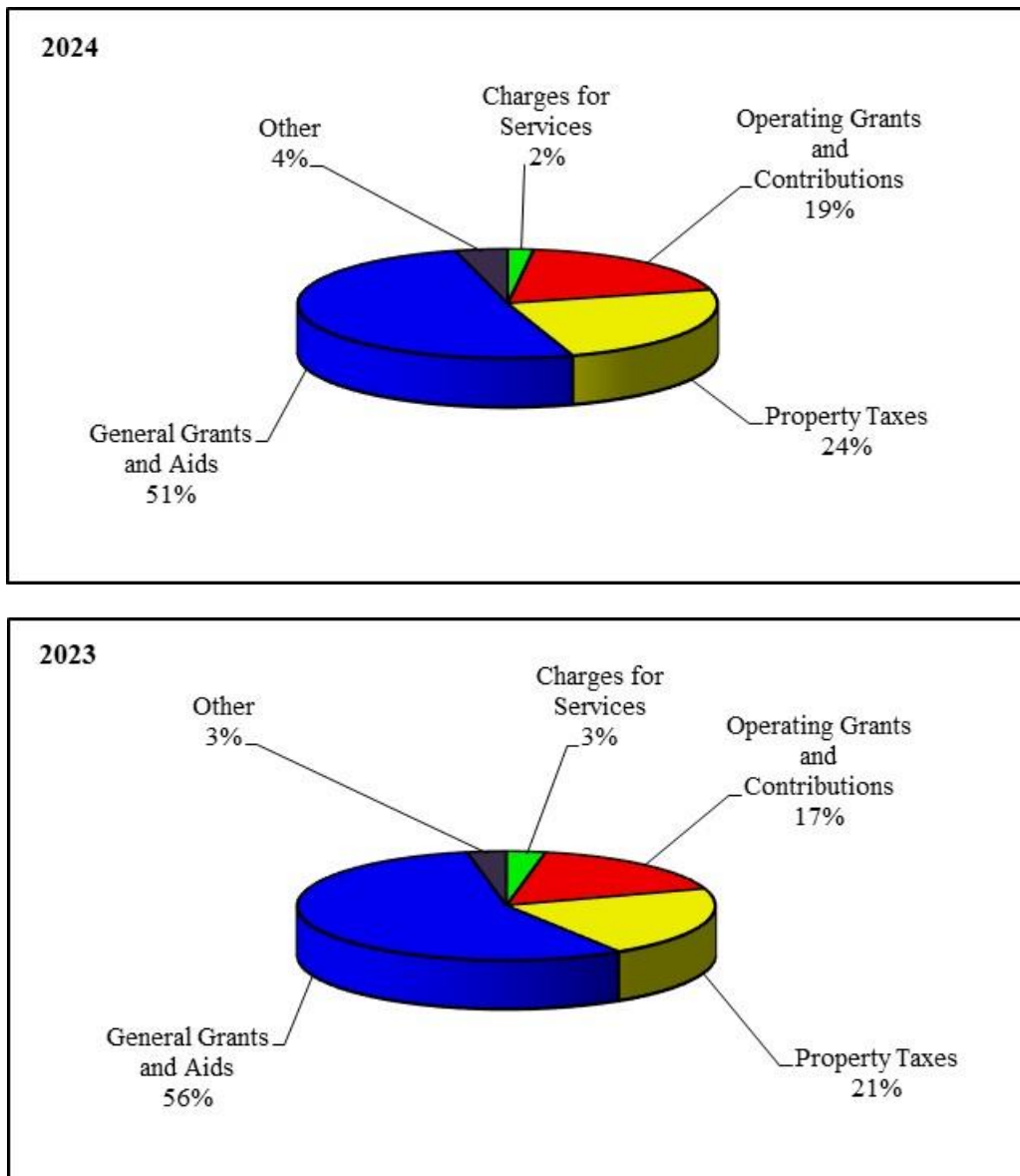
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Revenues increased by \$8,306,445 in the current year. The District recognized more special education funding and more state funding for child nutrition contributing to the increase in operating grants and contributions. The increase in the voter and School Board-approved levy contributed to the change in property taxes. Additional funding for basic skills increased general grants and aids. Other revenues were up largely in investment earnings with improved returns on cash and investments held by the District.

Expenses were up due primarily to changes in state-wide pension plans, increases in medical claims benefits, and natural inflationary increases. Spending for contracted services to provide support for unfilled positions also caused spending to exceed prior year levels.

Figure A shows further analysis of these revenue sources:

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

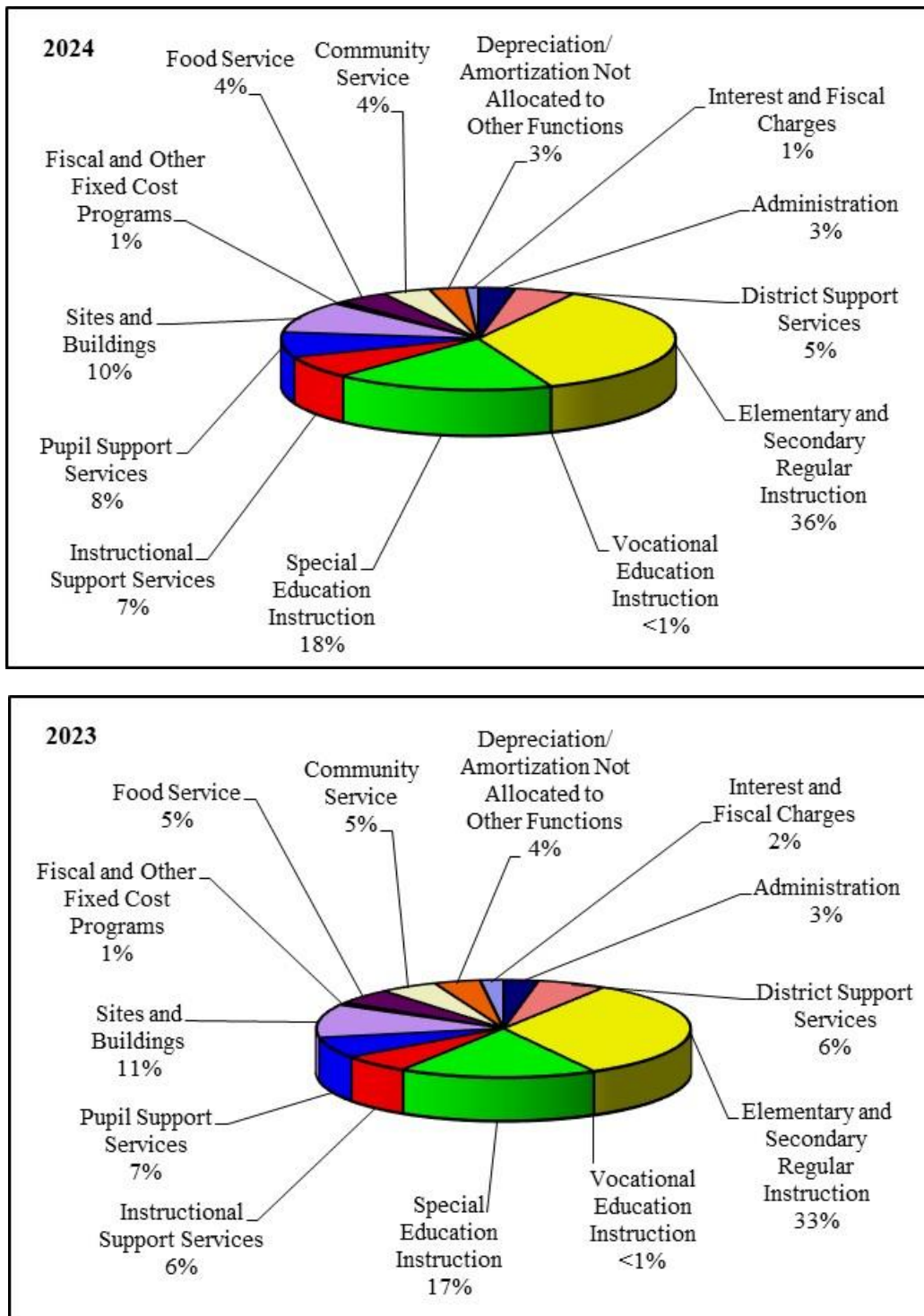


The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2024 and 2023



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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3 Governmental Fund Balances as of June 30, 2024 and 2023			
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Major funds			
General	\$ 14,051,663	\$ 9,689,470	\$ 4,362,193
Debt Service	820,156	841,031	(20,875)
Nonmajor funds			
Food Service Special Revenue	1,243,211	864,943	378,268
Community Service Special Revenue	<u>892,098</u>	<u>728,068</u>	<u>164,030</u>
Total governmental funds	<u>\$ 17,007,128</u>	<u>\$ 12,123,512</u>	<u>\$ 4,883,616</u>

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

At June 30, 2024, the District's governmental funds reported combined fund balances of \$17,007,128, an increase of \$4,883,616 in comparison with the prior year. Approximately 47.7 percent of this amount (\$8,114,647) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is: 1) not in spendable form (\$138,002), 2) restricted for particular purposes (\$5,975,878), or 3) assigned for particular purposes (\$2,778,601).

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

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

Table 4 General Fund Budget				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenue	<u>\$ 51,856,256</u>	<u>\$ 53,161,193</u>	<u>\$ 1,304,937</u>	<u>2.5%</u>
Expenditures	<u>\$ 49,525,209</u>	<u>\$ 50,276,329</u>	<u>\$ 751,120</u>	<u>1.5%</u>

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

Table 5 summarizes the operating results of the General Fund:

Table 5 General Fund Operating Results					
	<u>2024 Actual</u>	<u>Over (Under)</u> <u>Final Budget</u>		<u>Over (Under)</u> <u>Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue	\$ 54,586,585	\$ 1,425,392	2.7%	\$ 7,253,737	15.3%
Expenditures	<u>50,265,635</u>	<u>(10,694)</u>	–%	<u>4,353,661</u>	9.5%
Excess of revenue over expenditures	4,320,950	1,436,086		2,900,076	
Other financing sources	<u>41,243</u>	<u>41,243</u>		<u>41,243</u>	
Net change in fund balances	<u>\$ 4,362,193</u>	<u>\$ 1,477,329</u>		<u>\$ 2,941,319</u>	

The fund balance of the General Fund increased \$4,362,193, compared to an increase of \$2,884,864 approved in the final budget.

Several sources contributed to the favorable revenue variance over the amended projection. Property taxes and other local sources (including investment earnings) were over budget by \$132,065 and \$891,035, respectively. State sources were over budget by \$566,827, while federal sources were less than projections by \$164,535. The favorable variance in revenues was largely due to conservative budgeting and improved investment earnings. The increase in total revenue was largely in property taxes, state sources, and investment earnings. Property taxes were up as anticipated with the approved levy, with an increase in the voter-approved operating referendum recognized in the current year. State sources increased over the prior year with more special education and basic skills funding in fiscal 2024. Investment earnings continued to see growth increasing significantly for the second straight year.

General Fund expenditures were very close to budget, as seen in the previous table, with the variance spread across several programs and object categories. Expenditures increased from the prior year, with the majority of the increase in personnel costs for salary and employee benefits, along with more spending for purchased services, as anticipated in the approved budget. The largest variance to budget at the function level was in special education instruction. Spending in this function was approximately \$1 million over budget and over the prior year. The variance to budget and prior year was largely due to additional demand for personnel and purchased services spending. Favorable variances in district support services, elementary and secondary regular instruction, and instructional support services offset this variance in special education instruction.

Other financing sources were up compared to the prior year. The District reported proceeds from the sale of capital assets and a small insurance recovery in the current year that didn't occur last year.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS

Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. Debt Service Fund revenues were less than expenditures by \$20,875 in the current year. The year-end fund balance of \$820,156 at June 30, 2024 is available for meeting future debt service obligations.

Other Governmental Funds

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing fund balance by \$378,268, compared to a planned fund balance reduction of \$88,010. This favorable variance was largely a result of conservative budget assumptions and increased program participation with free meals provided for all students in the current year.

The Community Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing fund balance by \$164,030, compared to a planned fund balance decrease of \$64,853. Program participation surpassed conservative budget assumptions contributing to the favorable increase in fund balance.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains internal service funds to account for the District's self-insured dental plan, the District's self-insured medical plan, and the District's OPEB obligations.

The combined total net position balance for the internal service funds as of June 30, 2024 was \$6,574,165. Current year operations increased net position by \$1,646,056, mainly in the Medical Self-Insurance Fund and Other Post-Employment Benefits Fund.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

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

Table 6 Capital Assets			
	2024	2023	Change
Land	\$ 1,646,893	\$ 1,646,893	\$ —
Buildings	56,174,515	56,174,515	—
Building improvements	6,480,230	6,360,654	119,576
Furniture and equipment	6,548,191	5,653,386	894,805
Technology subscriptions	242,429	242,429	—
Less accumulated depreciation/amortization	(31,950,649)	(30,385,202)	(1,565,447)
Total	<u>\$ 39,141,609</u>	<u>\$ 39,692,675</u>	<u>\$ (551,066)</u>
Depreciation/amortization expense	<u>\$ 1,565,447</u>	<u>\$ 1,478,380</u>	<u>\$ 87,067</u>

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

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2024, including the capital spending in the General Fund.

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

The District defines capital assets as those with an initial, individual cost of \$3,000 or more, which benefit more than one fiscal year.

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

Long-Term Liabilities

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

Table 7 Outstanding Long-Term Liabilities			
	2024	2023	Change
General obligation bonds payable	\$ 18,305,000	\$ 20,605,000	\$ (2,300,000)
Certificates of participation	4,145,000	4,450,000	(305,000)
Unamortized premium/discount	2,190,075	2,546,718	(356,643)
Financed purchase payable	—	85,201	(85,201)
Compensated absences payable	196,973	177,426	19,547
Net pension liability	30,558,510	33,109,388	(2,550,878)
Total OPEB liability	5,655,004	5,435,808	219,196
Total	<u>\$ 61,050,562</u>	<u>\$ 66,409,541</u>	<u>\$ (5,358,979)</u>

The decreases in bonds, certificates of participation, and financed purchase payable in the table above are due to the planned repayment schedules reflecting principal payments during fiscal year 2024. The scheduled amortization of bond premium/discount contributed to the decrease in this category of long-term debt.

The difference in the net pension liability reflects the change in the District's proportionate share of the state-wide pension obligations for the PERA and the TRA. The change in the total OPEB liability was due, in part, to assumption changes used to calculate this obligation.

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

Table 8 Limitations on Debt	
District's market value	\$ 2,357,655,550
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 353,648,333</u>

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

These financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Services Department, Special School District No. 6, 104 – 5th Avenue South, South St. Paul, Minnesota 55075.

BASIC FINANCIAL STATEMENTS

SPECIAL SCHOOL DISTRICT NO. 6

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

	Governmental Activities	
	2024	2023
Assets		
Cash and temporary investments	\$ 33,407,497	\$ 27,333,868
Receivables		
Current taxes	8,758,828	8,542,930
Delinquent taxes	212,604	155,127
Accounts and interest	231,676	116,029
Due from other governmental units	5,203,388	5,482,970
Inventory	34,339	13,875
Prepaid items	103,663	—
Restricted assets		
Cash and investments for OPEB	5,086,663	4,717,877
Capital assets		
Not depreciated/amortized	1,646,893	1,646,893
Depreciated/amortized, net	37,494,716	38,045,782
Total capital assets, net of accumulated depreciation/amortization	<u>39,141,609</u>	<u>39,692,675</u>
Total assets	92,180,267	86,055,351
Deferred outflows of resources		
Pension plan deferments	7,040,601	9,535,752
OPEB plan deferments	563,752	418,699
Total deferred outflows of resources	<u>7,604,353</u>	<u>9,954,451</u>
Total assets and deferred outflows of resources	<u>\$ 99,784,620</u>	<u>\$ 96,009,802</u>
Liabilities		
Salaries payable	\$ 3,129,943	\$ 2,674,119
Accounts and contracts payable	1,029,221	973,082
Accrued interest payable	392,757	516,952
Due to other governmental units	449,727	501,042
Unearned revenue	798,689	906,810
Claims incurred, but not reported	765,425	416,666
Long-term liabilities		
Due within one year	3,358,821	3,381,810
Due in more than one year	57,691,741	63,027,731
Total long-term liabilities	<u>61,050,562</u>	<u>66,409,541</u>
Total liabilities	67,616,324	72,398,212
Deferred inflows of resources		
Property taxes levied for subsequent year	14,593,342	14,641,887
Pension plan deferments	4,606,616	8,961,442
OPEB plan deferments	3,500,469	4,082,322
Total deferred inflows of resources	<u>22,700,427</u>	<u>27,685,651</u>
Net position		
Net investment in capital assets	14,501,534	12,090,957
Restricted for		
Capital asset acquisition	1,842,241	1,869,072
Debt service	478,893	384,896
Food service	1,243,211	864,943
Community service	895,555	732,998
Other purposes (state funding restrictions)	1,316,174	1,138,662
Unrestricted	(10,809,739)	(21,155,589)
Total net position	<u>9,467,869</u>	<u>(4,074,061)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 99,784,620</u>	<u>\$ 96,009,802</u>

SPECIAL SCHOOL DISTRICT NO. 6

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

Functions/Programs	2024			2023	
	Expenses	Program Revenues		Net (Expense)	Net (Expense)
		Charges for	Operating	Revenue and	Revenue and
				Changes in	Changes in
		Services	Grants and	Net Position	Net Position
			Contributions	Governmental	Governmental
				Activities	Activities
Governmental activities					
Administration	\$ 1,378,956	\$ —	\$ —	\$ (1,378,956)	\$ (1,118,524)
District support services	2,589,598	—	—	(2,589,598)	(2,399,481)
Elementary and secondary regular instruction	18,190,771	443,775	581,276	(17,165,720)	(12,553,286)
Vocational education instruction	188,712	—	—	(188,712)	(139,854)
Special education instruction	9,175,453	101,911	7,951,342	(1,122,200)	(704,418)
Instructional support services	3,296,190	—	—	(3,296,190)	(2,623,095)
Pupil support services	4,033,285	—	60,276	(3,973,009)	(2,977,574)
Sites and buildings	4,823,508	18,782	—	(4,804,726)	(4,674,522)
Fiscal and other fixed cost programs	333,884	—	—	(333,884)	(296,544)
Food service	2,139,738	94,700	2,379,473	334,435	24,317
Community service	2,036,031	957,028	913,847	(165,156)	(69,208)
Depreciation/amortization not allocated to other functions	1,565,447	—	—	(1,565,447)	(1,478,380)
Interest and fiscal charges	726,870	—	—	(726,870)	(960,391)
Total governmental activities	<u>\$ 50,478,443</u>	<u>\$ 1,616,196</u>	<u>\$ 11,886,214</u>	(36,976,033)	(29,970,960)
General revenues					
Taxes					
Property taxes, levied for general purposes				11,476,251	7,911,050
Property taxes, levied for community service				422,541	514,983
Property taxes, levied for debt service				3,251,873	3,022,028
General grants and aids				32,513,703	31,261,422
Other general revenues				854,164	445,963
Investment earnings				1,844,991	957,142
Total general revenues				<u>50,363,523</u>	<u>44,112,588</u>
Change in net position				13,387,490	14,141,628
Net position – beginning, as previously reported				(4,074,061)	(18,215,689)
Change in accounting principle				154,440	—
Net position – beginning, restated				<u>(3,919,621)</u>	<u>(18,215,689)</u>
Net position – ending				<u>\$ 9,467,869</u>	<u>\$ (4,074,061)</u>

SPECIAL SCHOOL DISTRICT NO. 6

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

	General Fund	Debt Service Fund	Nonmajor Funds
	<u>General Fund</u>	<u>Service Fund</u>	<u>Nonmajor Funds</u>
Assets			
Cash and temporary investments	\$ 17,547,474	\$ 2,143,603	\$ 2,353,338
Receivables			
Current taxes	6,722,623	1,892,080	144,125
Delinquent taxes	157,744	47,853	7,007
Accounts and interest	44,431	—	4,993
Due from other governmental units	5,003,482	4	199,902
Inventory	—	—	34,339
Prepaid items	103,663	—	—
	<u>103,663</u>	<u>—</u>	<u>—</u>
Total assets	<u>\$ 29,579,417</u>	<u>\$ 4,083,540</u>	<u>\$ 2,743,704</u>
Liabilities			
Salaries payable	\$ 3,065,778	\$ —	\$ 64,165
Accounts and contracts payable	1,009,385	—	19,836
Due to other governmental units	190,873	—	258,854
Unearned revenue	82,753	—	15,250
Total liabilities	<u>4,348,789</u>	<u>—</u>	<u>358,105</u>
Deferred inflows of resources			
Unavailable revenue – delinquent taxes	72,894	22,946	3,457
Property taxes levied for subsequent year	11,106,071	3,240,438	246,833
Total deferred inflows of resources	<u>11,178,965</u>	<u>3,263,384</u>	<u>250,290</u>
Fund balances			
Nonspendable	103,663	—	34,339
Restricted	3,054,752	820,156	2,100,970
Assigned	2,778,601	—	—
Unassigned	8,114,647	—	—
Total fund balances	<u>14,051,663</u>	<u>820,156</u>	<u>2,135,309</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,579,417</u>	<u>\$ 4,083,540</u>	<u>\$ 2,743,704</u>

Total Governmental Funds	
2024	2023
\$ 22,044,415	\$ 17,024,236
8,758,828	8,542,930
212,604	155,127
49,424	29,514
5,203,388	5,482,970
34,339	13,875
103,663	—
<u>\$ 36,406,661</u>	<u>\$ 31,248,652</u>
\$ 3,129,943	\$ 2,674,119
1,029,221	973,082
449,727	501,042
98,003	236,992
<u>4,706,894</u>	<u>4,385,235</u>
99,297	98,018
<u>14,593,342</u>	<u>14,641,887</u>
14,692,639	14,739,905
138,002	13,875
5,975,878	5,427,901
2,778,601	1,814,872
8,114,647	4,866,864
<u>17,007,128</u>	<u>12,123,512</u>
<u>\$ 36,406,661</u>	<u>\$ 31,248,652</u>

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SPECIAL SCHOOL DISTRICT NO. 6

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2024

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

	<u>2024</u>	<u>2023</u>
Total fund balances – governmental funds	\$ 17,007,128	\$ 12,123,512
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	71,092,258	70,077,877
Accumulated depreciation/amortization	(31,950,649)	(30,385,202)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
General obligation bonds payable	(18,305,000)	(20,605,000)
Certificates of participation	(4,145,000)	(4,450,000)
Unamortized premium/discount	(2,190,075)	(2,546,718)
Financed purchase payable	–	(85,201)
Compensated absences payable	(196,973)	(177,426)
Net pension liability	(30,558,510)	(33,109,388)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(392,757)	(516,952)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	6,574,165	4,928,109
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	7,040,601	9,535,752
Deferred inflows of resources – pension plan deferments	(4,606,616)	(8,961,442)
Deferred inflows of resources – unavailable revenue – delinquent taxes	99,297	98,018
Total net position – governmental activities	<u>\$ 9,467,869</u>	<u>\$ (4,074,061)</u>

SPECIAL SCHOOL DISTRICT NO. 6

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

	General Fund	Debt Service Fund	Nonmajor Funds
Revenue			
Local sources			
Property taxes	\$ 11,468,447	\$ 3,256,925	\$ 424,014
Investment earnings	752,478	102,048	107,615
Other	1,377,389	—	1,051,728
State sources	37,789,940	37	1,656,378
Federal sources	3,198,331	—	1,636,942
Total revenue	<u>54,586,585</u>	<u>3,359,010</u>	<u>4,876,677</u>
Expenditures			
Current			
Administration	1,544,709	—	—
District support services	2,638,121	—	—
Elementary and secondary regular instruction	21,289,124	—	—
Vocational education instruction	222,710	—	—
Special education instruction	10,357,404	—	—
Instructional support services	3,685,082	—	—
Pupil support services	4,184,415	—	—
Sites and buildings	5,492,162	—	—
Fiscal and other fixed cost programs	333,884	—	—
Food service	—	—	2,147,702
Community service	—	—	2,170,243
Capital outlay	—	—	16,434
Debt service			
Principal	390,201	2,300,000	—
Interest and fiscal charges	127,823	1,079,885	—
Total expenditures	<u>50,265,635</u>	<u>3,379,885</u>	<u>4,334,379</u>
Excess (deficiency) of revenue over expenditures	4,320,950	(20,875)	542,298
Other financing sources (uses)			
Refunding debt issued	—	—	—
Premium on issuance of debt	—	—	—
Payments to refunded bond escrow agent	—	—	—
Insurance recovery	23,939	—	—
Sale of capital assets	17,304	—	—
Total other financing sources (uses)	<u>41,243</u>	<u>—</u>	<u>—</u>
Net change in fund balances	4,362,193	(20,875)	542,298
Fund balances			
Beginning of year	<u>9,689,470</u>	<u>841,031</u>	<u>1,593,011</u>
End of year	<u>\$ 14,051,663</u>	<u>\$ 820,156</u>	<u>\$ 2,135,309</u>

See notes to basic financial statements

Total Governmental Funds	
2024	2023
\$ 15,149,386	\$ 11,441,313
962,141	535,929
2,429,117	2,381,822
39,446,355	34,983,338
4,835,273	5,632,661
<u>62,822,272</u>	<u>54,975,063</u>
1,544,709	1,459,459
2,638,121	2,457,096
21,289,124	19,985,908
222,710	201,508
10,357,404	9,306,173
3,685,082	3,392,309
4,184,415	3,379,409
5,492,162	4,912,021
333,884	296,544
2,147,702	2,044,708
2,170,243	2,200,791
16,434	17,628
2,690,201	2,234,245
1,207,708	1,415,278
<u>57,979,899</u>	<u>53,303,077</u>
4,842,373	1,671,986
—	9,365,000
—	630,187
—	(9,920,000)
23,939	—
17,304	—
<u>41,243</u>	<u>75,187</u>
4,883,616	1,747,173
12,123,512	10,376,339
<u>\$ 17,007,128</u>	<u>\$ 12,123,512</u>

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SPECIAL SCHOOL DISTRICT NO. 6

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2024

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

	<u>2024</u>	<u>2023</u>
Total net change in fund balances – governmental funds	\$ 4,883,616	\$ 1,747,173
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation/amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	859,941	311,093
Depreciation/amortization expense	(1,565,447)	(1,478,380)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
	–	(9,365,000)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	2,300,000	11,775,000
Certificates of participation	305,000	295,000
Financed purchase payable	85,201	84,245
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.		
	356,643	(203,157)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Compensated absences payable	(19,547)	(27,901)
Net pension liability	2,550,878	(14,609,761)
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	124,195	27,857
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	1,646,056	2,211,046
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(2,495,151)	(1,072,638)
Deferred inflows of resources – pension plan deferments	4,354,826	24,440,303
Deferred inflows of resources – unavailable revenue – delinquent taxes	<u>1,279</u>	<u>6,748</u>
Change in net position – governmental activities	<u>\$ 13,387,490</u>	<u>\$ 14,141,628</u>

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SPECIAL SCHOOL DISTRICT NO. 6

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

	<u>Budgeted Amounts</u>			<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenue				
Local sources				
Property taxes	\$ 11,574,482	\$ 11,336,382	\$ 11,468,447	\$ 132,065
Investment earnings	—	500,000	752,478	252,478
Other	738,832	738,832	1,377,389	638,557
State sources	36,345,218	37,223,113	37,789,940	566,827
Federal sources	<u>3,197,724</u>	<u>3,362,866</u>	<u>3,198,331</u>	<u>(164,535)</u>
Total revenue	51,856,256	53,161,193	54,586,585	1,425,392
Expenditures				
Current				
Administration	1,469,173	1,469,173	1,544,709	75,536
District support services	2,833,715	2,954,182	2,638,121	(316,061)
Elementary and secondary regular instruction	21,603,703	21,864,840	21,289,124	(575,716)
Vocational education instruction	191,192	191,431	222,710	31,279
Special education instruction	9,332,991	9,332,991	10,357,404	1,024,413
Instructional support services	3,854,954	4,022,313	3,685,082	(337,231)
Pupil support services	3,962,483	4,064,401	4,184,415	120,014
Sites and buildings	5,423,711	5,423,711	5,492,162	68,451
Fiscal and other fixed cost programs	333,540	433,540	333,884	(99,656)
Debt service				
Principal	388,295	388,295	390,201	1,906
Interest and fiscal charges	<u>131,452</u>	<u>131,452</u>	<u>127,823</u>	<u>(3,629)</u>
Total expenditures	49,525,209	50,276,329	50,265,635	(10,694)
Excess of revenue over expenditures	2,331,047	2,884,864	4,320,950	1,436,086
Other financing sources				
Insurance recovery	—	—	23,939	23,939
Sale of capital assets	<u>—</u>	<u>—</u>	<u>17,304</u>	<u>17,304</u>
Total other financing sources	<u>—</u>	<u>—</u>	<u>41,243</u>	<u>41,243</u>
Net change in fund balances	<u>\$ 2,331,047</u>	<u>\$ 2,884,864</u>	4,362,193	<u>\$ 1,477,329</u>
Fund balances				
Beginning of year			<u>9,689,470</u>	
End of year			<u>\$ 14,051,663</u>	

SPECIAL SCHOOL DISTRICT NO. 6

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

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and temporary investments	\$ 11,363,082	\$ 10,309,632
Receivables		
Accounts and interest	<u>182,252</u>	<u>86,515</u>
Total current assets	<u>11,545,334</u>	<u>10,396,147</u>
Noncurrent assets		
Restricted assets		
Investments	<u>5,086,663</u>	<u>4,717,877</u>
Total assets	<u>16,631,997</u>	<u>15,114,024</u>
Deferred outflows of resources		
OPEB plan deferments	563,752	418,699
Liabilities		
Current liabilities		
Unearned revenue	700,686	669,818
Claims incurred, but not reported	765,425	416,666
Total OPEB liability	<u>496,848</u>	<u>514,183</u>
Total current liabilities	<u>1,962,959</u>	<u>1,600,667</u>
Noncurrent liabilities		
Total OPEB liability (net of current portion)	<u>5,158,156</u>	<u>4,921,625</u>
Total liabilities	<u>7,121,115</u>	<u>6,522,292</u>
Deferred inflows of resources		
OPEB plan deferments	<u>3,500,469</u>	<u>4,082,322</u>
Net position		
Unrestricted	<u><u>\$ 6,574,165</u></u>	<u><u>\$ 4,928,109</u></u>

SPECIAL SCHOOL DISTRICT NO. 6

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

	<u>2024</u>	<u>2023</u>
Operating revenue		
Contributions from governmental funds	\$ 7,652,499	\$ 7,399,833
Operating expenses		
Dental benefit claims	306,925	289,434
Medical benefit claims	6,703,963	5,499,654
OPEB	(121,595)	(179,088)
Total operating expenses	<u>6,889,293</u>	<u>5,610,000</u>
Operating income	763,206	1,789,833
Nonoperating revenue		
Investment earnings	<u>882,850</u>	<u>421,213</u>
Change in net position	1,646,056	2,211,046
Net position		
Beginning of year	<u>4,928,109</u>	<u>2,717,063</u>
End of year	<u><u>\$ 6,574,165</u></u>	<u><u>\$ 4,928,109</u></u>

SPECIAL SCHOOL DISTRICT NO. 6

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

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$ 7,587,630	\$ 7,406,053
Payment for dental claims	(287,839)	(290,051)
Payment for medical claims	(6,374,290)	(5,376,315)
Post-employment benefit payments	<u>(386,115)</u>	<u>(213,167)</u>
Net cash flows from operating activities	539,386	1,526,520
Cash flows from investing activities		
Purchase of investments	(368,786)	(144,490)
Interest on investments	<u>882,850</u>	<u>421,213</u>
Net cash flows from investing activities	<u>514,064</u>	<u>276,723</u>
Net change in cash and cash equivalents	1,053,450	1,803,243
Cash and cash equivalents		
Beginning of year	<u>10,309,632</u>	<u>8,506,389</u>
End of year	<u><u>\$ 11,363,082</u></u>	<u><u>\$ 10,309,632</u></u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 763,206	\$ 1,789,833
Adjustments to reconcile operating income to cash flows from operating activities		
Changes in assets, liabilities, and deferred outflows/inflows		
Accounts and interest receivable	(95,737)	27,879
Deferred outflows – OPEB plan deferments	(145,053)	55,714
Unearned revenue	30,868	(21,659)
Claims incurred, but not reported	348,759	122,722
Total OPEB liability	219,196	(1,803,211)
Deferred inflows – OPEB plan deferments	<u>(581,853)</u>	<u>1,355,242</u>
Net cash flows from operating activities	<u><u>\$ 539,386</u></u>	<u><u>\$ 1,526,520</u></u>

SPECIAL SCHOOL DISTRICT NO. 6

Notes to Basic Financial Statements June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Special School District No. 6 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

D. Fund Financial Statement Presentation

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

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

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Proceeds of long-term debt and acquisitions under leases are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term obligations, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Description of Funds

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

Major Governmental Funds

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

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

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to account for the District's child nutrition program.

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

Proprietary Funds

Internal Service Funds – Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's internal service funds are used to account for dental and medical insurance benefits offered by the District to its employees as a self-insured plan and for the payment and financing of its other post-employment benefits (OPEB) liabilities, including the administration of assets held in a revocable trust to finance these liabilities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end.

Actual expenditures exceeded final appropriations in the current year by \$124,654 in the Food Service Special Revenue Fund, by \$107,116 in the Community Service Special Revenue Fund, and by \$275 in the Debt Service Fund. These variances were funded by revenues in excess of budget.

F. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements, such as a trust agreement. Restricted assets are reported only in the government-wide and proprietary (internal service) fund financial statements. Restricted assets include balances held in segregated accounts that are established for specific purposes. In the Internal Service Fund, this represents assets held in a revocable trust established to finance the District's liability for other post-employment insurance benefits. Interest earned on these investments is allocated directly to these accounts.

G. Cash and Temporary Investments

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Receivables

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

I. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food and surplus commodities received from the federal government. Purchased food inventory is recorded at cost on a first-in, first-out basis. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

J. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$290,523 of the property tax levy collectible in 2024 as revenue to the District in fiscal year 2023–2024. The remaining portion of the taxes collectible in 2024 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

K. Subscription-Based Information Technology Arrangements (SBITAs)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. SBITA capital assets are recorded based on the measurement of any subscription liability plus the payments due to a SBITA vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard. The District defines capital assets as those with an initial, individual cost of \$3,000 or more, which benefit more than one fiscal year. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if cost of the assets is considered significant in the aggregate. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is considered for depreciation purposes. Useful lives vary from 20 to 50 years for buildings and building improvements, and 5 to 20 years for furniture and equipment. SBITAs are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. Land is not depreciated.

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

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

N. Compensated Absences

Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued when earned in the government-wide financial statements. 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, due to employee termination or similar circumstances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. State-Wide Pension Plans

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

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

P. Deferred Outflows/Inflows of Resources

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

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

Property taxes levied for subsequent years, which represents property taxes received or reported as a receivable before the period for which the taxes are levied, are reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the governmental funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied, and in the governmental fund financial statements during the year for which they are levied, if available.

Unavailable revenue from property taxes arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position

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

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

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

R. Fund Balance Classifications

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

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

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

When committed, assigned, or unassigned resources are available for use, it is the District’s policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned. The District’s policy includes an exception to defer spending out of other categories and spend unassigned resources first if fund balances need to be preserved to facilitate future expenditure plans.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Risk Management and Self-Insurance

- 1. General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. As part of the insurance renewal process and available coverage limits for cyber and privacy liability there was a reduction in this one area of the District's insurance coverage in the current fiscal year.
- 2. Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

The District makes premium payments that include both employer and employee contributions to the internal service funds on behalf of program participants based on 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 of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported. Because actual claim liabilities depend on complex factors, such as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not necessarily result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balance of dental claim liabilities for the past two years were as follows:

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2023	\$ 12,370	\$ 289,434	\$ 290,051	\$ 11,753
2024	\$ 11,753	\$ 306,925	\$ 287,839	\$ 30,839

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2023	\$ 281,574	\$ 5,499,654	\$ 5,376,315	\$ 404,913
2024	\$ 404,913	\$ 6,703,963	\$ 6,374,290	\$ 734,586

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Use of Estimates

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

U. Prior Period Comparative Financial Information/Reclassification

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

V. Deficit Net Position

As of June 30, 2024, the District has a net position deficit of \$3,505,058 in its Other Post-Employment Benefits Internal Service Fund. This deficit will be eliminated through contributions and investment earnings.

W. Change in Accounting Principle

During the year ended June 30, 2024, the District implemented new accounting guidance for capitalizing purchases of groups of similar assets. This recent change in authoritative literature, which provides new guidance on accounting and financial reporting for capital assets, requires a government to capitalize groups of similar assets purchased at or near the same time, that are individually below the District's capitalization threshold, if the aggregate cost is significant. In prior periods, the District only capitalized assets whose individual cost exceeded the capitalization policy threshold. Certain amounts necessary to fully restate prior fiscal years financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new guidance resulted in the District reporting certain groups of similar capital assets acquired in previous years and accumulated depreciation thereon, increasing beginning net position by \$154,440 in the government-wide financial statements in the current year. See Note 3 for additional details on this change in the current year.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

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

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

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

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

At year-end, the carrying amount and bank balance of the District’s deposits was \$7,171. At June 30, 2024, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

B. Investments

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

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the District’s investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. For assets held in the District’s revocable OPEB trust accounted for in its OPEB Internal Service Fund, the investment options available to the District are expanded to include the investment types specified in Minnesota Statutes § 356A.06, Subd. 7. The District’s investment policies do not further restrict investing in specific financial instruments.

The following table presents the District’s deposit and investment balances, and information relating to potential investment risks:

Investment Type	Credit Risk		Fair Value Measurements	Interest Risk – Maturity Duration in Years				Total
	Rating	Agency		Less Than 1	1 to 5	5 to 10	Over 10	
U.S. treasury note	N/A	N/A	Level 1	\$ 29,387	\$ 258,976	\$ 279,088	\$ 177,337	\$ 744,788
FNMA	AA	S&P	Level 1	\$ 24,107	\$ –	\$ –	\$ –	24,107
Mortgage-backed securities	AAA	Moody’s	Level 1	\$ –	\$ –	\$ 50,334	\$ –	50,334
Corporate obligations	AA	S&P	Level 1	\$ –	\$ 27,947	\$ –	\$ 55,961	83,908
Corporate obligations	A	S&P	Level 1	\$ –	\$ 124,633	\$ 99,681	\$ 56,171	280,485
Corporate obligations	BBB	S&P	Level 1	\$ 92,980	\$ 66,008	\$ 211,412	\$ 44,027	414,427
Corporate obligations	BAA	Moody’s	Level 1	\$ 29,481	\$ 48,326	\$ –	\$ –	77,807
Equities	N/R	N/R	Level 1	N/A	N/A	N/A	N/A	2,318,550
Investment pools/mutual funds								
Mutual funds	N/R	N/R	Level 1	N/A	N/A	N/A	N/A	897,893
Real estate investment trust	N/R	N/R	Level 2	N/A	N/A	N/A	N/A	25,033
Real asset funds	N/R	N/R	Level 2	N/A	N/A	N/A	N/A	169,331
Minnesota School District								
Liquid Asset Fund (MSDLAF)								
Liquid Class	AAA	S&P	Amortized cost	N/A	N/A	N/A	N/A	20,811,909
MAX Class	AAA	S&P	Amortized cost	N/A	N/A	N/A	N/A	12,588,417
Total investments								38,486,989
Total deposits								7,171
Total deposits and investments								\$ 38,494,160

N/A – Not Applicable

N/R – Not Rated

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

Deposits and investments are included on the basic financial statements as follows:

Statement of Net Position	
Cash and temporary investments	\$ 33,407,497
Restricted assets	
Cash and investments for OPEB	<u>5,086,663</u>
Total deposits and investments	<u><u>\$ 38,494,160</u></u>

NOTE 3 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Change in Accounting Principle *	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated/amortized					
Land	\$ 1,646,893	\$ –	\$ –	\$ –	\$ 1,646,893
Capital assets, depreciated/amortized					
Buildings	56,174,515	–	–	–	56,174,515
Building improvements	6,360,654	–	119,576	–	6,480,230
Furniture and equipment	5,653,386	154,440	740,365	–	6,548,191
Technology subscriptions	242,429	–	–	–	242,429
Total capital assets, depreciated/amortized	<u>68,430,984</u>	<u>154,440</u>	<u>859,941</u>	<u>–</u>	<u>69,445,365</u>
Less accumulated depreciation/amortization for					
Buildings	(23,175,734)	–	(932,549)	–	(24,108,283)
Building improvements	(3,589,803)	–	(247,919)	–	(3,837,722)
Furniture and equipment	(3,571,179)	–	(336,493)	–	(3,907,672)
Technology subscriptions	(48,486)	–	(48,486)	–	(96,972)
Total accumulated depreciation/amortization	<u>(30,385,202)</u>	<u>–</u>	<u>(1,565,447)</u>	<u>–</u>	<u>(31,950,649)</u>
Net capital assets, depreciated/amortized	<u>38,045,782</u>	<u>154,440</u>	<u>(705,506)</u>	<u>–</u>	<u>37,494,716</u>
Total capital assets, net	<u><u>\$ 39,692,675</u></u>	<u><u>\$ 154,440</u></u>	<u><u>\$ (705,506)</u></u>	<u><u>\$ –</u></u>	<u><u>\$ 39,141,609</u></u>

* The change in accounting principle was required by new guidance in financial reporting on group purchases of assets implemented in the current year.

Capital assets of the District are used by multiple functions; therefore, depreciation and amortization expense for the year is reported as “depreciation/amortization not allocated to other functions” in the Statement of Activities.

NOTE 4 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
General obligation bonds payable					
Series 2015A – Capital Facilities	04/09/2015	2.00%	\$ 1,520,000	02/01/2025	\$ 165,000
Series 2021A – Refunding	12/02/2021	5.00%	\$ 12,610,000	02/01/2029	9,030,000
Series 2022A – Refunding	11/17/2022	4.00–5.00%	\$ 9,365,000	02/01/2033	9,110,000
Total general obligation bonds payable					<u>\$ 18,305,000</u>

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

B. Certificates of Participation Payable

The District currently has the following certificates of participation outstanding:

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2019A Certificates of Participation	12/30/2019	2.00–4.00%	\$ 5,265,000	04/01/2035	<u>\$ 4,145,000</u>

The certificates of participation were issued to finance the acquisition and renovation of a building for educational programming purposes. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on the certificates. The certificates of participation are being paid by the General Fund.

C. Financed Purchase Payable

The District had one financed purchase outstanding during the current year for computers. The final payment on this five-year agreement was made by the General Fund in the current year.

D. Other Long-Term Liabilities

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

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

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

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA	\$ 5,228,415	\$ 1,631,170	\$ 1,866,041	\$ 518,375
TRA	25,330,095	5,409,431	2,740,575	(2,282,347)
Total	<u>\$ 30,558,510</u>	<u>\$ 7,040,601</u>	<u>\$ 4,606,616</u>	<u>\$ (1,763,972)</u>

E. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation	
	Principal	Interest	Principal	Interest
2025	\$ 2,345,000	\$ 874,100	\$ 320,000	\$ 114,194
2026	2,655,000	761,800	335,000	101,394
2027	2,690,000	629,050	345,000	87,994
2028	1,810,000	494,550	360,000	74,194
2029	1,905,000	404,050	375,000	59,794
2030–2034	6,900,000	756,450	1,985,000	180,306
2035	—	—	425,000	9,562
	<u>\$ 18,305,000</u>	<u>\$ 3,920,000</u>	<u>\$ 4,145,000</u>	<u>\$ 627,438</u>

F. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
General obligation bonds payable	\$ 20,605,000	\$ —	\$ 2,300,000	\$ 18,305,000	\$ 2,345,000
Certificates of participation	4,450,000	—	305,000	4,145,000	320,000
Unamortized premium/discount	2,546,718	—	356,643	2,190,075	—
Financed purchase payable	85,201	—	85,201	—	—
Compensated absences payable	177,426	462,236	442,689	196,973	196,973
Net pension liability	33,109,388	4,595,068	7,145,946	30,558,510	—
Total OPEB liability	<u>5,435,808</u>	<u>457,946</u>	<u>238,750</u>	<u>5,655,004</u>	<u>496,848</u>
	<u>\$ 66,409,541</u>	<u>\$ 5,515,250</u>	<u>\$ 10,874,229</u>	<u>\$ 61,050,562</u>	<u>\$ 3,358,821</u>

NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report. When applicable, certain restrictions, which have an accumulated deficit balance at June 30 are included in unassigned fund balance in the District's financial statements in accordance with accounting principles generally accepted in the United States of America. A description of these deficit balance restrictions is included herein since the District has specific authority to future resources for such deficits.

A. Classifications

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

	General Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable				
Inventory	\$ –	\$ –	\$ 34,339	\$ 34,339
Prepaid items	103,663	–	–	103,663
Total nonspendable	103,663	–	34,339	138,002
Restricted				
Student activities	281,724	–	–	281,724
Staff development	140,375	–	–	140,375
Capital projects levy	221,680	–	–	221,680
American Indian education aid	17,896	–	–	17,896
Operating capital	1,109,948	–	–	1,109,948
Area learning center	110,521	–	–	110,521
Gifted and talented	107,608	–	–	107,608
Safe schools levy	173,607	–	–	173,607
Long-term facilities maintenance	510,613	–	–	510,613
Medical Assistance	31,842	–	–	31,842
Debt reduction	281,336	–	–	281,336
Flexible benefits	67,602	–	–	67,602
Debt service	–	820,156	–	820,156
Food service	–	–	1,208,872	1,208,872
Community education programs	–	–	583,974	583,974
Early childhood family education programs	–	–	195,478	195,478
School readiness	–	–	8,825	8,825
Adult basic education	–	–	103,821	103,821
Total restricted	3,054,752	820,156	2,100,970	5,975,878
Assigned				
Alternative teacher performance pay system (ATPPS)	103,601	–	–	103,601
Curriculum	1,000,000	–	–	1,000,000
Staff development	75,000	–	–	75,000
Construction	200,000	–	–	200,000
Building maintenance	1,000,000	–	–	1,000,000
Technology replacement	400,000	–	–	400,000
Total assigned	2,778,601	–	–	2,778,601
Unassigned	8,114,647	–	–	8,114,647
Total	\$ 14,051,663	\$ 820,156	\$ 2,135,309	\$ 17,007,128

NOTE 5 – FUND BALANCES (CONTINUED)

B. Minimum Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes that the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent of the annual budget. At June 30, 2024, the unassigned fund balance of the General Fund was 16.1 percent of fiscal 2024 actual expenditures.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

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

B. Benefits Provided

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

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

1. GERS Benefits

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. TRA Benefits

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

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

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

Tier I Benefits

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

With these provisions:

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

Tier II Benefits

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

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

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employee and employer contributions. Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2024, were \$561,297. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

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

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2024, were \$1,832,305. The District's contributions were equal to the required contributions for each year as set by state statutes.

The following is a reconciliation of employer contributions in the TRA's fiscal year 2023 Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position to the employer contributions used in the Schedule of Employer and Nonemployer Pension Allocations:

	<i>in thousands</i>
Employer contributions reported in the TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	\$ 508,764
Add employer contributions not related to future contribution efforts	(87)
Deduct the TRA's contributions not included in allocation	(643)
Total employer contributions	508,034
Total nonemployer contributions	35,587
Total contributions reported in the Schedule of Employer and Nonemployer Allocations	\$ 543,621

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

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2024, the District reported a liability of \$5,228,415 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$144,163. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.0935 percent at the end of the measurement period and 0.0933 percent for the beginning of the period.

District's proportionate share of the net pension liability	\$ 5,228,415
State's proportionate share of the net pension liability associated with the District	<u>144,163</u>
Total	<u><u>\$ 5,372,578</u></u>

For the year ended June 30, 2024, the District recognized pension expense of \$517,727 for its proportionate share of the GERF's pension expense. The District also recognized an additional \$648 as pension expense and grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 171,615	\$ 34,668
Changes in actuarial assumptions	815,915	1,433,064
Net collective difference between projected and actual investment earnings on pension plan investments	–	106,032
Changes in proportion	82,343	292,277
District's contributions to the GERF subsequent to the measurement date	<u>561,297</u>	<u>–</u>
Total	<u><u>\$ 1,631,170</u></u>	<u><u>\$ 1,866,041</u></u>

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

The \$561,297 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ (96,723)
2026	\$ (710,622)
2027	\$ 124,599
2028	\$ (113,422)

2. TRA Pension Costs

At June 30, 2024, the District reported a liability of \$25,330,095 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.3068 percent at the end of the measurement period and 0.3212 percent for the beginning of the period.

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

District's proportionate share of the net pension liability	\$ 25,330,095
State's proportionate share of the net pension liability associated with the District	<u>1,774,387</u>
Total	<u><u>\$ 27,104,482</u></u>

For the year ended June 30, 2024, the District recognized a negative pension expense of \$2,532,195. It also recognized \$249,848 as an increase to pension expense for the support provided by direct aid.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 281,328	\$ 383,907
Changes in actuarial assumptions	3,221,472	–
Net collective difference between projected and actual investment earnings on pension plan investments	–	274,692
Changes in proportion	74,326	2,081,976
District's contributions to the TRA subsequent to the measurement date	1,832,305	–
Total	<u>\$ 5,409,431</u>	<u>\$ 2,740,575</u>

A total of \$1,832,305 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ (170,856)
2026	\$ (722,068)
2027	\$ 2,569,666
2028	\$ (601,649)
2029	\$ (238,542)

E. Long-Term Expected Return on Investment

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

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

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

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

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

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

1. GERF

The long-term rate of return on pension plan investments used in the determination of the total liability is 7.00 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.00 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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

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

2. TRA

Salary increases were based on a service-related table.

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

Cost of living benefit increases after retirement for retirees are assumed to be 1.00 percent for January 2019 through January 2024, then increasing by 0.10 percent each year, up to 1.50 percent annually.

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

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

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

1. GERF

CHANGES IN PLAN PROVISIONS

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

CHANGES IN ACTUARIAL ASSUMPTIONS

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

- The normal retirement age for active and eligible Tier II members will be 65 effective July 1, 2024.
- The employer contribution rate will increase from 8.75 percent to 9.50 percent on July 1, 2025.
- The employee contribution rate will increase from 7.75 percent to 8.00 percent on July 1, 2025.
- The pension adjustment rate for school districts and the base budgets for MnSCU, Perpich Center for Arts Education, and Minnesota academies will increase to reflect the 0.75 percent employer contribution rate increase.

G. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2023 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

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

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

H. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed on the preceding page, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.00%	7.00%	8.00%
District's proportionate share of the GERF net pension liability	\$ 9,249,487	\$ 5,228,415	\$ 1,920,931
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	\$ 40,399,639	\$ 25,330,095	\$ 12,993,839

I. Pension Plan Fiduciary Net Position

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

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

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

A. Plan Description

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

All retirees of the District upon retirement have the option under state law to continue their medical insurance coverage through the District. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical and/or dental insurance from the time of retirement until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit, with some contracts specifying a certain dollar amount per month, and some covering premium costs as defined within each collective bargaining agreement. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District's contributions in the current year totaled \$386,115 as required on a pay-as-you-go basis to finance current year benefits as described in the previous section. The District has established a separate Internal Service Fund to finance these OPEB obligations.

D. Membership

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

Retirees and beneficiaries receiving benefits	89
Active plan members	<u>401</u>
Total members	<u><u>490</u></u>

E. Total OPEB Liability of the District

The District's total OPEB liability of \$5,655,004 as of year-end was measured as of July 1, 2023 and was determined by an actuarial valuation as of July 1, 2022.

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

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.90%
20-year municipal bond yield	3.90%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.25% grading to 5.00% over 5 years, and then 4.00% over the next 48 years

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.

The retirement and withdrawal assumptions used to value GASB Statement No. 75 liabilities are similar to those used to value pension liabilities for Minnesota school district employees. The rates are based on the TRA of Minnesota actuarial experience study for the period July 1, 2014 through June 30, 2018.

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

G. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Beginning balance	\$ 5,435,808
Changes for the year	
Service cost	246,048
Interest cost	211,898
Assumption changes	(25,583)
Benefit payments	<u>(213,167)</u>
Total net changes	<u>219,196</u>
Ending balance	<u><u>\$ 5,655,004</u></u>

Changes in actuarial assumptions since the prior measurement date include the following:

- The discount rate was changed from 3.80 percent to 3.90 percent.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**H. Total OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes**

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB discount rate	2.90%	3.90%	4.90%
Total OPEB liability	\$ 5,957,630	\$ 5,655,004	\$ 5,367,029

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

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
Healthcare trend rate	5.25% grading to 4.00%, then 3.00%	6.25% grading to 5.00%, then 4.00%	7.25% grading to 6.00%, then 5.00%
Total OPEB liability	\$ 5,350,894	\$ 5,655,004	\$ 6,010,261

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

For the current year ended, the District recognized a negative OPEB expense of \$121,595. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ —	\$ 2,587,689
Changes in actuarial assumptions	177,637	912,780
District's contributions subsequent to the measurement date	386,115	—
Total	<u>\$ 563,752</u>	<u>\$ 3,500,469</u>

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

A total of \$386,115 reported as deferred outflows of resources related to OPEB contributions, subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	OPEB Expense Amount
2025	\$ (579,541)
2026	\$ (579,541)
2027	\$ (579,541)
2028	\$ (579,541)
2029	\$ (579,537)
Thereafter	\$ (425,131)

NOTE 8 – FLEXIBLE BENEFIT PLAN

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

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

Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund and special revenue funds.

Amounts withheld for medical reimbursement and dependent care are accounted for by a district employee who serves as the plan administrator. Payments are made to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the employee. The medical reimbursement and dependent care activity are included in the General Fund.

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

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

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.

B. Legal Claims

The District had 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 lawsuits are not presently determinable, the District believes that the resolution of these matters will not have a material adverse effect on its financial position.

C. Purchase Power Commitment

During fiscal year 2021, the District entered into a solar power purchase agreement with IPS Solar DG Solar A, LLC. The District is committed to purchasing all of the annual delivered energy generated by the system for a period of 20 years and additional 3 terms of 5 years from the commercial operation date and continues for the duration of the initial term and any additional terms. In return, the District will receive bill credits associated with the energy production.

NOTE 10 – SUBSEQUENT EVENTS

The District entered into a lease agreement for interactive displays with accessories and services. The final agreement was signed in October of 2024 and requires a monthly payment of \$4,188 for 60 months. Upon completion of the final payment, the lease includes a \$1 purchase option to transfer title of the equipment to the District.

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REQUIRED SUPPLEMENTARY INFORMATION

SPECIAL SCHOOL DISTRICT NO. 6

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2024

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.1107%	\$ 5,200,131	\$ —	\$ 5,200,131	\$ 5,796,603	89.71%	78.70%
06/30/2016	06/30/2015	0.1091%	\$ 5,654,128	\$ —	\$ 5,654,128	\$ 6,328,547	89.34%	78.20%
06/30/2017	06/30/2016	0.1074%	\$ 8,720,346	\$ 113,888	\$ 8,834,234	\$ 6,666,940	130.80%	68.90%
06/30/2018	06/30/2017	0.1108%	\$ 7,073,396	\$ 88,931	\$ 7,162,327	\$ 7,141,483	99.05%	75.90%
06/30/2019	06/30/2018	0.1093%	\$ 6,063,516	\$ 198,744	\$ 6,262,260	\$ 7,332,178	82.70%	79.50%
06/30/2020	06/30/2019	0.1122%	\$ 6,203,286	\$ 192,825	\$ 6,396,111	\$ 7,939,979	78.13%	80.20%
06/30/2021	06/30/2020	0.1095%	\$ 6,565,025	\$ 202,484	\$ 6,767,509	\$ 7,816,070	83.99%	79.10%
06/30/2022	06/30/2021	0.0900%	\$ 3,843,402	\$ 117,435	\$ 3,960,837	\$ 6,488,932	59.23%	87.00%
06/30/2023	06/30/2022	0.0933%	\$ 7,389,391	\$ 216,555	\$ 7,605,946	\$ 6,989,076	105.73%	76.70%
06/30/2024	06/30/2023	0.0935%	\$ 5,228,415	\$ 144,163	\$ 5,372,578	\$ 7,437,227	70.30%	83.10%

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2024

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 474,641	\$ 474,641	\$ —	\$ 6,328,547	7.50%
06/30/2016	\$ 499,908	\$ 499,908	\$ —	\$ 6,666,940	7.50%
06/30/2017	\$ 535,497	\$ 535,497	\$ —	\$ 7,141,483	7.50%
06/30/2018	\$ 549,688	\$ 549,688	\$ —	\$ 7,332,178	7.50%
06/30/2019	\$ 595,495	\$ 595,495	\$ —	\$ 7,939,979	7.50%
06/30/2020	\$ 585,902	\$ 585,902	\$ —	\$ 7,816,070	7.50%
06/30/2021	\$ 486,506	\$ 486,506	\$ —	\$ 6,488,932	7.50%
06/30/2022	\$ 524,137	\$ 524,137	\$ —	\$ 6,989,076	7.50%
06/30/2023	\$ 557,792	\$ 557,792	\$ —	\$ 7,437,227	7.50%
06/30/2024	\$ 561,297	\$ 561,297	\$ —	\$ 7,483,960	7.50%

SPECIAL SCHOOL DISTRICT NO. 6

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2024

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.3819%	\$ 17,597,677	\$ 1,238,076	\$ 18,835,753	\$ 17,434,323	100.94%	81.50%
06/30/2016	06/30/2015	0.3716%	\$ 22,987,135	\$ 2,819,725	\$ 25,806,860	\$ 18,878,949	121.76%	76.80%
06/30/2017	06/30/2016	0.3670%	\$ 87,538,256	\$ 8,785,747	\$ 96,324,003	\$ 19,304,901	453.45%	44.88%
06/30/2018	06/30/2017	0.3669%	\$ 73,239,894	\$ 7,080,446	\$ 80,320,340	\$ 19,744,761	370.93%	51.57%
06/30/2019	06/30/2018	0.3489%	\$ 21,914,186	\$ 2,059,012	\$ 23,973,198	\$ 19,279,005	113.67%	78.07%
06/30/2020	06/30/2019	0.3560%	\$ 22,691,515	\$ 2,008,105	\$ 24,699,620	\$ 20,206,696	112.30%	78.21%
06/30/2021	06/30/2020	0.3523%	\$ 26,028,396	\$ 2,181,119	\$ 28,209,515	\$ 20,470,746	127.15%	75.48%
06/30/2022	06/30/2021	0.3349%	\$ 14,656,225	\$ 1,235,935	\$ 15,892,160	\$ 20,040,978	73.13%	86.63%
06/30/2023	06/30/2022	0.3212%	\$ 25,719,997	\$ 1,907,256	\$ 27,627,253	\$ 19,851,392	129.56%	76.17%
06/30/2024	06/30/2023	0.3068%	\$ 25,330,095	\$ 1,774,387	\$ 27,104,482	\$ 19,509,333	129.84%	76.42%

Teachers Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2024

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,415,929	\$ 1,415,929	\$ —	\$ 18,878,949	7.50%
06/30/2016	\$ 1,448,037	\$ 1,448,037	\$ —	\$ 19,304,901	7.50%
06/30/2017	\$ 1,481,077	\$ 1,481,077	\$ —	\$ 19,744,761	7.50%
06/30/2018	\$ 1,445,979	\$ 1,445,979	\$ —	\$ 19,279,005	7.50%
06/30/2019	\$ 1,557,835	\$ 1,557,835	\$ —	\$ 20,206,696	7.71%
06/30/2020	\$ 1,621,284	\$ 1,621,284	\$ —	\$ 20,470,746	7.92%
06/30/2021	\$ 1,629,325	\$ 1,629,325	\$ —	\$ 20,040,978	8.13%
06/30/2022	\$ 1,655,615	\$ 1,655,615	\$ —	\$ 19,851,392	8.34%
06/30/2023	\$ 1,668,048	\$ 1,668,048	\$ —	\$ 19,509,333	8.55%
06/30/2024	\$ 1,832,305	\$ 1,832,305	\$ —	\$ 20,940,629	8.75%

SPECIAL SCHOOL DISTRICT NO. 6

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Total
OPEB Liability and Related Ratios
Year Ended June 30, 2024

	District Fiscal Year-End Date						
	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 442,920	\$ 444,251	\$ 489,454	\$ 403,634	\$ 435,373	\$ 242,657	\$ 246,048
Interest cost	311,019	316,347	292,396	274,215	170,032	154,598	211,898
Assumption changes	–	(218,512)	193,824	(724,418)	102,740	(475,233)	(25,583)
Plan changes	–	337,912	–	–	–	–	–
Differences between expected and actual experience	–	(1,402,059)	–	(1,395,345)	–	(1,484,247)	–
Benefit payments	(586,475)	(610,891)	(333,430)	(464,018)	(235,442)	(240,986)	(213,167)
Net change in total OPEB liability	167,464	(1,132,952)	642,244	(1,905,932)	472,703	(1,803,211)	219,196
Total OPEB liability – beginning balance	8,995,492	9,162,956	8,030,004	8,672,248	6,766,316	7,239,019	5,435,808
Total OPEB liability – ending balance	<u>\$ 9,162,956</u>	<u>\$ 8,030,004</u>	<u>\$ 8,672,248</u>	<u>\$ 6,766,316</u>	<u>\$ 7,239,019</u>	<u>\$ 5,435,808</u>	<u>\$ 5,655,004</u>
Covered-employee payroll	<u>\$24,641,269</u>	<u>\$24,372,096</u>	<u>\$25,103,259</u>	<u>\$24,421,664</u>	<u>\$25,154,314</u>	<u>\$24,398,605</u>	<u>\$25,130,563</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>37.19%</u>	<u>32.95%</u>	<u>34.55%</u>	<u>27.71%</u>	<u>28.78%</u>	<u>22.28%</u>	<u>22.50%</u>

Note 1: The District has not established a trust fund to finance GASB Statement No. 75 related benefits.

Note 2: The District implemented GASB Statement No. 75 in fiscal 2018. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

SPECIAL SCHOOL DISTRICT NO. 6

Notes to Required Supplementary Information June 30, 2024

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2023 CHANGES IN PLAN PROVISIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2020 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The normal retirement age for active and eligible Tier II members will be 65 effective July 1, 2024.
- The employer contribution rate will increase from 8.75 percent to 9.50 percent on July 1, 2025.
- The employee contribution rate will increase from 7.75 percent to 8.00 percent on July 1, 2025.
- The pension adjustment rate for school districts and the base budgets for MnSCU, Perpich Center for Arts Education, and Minnesota academies will increase to reflect the 0.75 percent employer contribution rate increase.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The COLA was assumed to increase from 2.00 percent annually to 2.50 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50 percent, but remain at 2.00 percent for all future years.
- Adjustments were made to the CSA loads. The active load was reduced from 1.40 percent to zero percent, the vested inactive load increased from 4.00 percent to 7.00 percent, and the nonvested inactive load increased from 4.00 percent to 9.00 percent.

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.80 percent to 3.90 percent.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates, mortality tables, salary increase rates for nonteachers, and withdrawal rates were updated.
- The discount rate was changed from 2.10 percent to 3.80 percent.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.40 percent to 2.10 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2020 CHANGES IN PLAN PROVISIONS

- The post-employment medical subsidy for meet and confer nonunion employees hired after July 1, 2020 changed to \$150 per month payable to the earlier of 10 years or Medicare eligibility and \$100 per month for the subsequent 5 years.
- The post-employment medical subsidy for principals and directors hired after January 1, 2020 changed to \$7,500 (no increase post-employment) payable to the earlier of 5 years or Medicare eligibility.
- Since these changes only impact new hires, the impact on the accrued liability as of the valuation date is \$0.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates, mortality tables, salary increase rates, and percentage of future retirees eligible for a subsidy who are assumed to continue on one of the District's medical plans post-employment were updated.
- The discount rate was changed from 3.10 percent to 2.40 percent.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.50 percent to 3.10 percent.

2018 CHANGES IN PLAN PROVISIONS

- An early retirement incentive of \$5,000 per year paid to a healthcare savings plan, payable until the earlier of five years or Medicare eligibility (or a one-time payment of \$5,000 if already eligible for Medicare), was elected by nine teachers who retired by June 30, 2019. The retirement rates for these nine teachers were adjusted to assume all retire on July 1, 2019.
- The director of community education now has the same post-employment subsidies as other directors. Her eligibility start date for these post-employment subsidies is July 1, 2017.
- The post-employment subsidies for principals hired after July 1, 2004 are no longer frozen at retirement.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40 percent to 3.50 percent.
- The percentage of future retired custodians, meet and confer nonunion employees without special agreements, office professional employees, and support staff eligible for a subsidy who are assumed to continue on one of the District's medical plans post-employment, was changed from 100 percent to 75 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.50 percent to 3.40 percent.

SUPPLEMENTARY INFORMATION

SPECIAL SCHOOL DISTRICT NO. 6

Nonmajor Governmental Funds
Combining Balance Sheet
as of June 30, 2024

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	\$ 1,170,231	\$ 1,183,107	\$ 2,353,338
Receivables			
Current taxes	–	144,125	144,125
Delinquent taxes	–	7,007	7,007
Accounts and interest	–	4,993	4,993
Due from other governmental units	65,472	134,430	199,902
Inventory	34,339	–	34,339
Total assets	<u>\$ 1,270,042</u>	<u>\$ 1,473,662</u>	<u>\$ 2,743,704</u>
Liabilities			
Salaries payable	\$ 4,724	\$ 59,441	\$ 64,165
Accounts and contracts payable	6,857	12,979	19,836
Due to other governmental units	–	258,854	258,854
Unearned revenue	15,250	–	15,250
Total liabilities	<u>26,831</u>	<u>331,274</u>	<u>358,105</u>
Deferred inflows of resources			
Unavailable revenue – delinquent taxes	–	3,457	3,457
Property taxes levied for subsequent year	–	246,833	246,833
Total deferred inflows of resources	<u>–</u>	<u>250,290</u>	<u>250,290</u>
Fund balances			
Nonspendable	34,339	–	34,339
Restricted	1,208,872	892,098	2,100,970
Total fund balances	<u>1,243,211</u>	<u>892,098</u>	<u>2,135,309</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,270,042</u>	<u>\$ 1,473,662</u>	<u>\$ 2,743,704</u>

SPECIAL SCHOOL DISTRICT NO. 6

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2024

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	\$ —	\$ 424,014	\$ 424,014
Investment earnings	55,014	52,601	107,615
Other	94,700	957,028	1,051,728
State sources	760,149	896,229	1,656,378
Federal sources	1,619,324	17,618	1,636,942
Total revenue	2,529,187	2,347,490	4,876,677
Expenditures			
Current			
Food service	2,147,702	—	2,147,702
Community service	—	2,170,243	2,170,243
Capital outlay	3,217	13,217	16,434
Total expenditures	2,150,919	2,183,460	4,334,379
Net change in fund balances	378,268	164,030	542,298
Fund balances			
Beginning of year	864,943	728,068	1,593,011
End of year	\$ 1,243,211	\$ 892,098	\$ 2,135,309

SPECIAL SCHOOL DISTRICT NO. 6

General Fund
Comparative Balance Sheet
as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 17,547,474	\$ 12,888,468
Receivables		
Current taxes	6,722,623	6,374,533
Delinquent taxes	157,744	103,488
Accounts and interest	44,431	10,579
Due from other governmental units	5,003,482	5,292,268
Prepaid items	<u>103,663</u>	<u>—</u>
Total assets	<u><u>\$ 29,579,417</u></u>	<u><u>\$ 24,669,336</u></u>
Liabilities		
Salaries payable	\$ 3,065,778	\$ 2,614,781
Accounts and contracts payable	1,009,385	930,221
Due to other governmental units	190,873	191,277
Unearned revenue	<u>82,753</u>	<u>211,653</u>
Total liabilities	4,348,789	3,947,932
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	72,894	65,090
Property taxes levied for subsequent year	<u>11,106,071</u>	<u>10,966,844</u>
Total deferred inflows of resources	11,178,965	11,031,934
Fund balances		
Nonspendable for prepaid items	103,663	—
Restricted for student activities	281,724	260,569
Restricted for staff development	140,375	161,344
Restricted for capital projects levy	221,680	299,870
Restricted for American Indian education aid	17,896	—
Restricted for operating capital	1,109,948	1,140,270
Restricted for area learning center	110,521	—
Restricted for gifted and talented	107,608	112,803
Restricted for safe schools levy	173,607	216,711
Restricted for long-term facilities maintenance	510,613	428,932
Restricted for Medical Assistance	31,842	91,711
Restricted for debt reduction	281,336	251,503
Restricted for flexible benefits	67,602	44,021
Assigned for ATPPS program	103,601	39,872
Assigned for curriculum	1,000,000	1,000,000
Assigned for staff development	75,000	75,000
Assigned for construction	200,000	200,000
Assigned for building maintenance	1,000,000	100,000
Assigned for technology replacement	400,000	400,000
Unassigned	<u>8,114,647</u>	<u>4,866,864</u>
Total fund balances	<u><u>14,051,663</u></u>	<u><u>9,689,470</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 29,579,417</u></u>	<u><u>\$ 24,669,336</u></u>

SPECIAL SCHOOL DISTRICT NO. 6

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 11,336,382	\$ 11,468,447	\$ 132,065	\$ 7,905,472
Investment earnings	500,000	752,478	252,478	344,998
Other	738,832	1,377,389	638,557	1,197,719
State sources	37,223,113	37,789,940	566,827	33,952,732
Federal sources	3,362,866	3,198,331	(164,535)	3,931,927
Total revenue	<u>53,161,193</u>	<u>54,586,585</u>	<u>1,425,392</u>	<u>47,332,848</u>
Expenditures				
Current				
Administration	1,469,173	1,544,709	75,536	1,459,459
District support services	2,954,182	2,638,121	(316,061)	2,457,096
Elementary and secondary regular instruction	21,864,840	21,289,124	(575,716)	19,985,908
Vocational education instruction	191,431	222,710	31,279	201,508
Special education instruction	9,332,991	10,357,404	1,024,413	9,306,173
Instructional support services	4,022,313	3,685,082	(337,231)	3,392,309
Pupil support services	4,064,401	4,184,415	120,014	3,379,409
Sites and buildings	5,423,711	5,492,162	68,451	4,912,021
Fiscal and other fixed cost programs	433,540	333,884	(99,656)	296,544
Debt service				
Principal	388,295	390,201	1,906	379,245
Interest and fiscal charges	131,452	127,823	(3,629)	142,302
Total expenditures	<u>50,276,329</u>	<u>50,265,635</u>	<u>(10,694)</u>	<u>45,911,974</u>
Excess of revenue over expenditures	2,884,864	4,320,950	1,436,086	1,420,874
Other financing sources				
Insurance recovery	—	23,939	23,939	—
Sale of capital assets	—	17,304	17,304	—
Total other financing sources	<u>—</u>	<u>41,243</u>	<u>41,243</u>	<u>—</u>
Net change in fund balances	<u>\$ 2,884,864</u>	<u>4,362,193</u>	<u>\$ 1,477,329</u>	<u>1,420,874</u>
Fund balances				
Beginning of year		<u>9,689,470</u>		<u>8,268,596</u>
End of year		<u>\$ 14,051,663</u>		<u>\$ 9,689,470</u>

SPECIAL SCHOOL DISTRICT NO. 6

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 1,170,231	\$ 958,156
Receivables		
Accounts and interest	—	4,581
Due from other governmental units	65,472	72,642
Inventory	<u>34,339</u>	<u>13,875</u>
Total assets	<u><u>\$ 1,270,042</u></u>	<u><u>\$ 1,049,254</u></u>
Liabilities		
Salaries payable	\$ 4,724	\$ 3,965
Accounts and contracts payable	6,857	22,819
Due to other governmental units	—	132,188
Unearned revenue	<u>15,250</u>	<u>25,339</u>
Total liabilities	26,831	184,311
Fund balances		
Nonspendable for inventory	34,339	13,875
Restricted for food service	<u>1,208,872</u>	<u>851,068</u>
Total fund balances	<u><u>1,243,211</u></u>	<u><u>864,943</u></u>
Total liabilities and fund balances	<u><u>\$ 1,270,042</u></u>	<u><u>\$ 1,049,254</u></u>

SPECIAL SCHOOL DISTRICT NO. 6

Food Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024		2023
	Budget	Actual	Over (Under) Budget
			Actual
Revenue			
Local sources			
Investment earnings	\$ —	\$ 55,014	\$ 55,014
Other – primarily meal sales	22,827	94,700	71,873
State sources	530,960	760,149	229,189
Federal sources	1,384,468	1,619,324	234,856
Total revenue	<u>1,938,255</u>	<u>2,529,187</u>	<u>590,932</u>
Expenditures			
Current			
Salaries	576,493	539,742	(36,751)
Employee benefits	211,359	179,012	(32,347)
Purchased services	192,300	170,711	(21,589)
Supplies and materials	878,983	1,095,077	216,094
Other expenditures	142,130	163,160	21,030
Capital outlay	25,000	3,217	(21,783)
Total expenditures	<u>2,026,265</u>	<u>2,150,919</u>	<u>124,654</u>
Net change in fund balances	<u>\$ (88,010)</u>	378,268	<u>\$ 466,278</u>
Fund balances			
Beginning of year		<u>864,943</u>	<u>822,309</u>
End of year		<u>\$ 1,243,211</u>	<u>\$ 864,943</u>

SPECIAL SCHOOL DISTRICT NO. 6

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 1,183,107	\$ 1,019,226
Receivables		
Current taxes	144,125	249,368
Delinquent taxes	7,007	7,613
Accounts and interest	4,993	14,354
Due from other governmental units	<u>134,430</u>	<u>118,060</u>
Total assets	<u><u>\$ 1,473,662</u></u>	<u><u>\$ 1,408,621</u></u>
Liabilities		
Salaries payable	\$ 59,441	\$ 55,373
Accounts and contracts payable	12,979	20,042
Due to other governmental units	<u>258,854</u>	<u>177,577</u>
Total liabilities	331,274	252,992
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	3,457	4,930
Property taxes levied for subsequent year	<u>246,833</u>	<u>422,631</u>
Total deferred inflows of resources	250,290	427,561
Fund balances		
Restricted for community education programs	583,974	544,783
Restricted for early childhood family education programs	195,478	116,798
Restricted for school readiness	8,825	13,332
Restricted for adult basic education	<u>103,821</u>	<u>53,155</u>
Total fund balances	<u><u>892,098</u></u>	<u><u>728,068</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 1,473,662</u></u>	<u><u>\$ 1,408,621</u></u>

SPECIAL SCHOOL DISTRICT NO. 6

Community Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 422,611	\$ 424,014	\$ 1,403	\$ 514,776
Investment earnings	—	52,601	52,601	28,693
Other – primarily tuition and fees	671,466	957,028	285,562	819,414
State sources	900,114	896,229	(3,885)	915,611
Federal sources	17,300	17,618	318	114,520
Total revenue	2,011,491	2,347,490	335,999	2,393,014
Expenditures				
Current				
Salaries	1,403,339	1,380,649	(22,690)	1,364,246
Employee benefits	510,885	456,101	(54,784)	517,982
Purchased services	110,075	280,595	170,520	222,245
Supplies and materials	48,650	51,241	2,591	94,920
Other expenditures	1,270	1,657	387	1,398
Capital outlay	2,125	13,217	11,092	13,368
Total expenditures	2,076,344	2,183,460	107,116	2,214,159
Net change in fund balances	\$ (64,853)	164,030	\$ 228,883	178,855
Fund balances				
Beginning of year		728,068		549,213
End of year		\$ 892,098		\$ 728,068

SPECIAL SCHOOL DISTRICT NO. 6

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 2,143,603	\$ 2,158,386
Receivables		
Current taxes	1,892,080	1,919,029
Delinquent taxes	47,853	44,026
Due from other governmental units	<u>4</u>	<u>—</u>
Total assets	<u>\$ 4,083,540</u>	<u>\$ 4,121,441</u>
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	\$ 22,946	\$ 27,998
Property taxes levied for subsequent year	<u>3,240,438</u>	<u>3,252,412</u>
Total deferred inflows of resources	3,263,384	3,280,410
Fund balances		
Restricted for debt service	<u>820,156</u>	<u>841,031</u>
Total deferred inflows of resources and fund balances	<u>\$ 4,083,540</u>	<u>\$ 4,121,441</u>

SPECIAL SCHOOL DISTRICT NO. 6

Debt Service Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 3,251,821	\$ 3,256,925	\$ 5,104	\$ 3,021,065
Investment earnings	—	102,048	102,048	136,534
State sources	—	37	37	—
Total revenue	<u>3,251,821</u>	<u>3,359,010</u>	<u>107,189</u>	<u>3,157,599</u>
Expenditures				
Debt service				
Principal	2,300,000	2,300,000	—	1,855,000
Interest	1,073,110	1,073,110	—	1,115,532
Fiscal charges and other	6,500	6,775	275	157,444
Total expenditures	<u>3,379,610</u>	<u>3,379,885</u>	<u>275</u>	<u>3,127,976</u>
Excess (deficiency) of revenue over expenditures	(127,789)	(20,875)	106,914	29,623
Other financing sources (uses)				
Refunding debt issued	—	—	—	9,365,000
Premium on issuance of debt	—	—	—	630,187
Payments to refunded bond escrow agent	—	—	—	(9,920,000)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>75,187</u>
Net change in fund balances	<u>\$ (127,789)</u>	<u>(20,875)</u>	<u>\$ 106,914</u>	<u>104,810</u>
Fund balances				
Beginning of year		<u>841,031</u>		<u>736,221</u>
End of year		<u>\$ 820,156</u>		<u>\$ 841,031</u>

SPECIAL SCHOOL DISTRICT NO. 6

Internal Service Funds
Combining Statement of Net Position
as of June 30, 2024
(With Comparative Totals as of June 30, 2023)

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits	Totals	
				2024	2023
Assets					
Current assets					
Cash and temporary investments	\$ 347,692	\$ 11,015,390	\$ —	\$ 11,363,082	\$ 10,309,632
Receivables					
Accounts and interest	3,270	178,982	—	182,252	86,515
Total current assets	350,962	11,194,372	—	11,545,334	10,396,147
Noncurrent assets					
Restricted assets					
Investments	—	—	5,086,663	5,086,663	4,717,877
Total assets	350,962	11,194,372	5,086,663	16,631,997	15,114,024
Deferred outflows of resources					
OPEB plan deferments	—	—	563,752	563,752	418,699
Liabilities					
Current liabilities					
Unearned revenue	935	699,751	—	700,686	669,818
Claims incurred, but not reported	30,839	734,586	—	765,425	416,666
Total OPEB liability	—	—	496,848	496,848	514,183
Total current liabilities	31,774	1,434,337	496,848	1,962,959	1,600,667
Noncurrent liabilities					
Total OPEB liability (net of current portion)	—	—	5,158,156	5,158,156	4,921,625
Total liabilities	31,774	1,434,337	5,655,004	7,121,115	6,522,292
Deferred inflows of resources					
OPEB plan deferments	—	—	3,500,469	3,500,469	4,082,322
Net position					
Unrestricted	\$ 319,188	\$ 9,760,035	\$ (3,505,058)	\$ 6,574,165	\$ 4,928,109

SPECIAL SCHOOL DISTRICT NO. 6

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

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits	Totals	
				2024	2023
Operating revenue					
Contributions from governmental funds	\$ 329,073	\$ 6,937,311	\$ 386,115	\$ 7,652,499	\$ 7,399,833
Operating expenses					
Dental benefit claims	306,925	—	—	306,925	289,434
Medical benefit claims	—	6,703,963	—	6,703,963	5,499,654
OPEB	—	—	(121,595)	(121,595)	(179,088)
Total operating expenses	<u>306,925</u>	<u>6,703,963</u>	<u>(121,595)</u>	<u>6,889,293</u>	<u>5,610,000</u>
Operating income	22,148	233,348	507,710	763,206	1,789,833
Nonoperating revenue					
Investment earnings	<u>15,133</u>	<u>498,931</u>	<u>368,786</u>	<u>882,850</u>	<u>421,213</u>
Change in net position	37,281	732,279	876,496	1,646,056	2,211,046
Net position					
Beginning of year	<u>281,907</u>	<u>9,027,756</u>	<u>(4,381,554)</u>	<u>4,928,109</u>	<u>2,717,063</u>
End of year	<u>\$ 319,188</u>	<u>\$ 9,760,035</u>	<u>\$ (3,505,058)</u>	<u>\$ 6,574,165</u>	<u>\$ 4,928,109</u>

SPECIAL SCHOOL DISTRICT NO. 6

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

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits	Total	
				2024	2023
Cash flows from operating activities					
Received from assessments made to other funds	\$ 329,216	\$ 6,872,299	\$ 386,115	\$ 7,587,630	\$ 7,406,053
Payment for dental claims	(287,839)	—	—	(287,839)	(290,051)
Payment for medical claims	—	(6,374,290)	—	(6,374,290)	(5,376,315)
Post-employment benefit payments	—	—	(386,115)	(386,115)	(213,167)
Net cash flows from operating activities	41,377	498,009	—	539,386	1,526,520
Cash flows from investing activities					
Purchase of investments	—	—	(368,786)	(368,786)	(144,490)
Interest on investments	15,133	498,931	368,786	882,850	421,213
Net cash flows from investing activities	15,133	498,931	—	514,064	276,723
Net change in cash and cash equivalents	56,510	996,940	—	1,053,450	1,803,243
Cash and cash equivalents					
Beginning of year	291,182	10,018,450	—	10,309,632	8,506,389
End of year	\$ 347,692	\$ 11,015,390	\$ —	\$ 11,363,082	\$ 10,309,632
Reconciliation of operating income to net cash flows from operating activities					
Operating income	\$ 22,148	\$ 233,348	\$ 507,710	\$ 763,206	\$ 1,789,833
Adjustments to reconcile operating income to net cash flows from operating activities					
Changes in assets, liabilities, and deferred outflows/inflows					
Accounts receivable	132	(95,869)	—	(95,737)	27,879
Deferred outflows – OPEB plan deferments	—	—	(145,053)	(145,053)	55,714
Unearned revenue	11	30,857	—	30,868	(21,659)
Claims incurred, but not reported	19,086	329,673	—	348,759	122,722
Total OPEB liability	—	—	219,196	219,196	(1,803,211)
Deferred inflows – OPEB plan deferments	—	—	(581,853)	(581,853)	1,355,242
Net cash flows from operating activities	\$ 41,377	\$ 498,009	\$ —	\$ 539,386	\$ 1,526,520

OTHER DISTRICT INFORMATION

(UNAUDITED)

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SPECIAL SCHOOL DISTRICT NO. 6

Government-Wide Revenue by Type
Last Ten Fiscal Years

Year Ended June 30,	Program Revenues		General Revenues			Total
	Charges for Services	Operating Grants and Contributions	Property Taxes	General Grants and Aids	Investment Earnings and Other	
2015	\$ 2,668,863 5%	\$ 6,909,688 15%	\$ 8,617,083 18%	\$ 28,799,116 61%	\$ 314,619 1%	\$ 47,309,369 100%
2016	2,679,050 5%	7,276,738 15%	8,644,541 18%	30,313,012 62%	120,499 —	49,033,840 100%
2017	2,593,395 5%	7,945,568 15%	9,068,563 18%	31,866,738 61%	641,089 1%	52,115,353 100%
2018	2,252,264 4%	8,030,824 16%	8,923,410 18%	31,301,712 61%	702,894 1%	51,211,104 100%
2019	2,056,463 4%	8,013,083 15%	10,221,464 20%	30,218,525 59%	903,820 2%	51,413,355 100%
2020	1,524,857 3%	8,560,643 16%	10,075,483 19%	31,125,163 59%	1,263,102 3%	52,549,248 100%
2021	656,790 1%	8,398,875 16%	10,671,559 21%	30,333,393 60%	937,358 2%	50,997,975 100%
2022	1,344,383 2%	9,972,164 18%	11,350,714 21%	31,249,407 58%	293,120 1%	54,209,788 100%
2023	1,935,859 3%	9,511,041 17%	11,448,061 21%	31,261,422 56%	1,403,105 3%	55,559,488 100%
2024	1,616,196 2%	11,886,214 19%	15,150,665 24%	32,513,703 51%	2,699,155 4%	63,865,933 100%

SPECIAL SCHOOL DISTRICT NO. 6

Government-Wide Expenses by Function
Last Ten Fiscal Years

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction	Instructional Support Services	Pupil Support Services
2015	\$ 1,033,622 2%	\$ 1,360,462 3%	\$ 19,102,239 40%	\$ 245,692 1%	\$ 7,330,447 16%	\$ 3,573,162 8%	\$ 2,093,948 4%
2016	1,153,014 2%	1,612,075 3%	20,230,015 41%	150,444 —	7,934,604 16%	3,743,950 8%	2,624,337 5%
2017	1,493,074 2%	1,788,939 3%	28,839,252 46%	251,888 1%	10,463,569 17%	4,493,422 7%	3,007,484 5%
2018	1,460,342 2%	1,803,755 3%	27,957,766 46%	252,554 1%	9,984,693 17%	4,517,900 7%	2,930,048 5%
2019	827,315 2%	1,816,877 5%	13,714,316 35%	107,757 —	5,586,492 14%	2,997,694 8%	2,640,535 7%
2020	1,225,243 2%	1,857,405 3%	22,905,668 42%	167,804 —	8,740,605 16%	4,233,607 8%	3,378,207 6%
2021	1,405,254 3%	1,961,638 4%	20,245,354 41%	165,690 —	8,710,089 17%	3,818,764 8%	2,654,632 5%
2022	1,260,499 3%	2,170,865 5%	18,216,885 39%	157,676 —	7,677,928 16%	3,136,782 7%	3,100,032 7%
2023	1,118,524 3%	2,399,481 6%	13,719,694 33%	139,854 —	6,964,002 17%	2,623,095 6%	3,034,585 7%
2024	1,378,956 3%	2,589,598 5%	18,190,771 36%	188,712 —	9,175,453 18%	3,296,190 7%	4,033,285 8%

Sites and Buildings	Fiscal and Other Fixed Cost Programs	Food Service	Community Service	Depreciation/ Amortization Not Allocated to Other Functions	Interest and Fiscal Charges	Total
\$ 5,899,085 12%	\$ 139,313 —	\$ 1,784,294 4%	\$ 2,547,479 5%	\$ 907,695 2%	\$ 1,343,443 3%	\$ 47,360,881 100%
5,130,866 10%	145,114 —	1,868,409 4%	2,278,869 5%	1,349,560 3%	1,277,194 3%	49,498,451 100%
4,803,238 8%	155,560 —	2,081,770 3%	2,759,987 4%	1,342,250 2%	1,219,318 2%	62,699,751 100%
4,527,741 8%	182,420 —	1,985,158 3%	2,693,355 4%	1,427,210 2%	1,197,044 2%	60,919,986 100%
4,912,325 12%	173,521 —	2,108,072 5%	2,118,791 5%	1,459,823 4%	1,054,808 3%	39,518,326 100%
4,741,466 9%	250,147 1%	2,267,479 4%	2,191,682 4%	1,460,300 3%	1,228,246 2%	54,647,859 100%
5,036,344 10%	267,833 1%	1,468,286 3%	1,696,144 3%	1,446,479 3%	1,120,550 2%	49,997,057 100%
4,435,491 9%	268,937 1%	1,999,919 4%	1,928,293 4%	1,439,096 3%	988,717 2%	46,781,120 100%
4,722,976 11%	296,544 1%	2,041,581 5%	1,918,753 5%	1,478,380 4%	960,391 2%	41,417,860 100%
4,823,508 10%	333,884 1%	2,139,738 4%	2,036,031 4%	1,565,447 3%	726,870 1%	50,478,443 100%

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SPECIAL SCHOOL DISTRICT NO. 6

General Fund Revenue by Source
Last Ten Fiscal Years

Year Ended June 30,	Local Property Taxes	State	Federal	Other Local	Total
2015	\$ 5,398,296 14%	\$ 32,342,678 81%	\$ 1,218,316 3%	\$ 916,987 2%	\$ 39,876,277 100%
2016	5,064,027 12%	34,259,165 83%	1,257,276 3%	844,992 2%	41,425,460 100%
2017	5,452,392 13%	35,121,981 82%	1,325,739 3%	1,007,095 2%	42,907,207 100%
2018	5,177,387 12%	35,710,305 82%	1,333,323 3%	1,139,108 3%	43,360,123 100%
2019	6,637,567 15%	35,976,601 79%	1,384,129 3%	1,209,319 3%	45,207,616 100%
2020	6,592,421 15%	35,626,546 79%	1,378,700 3%	1,193,262 3%	44,790,929 100%
2021	7,284,368 16%	34,077,775 77%	2,171,606 5%	888,058 2%	44,421,807 100%
2022	7,756,124 17%	33,603,981 72%	4,330,057 9%	1,014,983 2%	46,705,145 100%
2023	7,905,472 17%	33,952,732 72%	3,931,927 8%	1,542,717 3%	47,332,848 100%
2024	11,468,447 21%	37,789,940 69%	3,198,331 6%	2,129,867 4%	54,586,585 100%

SPECIAL SCHOOL DISTRICT NO. 6

General Fund Expenditures by Function
Last Ten Fiscal Years

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction
2015	\$ 995,335 2%	\$ 1,355,193 3%	\$ 19,001,794 46%	\$ 244,040 1%	\$ 7,278,906 18%
2016	1,079,698 2%	1,593,886 4%	19,997,954 48%	147,844 —	7,832,449 19%
2017	1,072,918 2%	1,704,901 4%	20,410,135 48%	187,501 —	7,751,666 18%
2018	1,127,343 3%	1,764,843 4%	20,746,253 48%	180,445 —	7,737,139 18%
2019	1,161,013 3%	1,891,938 4%	21,225,940 47%	180,823 —	8,066,259 18%
2020	1,183,514 2%	1,882,854 4%	21,927,804 47%	160,800 —	8,541,448 18%
2021	1,394,814 3%	2,038,010 5%	19,715,733 45%	164,582 —	8,680,368 20%
2022	1,604,709 3%	2,381,164 5%	20,350,908 45%	178,954 —	8,683,754 19%
2023	1,459,459 3%	2,457,096 5%	19,985,908 44%	201,508 —	9,306,173 20%
2024	1,544,709 3%	2,638,121 5%	21,289,124 43%	222,710 —	10,357,404 21%

<u>Instructional Support Services</u>		<u>Pupil Support Services</u>		<u>Sites and Buildings</u>		<u>Other Programs</u>		<u>Total</u>	
\$	3,596,957	\$	2,093,077	\$	6,107,057	\$	267,150	\$	40,939,509
	9%		5%		15%		1%		100%
	3,707,592		2,609,229		4,649,362		262,554		41,880,568
	9%		6%		11%		1%		100%
	3,492,275		2,689,663		5,461,050		220,708		42,990,817
	8%		6%		13%		1%		100%
	3,677,803		2,663,758		5,565,648		182,420		43,645,652
	8%		6%		13%		—		100%
	3,950,967		3,009,831		5,576,373		173,521		45,236,665
	9%		7%		12%		—		100%
	4,137,689		3,353,482		5,613,410		338,500		47,139,501
	9%		7%		12%		1%		100%
	3,764,591		2,630,715		5,079,931		790,371		44,259,115
	8%		6%		11%		2%		100%
	3,520,581		3,242,525		4,849,740		791,885		45,604,220
	8%		7%		11%		2%		100%
	3,392,309		3,379,409		4,912,021		818,091		45,911,974
	8%		7%		11%		2%		100%
	3,685,082		4,184,415		5,492,162		851,908		50,265,635
	7%		8%		11%		2%		100%

SPECIAL SCHOOL DISTRICT NO. 6

School Tax Levies and Tax Rates by Fund
Last Ten Fiscal Years

	Year Collectible	General Fund	Community Service Special Revenue Fund	Debt Service Fund	Total All Funds
Levies					
	2015	\$ 5,018,970	\$ 446,220	\$ 3,101,405	\$ 8,566,595
	2016	5,072,061	499,299	3,176,475	8,747,835
	2017	4,971,240	511,504	3,247,353	8,730,097
	2018	6,489,708	431,979	3,114,579	10,036,266
	2019	6,426,941	417,739	3,086,030	9,930,710
	2020	7,117,919	547,781	2,844,122	10,509,822
	2021	7,491,084	596,118	2,986,027	11,073,229
	2022	7,693,497	513,156	3,013,106	11,219,759
	2023	11,494,127	422,632	3,252,423	15,169,182
	2024	11,396,607	246,834	3,240,442	14,883,883
Tax capacity rates					
	2015	13.836	2.773	19.272	35.881
	2016	12.591	3.278	20.850	36.719
	2017	12.815	3.137	19.916	35.868
	2018	11.991	2.360	17.016	31.367
	2019	11.229	2.193	16.200	29.622
	2020	12.730	2.608	13.540	28.878
	2021	13.355	2.815	14.100	30.270
	2022	13.654	2.250	13.212	29.116
	2023	11.567	1.617	12.444	25.628
	2024	11.105	0.925	12.145	24.175
Market value rates					
	2015	0.16295	—	—	0.16295
	2016	0.18667	—	—	0.18667
	2017	0.14734	—	—	0.14734
	2018	0.23734	—	—	0.23734
	2019	0.19630	—	—	0.19630
	2020	0.19271	—	—	0.19271
	2021	0.20054	—	—	0.20054
	2022	0.17989	—	—	0.17989
	2023	0.33651	—	—	0.33651
	2024	0.28262	—	—	0.28262

Note: A tax rate based on market value is used primarily for the District's referendum levy.

Source: State of Minnesota School Tax Report

SPECIAL SCHOOL DISTRICT NO. 6

Tax Capacities and Market Values
Last Ten Fiscal Years

Taxes Collectible	Tax Capacity Valuation				Market Value
	Agricultural and Nonagricultural	Net Fiscal Disparities Distribution	Tax Increment	Total Taxable	
2015	\$ 14,232,820	\$ 2,550,076	\$ (1,568,940)	\$ 15,213,956	\$ 1,322,540,825
2016	14,486,492	2,491,955	(1,661,773)	15,316,674	1,333,685,325
2017	15,213,174	2,736,665	(1,732,491)	16,217,348	1,394,111,550
2018	16,741,700	2,801,054	(1,816,971)	17,725,783	1,526,948,025
2019	17,887,397	2,881,747	(1,971,353)	18,797,791	1,617,423,625
2020	19,647,746	3,182,514	(1,948,178)	20,882,082	1,784,759,825
2021	20,621,225	3,096,995	(2,338,526)	21,379,694	1,851,551,800
2022	21,628,982	3,327,641	(2,350,284)	22,606,339	1,944,313,925
2023	25,090,595	3,061,421	(2,653,142)	25,498,874	2,243,349,825
2024	26,769,047	3,160,105	(3,545,888)	26,383,264	2,357,655,550

Source: State of Minnesota School Tax Report

SPECIAL SCHOOL DISTRICT NO. 6

Property Tax Levies and Receivables
Last Ten Fiscal Years

<u>Taxes Collectible</u>	<u>Original Levy</u>		
	<u>Local Spread</u>	<u>Fiscal Disparities</u>	<u>Total Spread</u>
2015	\$ 6,306,926	\$ 2,259,669	\$ 8,566,595
2016	6,791,300	1,956,535	8,747,835
2017	6,468,534	2,261,563	8,730,097
2018	7,923,706	2,112,560	10,036,266
2019	7,499,706	2,431,004	9,930,710
2020	8,139,687	2,370,135	10,509,822
2021	8,828,211	2,245,018	11,073,229
2022	8,647,634	2,572,125	11,219,759
2023	12,894,478	2,274,704	15,169,182
2024	11,862,680	3,021,203	14,883,883

Note: Delinquent taxes are written off after seven years.

Source: State of Minnesota School Tax Report

Uncollected Taxes Receivable as of June 30, 2024

Delinquent		Current	
Amount	Percent	Amount	Percent
\$ —	— %	\$ —	— %
—	—	—	—
—	—	—	—
9,555	0.10	—	—
4,732	0.05	—	—
9,369	0.09	—	—
16,461	0.15	—	—
27,022	0.24	—	—
145,465	0.96	—	—
—	—	8,758,828	58.85
<u>\$ 212,604</u>		<u>\$ 8,758,828</u>	

SPECIAL SCHOOL DISTRICT NO. 6

Students Served
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (Including Enrollment Option)					Total Pupil Units
	Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	
2015	35.21	271.46	1,657.25	1,503.79	3,467.71	3,768.45
2016	36.22	264.49	1,681.05	1,526.21	3,507.97	3,813.22
2017	86.06	231.27	1,654.38	1,553.52	3,525.23	3,835.94
2018	121.03	235.57	1,558.43	1,571.45	3,486.48	3,800.76
2019	139.10	232.69	1,526.59	1,520.91	3,419.29	3,723.48
2020	146.47	225.51	1,427.23	1,489.81	3,289.02	3,586.98
2021	101.30	206.91	1,316.40	1,477.72	3,102.33	3,397.87
2022	120.07	189.75	1,252.54	1,466.84	3,029.20	3,322.60
2023	105.68	182.52	1,188.95	1,448.82	2,925.97	3,215.73
2024	132.45	163.39	1,167.67	1,361.15	2,824.66	3,096.88

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: ADM is weighted as follows in computing pupil units:

	Pre-Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1-6	Secondary 7-12+
Fiscal 2015 through 2024	1.000	0.550	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system

SINGLE AUDIT AND OTHER REQUIRED REPORTS

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SPECIAL SCHOOL DISTRICT NO. 6

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures
U.S. Department of Agriculture		
Passed through Minnesota Department of Education		
Child nutrition cluster		
School Breakfast Program	10.553	\$ 350,454
National School Lunch Program	10.555	1,205,922
Summer Food Service Program for Children	10.559	<u>59,692</u>
Total child nutrition cluster		\$ 1,616,068
COVID-19 – Pandemic EBT Administrative Costs	10.649	3,256
U.S. Department of Education		
Passed through Minnesota Department of Education		
Adult Education – Basic Grants to States	84.002	17,618
Title I Grants to Local Educational Agencies	84.010	452,859
Special education cluster		
Special Education Grants to States	84.027	643,935
Special Education Preschool Grants	84.173	\$ 24,338
COVID-19 – Special Education Preschool Grants	84.173	<u>5,474</u>
Total ALN 84.173		<u>29,812</u>
Total special education cluster		673,747
Special Education – Grants for Infants and Families	84.181	26,347
English Language Acquisition State Grants	84.365	49,157
Supporting Effective Instruction State Grants	84.367	79,259
Comprehensive Literacy Development	84.371C	25,740
Education Stabilization Fund		
COVID-19 – American Rescue Plan – Elementary and		
Secondary School Emergency Relief (ARP ESSER)	84.425U	1,889,337
Passed through Intermediate District No. 917		
Career and Technical Education – Basic Grants to States	84.048	<u>1,885</u>
Total federal awards		<u><u>\$ 4,835,273</u></u>

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: The pass-through entities listed above use the same federal Assistance Listing Numbers (ALN) as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 3: The District did not elect to use the 10 percent de minimis indirect cost rate.

Note 4: The District had \$29,892 transferred into Title I federal ALN 84.010 from other Title programs.

Note 5: The District had \$183,815 of noncash assistance included in the National School Lunch Program, federal ALN 10.555.

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

To the School Board and Management of
Special School District No. 6
South St. Paul, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Special School District No. 6 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 22, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified one deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as finding 2024-001 that we consider to be a material weakness.

(continued)

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

DISTRICT'S 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 Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
October 22, 2024

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

To the School Board and Management of
Special School District No. 6
South St. Paul, Minnesota

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

OPINION ON EACH MAJOR FEDERAL PROGRAM

We have audited Special School District No. 6's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

BASIS FOR OPINION ON EACH MAJOR FEDERAL PROGRAM

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to on the previous page occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to on the previous page is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to on the previous page and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

(continued)

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section on the previous page and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota
October 22, 2024

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of
Special School District No. 6
South St. Paul, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Special School District No. 6 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 22, 2024.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, we noted that the District failed to comply with provisions of the claims and disbursements section of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters as described in the accompanying Schedule of Findings and Questioned Costs as finding 2024-002. Also, in connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

DISTRICT'S RESPONSE TO FINDING

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the legal compliance finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

(continued)

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota
October 22, 2024

SPECIAL SCHOOL DISTRICT NO. 6

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

A. SUMMARY OF AUDIT RESULTS

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

Financial Statements

What type of auditor's report is issued? X Unmodified
 Qualified
 Adverse
 Disclaimer

Internal control over financial reporting:

Material weakness(es) identified? X Yes No
Significant deficiency(ies) identified? Yes X None reported
Noncompliance material to the financial statements noted? Yes X No

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major programs?

U.S. Department of Agriculture – Child nutrition cluster Unmodified
U.S. Department of Education – Special education cluster Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Programs tested as major programs:

Program or Cluster	ALN No.
U.S. Department of Agriculture – Child nutrition cluster consisting of:	
– School Breakfast Program	10.553
– National School Lunch Program	10.555
– Summer Food Service Program for Children	10.559
U.S. Department of Education – Special education cluster consisting of:	
– Special Education Grants to States	84.027
– Special Education Preschool Grants	84.173
– COVID-19 – Special Education Preschool Grants	84.173

Threshold for distinguishing type A and B programs. \$ 750,000

Does the auditee qualify as a low-risk auditee? Yes X No

SPECIAL SCHOOL DISTRICT NO. 6

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2024

B. FINANCIAL STATEMENT FINDINGS IN INTERNAL CONTROL OVER FINANCIAL REPORTING

MATERIAL WEAKNESS

2024-001 Segregation of Duties

Criteria – Internal control over financial reporting.

Condition – Special School District No. 6 (the District) has limited segregation of duties in several areas, including the processing of receipts, payroll transactions, journal entries, and certain computer controls.

Questioned Costs – Not applicable.

Context – The condition applies to multiple areas as noted above.

Repeat Finding – This is a current year and prior year finding.

Cause – The limited segregation of duties is primarily caused by the limited size of the District's business office staff.

Effect – One important element of internal accounting controls is an adequate segregation of duties such that no one individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction. A lack of segregation of duties subjects the District to a higher risk that errors or fraud could occur and not be detected and corrected in a timely manner in the normal course of business.

Recommendation – We recommend that the District continue its efforts to segregate duties as best it can within the limits of what the District considers to be cost-beneficial.

View of Responsible Official and Planned Corrective Actions – The District agrees with the finding. The District intends to review policies, procedures, and transaction cycles, and work with the District's financial auditors to review specific weaknesses identified during the annual audit and actions needed to eliminate or mitigate this internal control weakness. The District has separately issued a Corrective Action Plan related to this finding.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SPECIAL SCHOOL DISTRICT NO. 6

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2024

D. MINNESOTA LEGAL COMPLIANCE FINDINGS

2024-002 Untimely Payment of Invoices

Criteria – Minnesota Statutes § 471.425, Subd. 2.

Condition – Minnesota Statutes require prompt payment of local government bills within a standard payment period of 35 days. The District did not pay one of its invoices in a timely manner based on statutory requirements.

Questioned Costs – Not applicable.

Context – We noted 1 of 25 disbursements we selected for testing was not paid within the statutory timeline.

Repeat Finding – This is a current year finding.

Cause – This was an oversight by district personnel.

Effect – The District did not meet statutory requirements for the payment of invoices.

Recommendation – We recommend that the District review claims and disbursements payment procedures in place to ensure that all invoices are paid within statutory requirements.

View of Responsible Official and Planned Corrective Actions – The District agrees with the finding. The District intends to review payment procedures and will properly pay all invoices within the required 35-day time period and verify compliance with state statutes.

SPECIAL SCHOOL DISTRICT NO. 6

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2024

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		\$ 54,586,585	\$ 54,586,585	\$ –
Total expenditures		\$ 50,265,635	\$ 50,265,636	\$ (1)
Nonspendable				
460	Nonspendable fund balance	\$ 103,663	\$ 103,663	\$ –
Restricted				
401	Student activities	\$ 281,724	\$ 281,724	\$ –
402	Scholarships	\$ –	\$ –	\$ –
403	Staff development	\$ 140,375	\$ 140,375	\$ –
407	Capital projects levy	\$ 221,680	\$ 221,680	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
412	Literacy incentive aid	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
420	American Indian education aid	\$ 17,896	\$ 17,896	\$ –
424	Operating capital	\$ 1,109,948	\$ 1,109,948	\$ –
426	\$25 taconite	\$ –	\$ –	\$ –
427	Disabled accessibility	\$ –	\$ –	\$ –
428	Learning and development	\$ –	\$ –	\$ –
434	Area learning center	\$ –	\$ –	\$ –
435	Contracted alternative programs	\$ –	\$ –	\$ –
436	State approved alternative program	\$ –	\$ –	\$ –
438	Gifted and talented	\$ 107,608	\$ 107,608	\$ –
439	English learner	\$ –	\$ –	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
441	Basic skills programs	\$ –	\$ –	\$ –
443	School library aid	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
449	Safe schools levy	\$ 173,607	\$ 173,607	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459	Basic skills extended time	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ 510,613	\$ 510,613	\$ –
471	Student support personnel	\$ –	\$ –	\$ –
472	Medical Assistance	\$ 31,842	\$ 31,842	\$ –
464	Restricted fund balance	\$ 459,459	\$ 459,459	\$ –
475	Title VII – impact aid	\$ –	\$ –	\$ –
476	PILT	\$ –	\$ –	\$ –
Committed				
418	Committed for separation	\$ –	\$ –	\$ –
461	Committed fund balance	\$ –	\$ –	\$ –
Assigned				
462	Assigned fund balance	\$ 2,778,601	\$ 2,778,601	\$ –
Unassigned				
422	Unassigned fund balance	\$ 8,114,647	\$ 8,114,647	\$ –
Food Service				
Total revenue		\$ 2,529,187	\$ 2,529,187	\$ –
Total expenditures		\$ 2,150,919	\$ 2,150,920	\$ (1)
Nonspendable				
460	Nonspendable fund balance	\$ 34,339	\$ 34,339	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 1,208,872	\$ 1,208,872	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Community Service				
Total revenue		\$ 2,347,490	\$ 2,347,490	\$ –
Total expenditures		\$ 2,183,460	\$ 2,183,458	\$ 2
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ 583,974	\$ 583,974	\$ –
432	ECFE	\$ 195,478	\$ 195,478	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
444	School readiness	\$ 8,825	\$ 8,825	\$ –
447	Adult basic education	\$ 103,821	\$ 103,821	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

SPECIAL SCHOOL DISTRICT NO. 6

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2024

		Audit	UFARS	Audit – UFARS
Building Construction				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
407	Capital projects levy	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Debt Service				
Total revenue		\$ 3,359,010	\$ 3,359,010	\$ –
Total expenditures		\$ 3,379,885	\$ 3,379,885	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
425	Bond refundings	\$ –	\$ –	\$ –
433	Maximum effort loan	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 820,156	\$ 820,156	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Trust				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
401	Student activities	\$ –	\$ –	\$ –
402	Scholarships	\$ –	\$ –	\$ –
422	Net position	\$ –	\$ –	\$ –
Custodial Fund				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
401	Student activities	\$ –	\$ –	\$ –
402	Scholarships	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Internal Service				
Total revenue		\$ 7,780,448	\$ 7,780,448	\$ –
Total expenditures		\$ 7,010,888	\$ 7,010,888	\$ –
422	Net position	\$ 10,079,223	\$ 10,079,223	\$ –
OPEB Revocable Trust Fund				
Total revenue		\$ 754,901	\$ 754,901	\$ –
Total expenditures		\$ (121,595)	\$ (121,595)	\$ –
422	Net position	\$ (3,505,058)	\$ (3,505,058)	\$ –
OPEB Irrevocable Trust Fund				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
422	Net position	\$ –	\$ –	\$ –
OPEB Debt Service Fund				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
425	Bond refundings	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

Note: Statutory restricted deficits, if any, are reported in unassigned fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

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Management Report

for

Special School District No. 6
South St. Paul, Minnesota

June 30, 2024

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PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

To the School Board and Management of
Special School District No. 6
South St. Paul, Minnesota

We have prepared this management report in conjunction with our audit of Special School District No. 6's (the District) financial statements for the year ended June 30, 2024. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota
October 22, 2024

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AUDIT SUMMARY

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

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

AUDIT OPINIONS AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2024:

- We have issued unmodified opinions on the District's basic financial statements. Our report included a paragraph emphasizing the District's implementation of new Governmental Accounting Standards Board (GASB) authoritative literature which changed the requirements for accounting for groups of similar capital assets this year. Our opinion was not modified with respect to this matter.
- We reported one deficiency in the District's internal control over financial reporting that we considered to be a material weakness:
 - Due to the limited size of the office staff, the District has limited segregation of duties in several areas. An ideal system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion. While we recognize that your organization may not be large enough to permit adequate segregation of duties in all respects, it is important that you are aware of this condition. This finding is further detailed in the Schedule of Findings and Questioned Costs as finding 2024-001.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.

- We reported no deficiencies in the District’s internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported one finding based on our testing of the District’s compliance with Minnesota laws and regulations.
 - One of twenty-five disbursements we tested was not paid within thirty-five days from the receipt of goods or services as required by Minnesota Statutes. This finding is further detailed in the Schedule of Findings and Questioned Costs as finding 2024-002.

SIGNIFICANT ACCOUNTING POLICIES

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

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2024. However, the District implemented the following GASB guidance change during the year:

As described in Note 1 of the notes to basic financial statements, the District implemented new GASB guidance related to capital assets during the fiscal year ended June 30, 2024. This new guidance requires governments to capitalize groups of similar assets if significant, even when individually they are below the government’s capitalization threshold. This change resulted in a restatement, which increased beginning net position in the government-wide financial statements by \$154,440 in the current year.

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

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

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

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

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

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

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

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

DISAGREEMENTS WITH MANAGEMENT

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated October 22, 2024.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

OTHER AUDIT FINDINGS OR ISSUES

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

OTHER MATTERS

We applied certain limited procedures to the management’s discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

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

FINANCIAL TRENDS IN PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

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

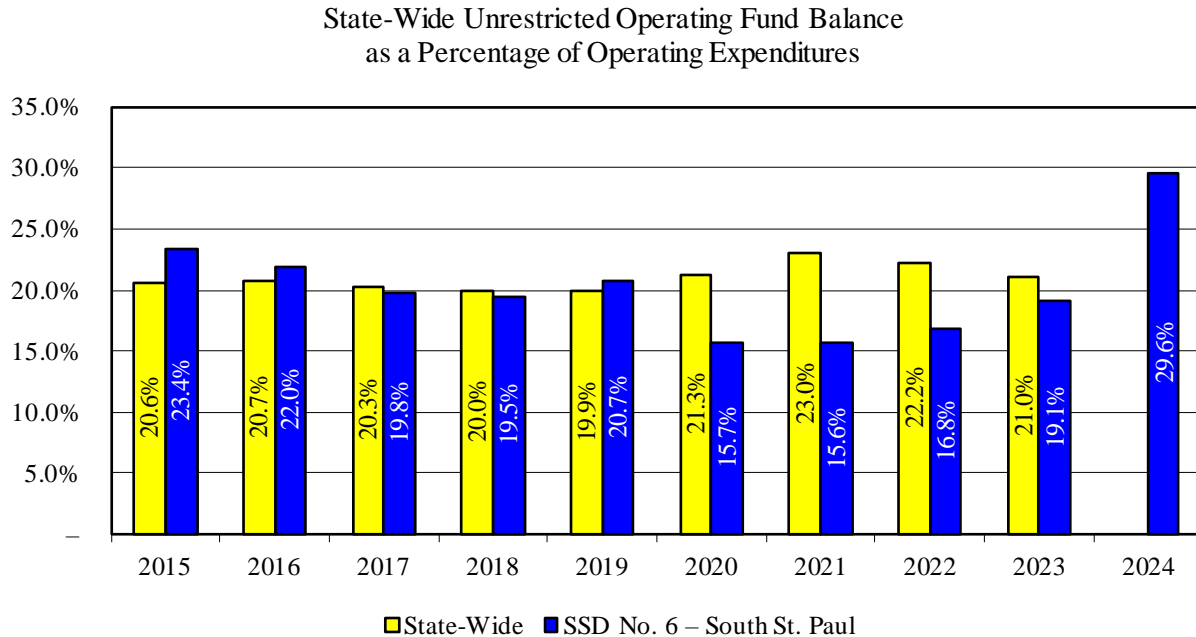
The table below presents a summary of the formula allowance for the past decade and as approved for the next fiscal year. The Legislature approved a per pupil increase of \$143 for fiscal 2025. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts.

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

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

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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



Note: State-wide information is not available for fiscal 2024.

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

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts has been relatively stable over the last decade, ranging from 20.6 percent at the end of fiscal 2015 to 21.0 percent at the end of fiscal 2023, with a slight uptick during the fiscal years impacted by the COVID-19 pandemic.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 29.6 percent at the end of the current year, as compared to 19.1 percent at June 30, 2023.

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

GOVERNMENTAL FUNDS REVENUE

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

Governmental Funds Revenue per Student (ADM) Served							
	State-Wide		Metro Area		SSD No. 6 – South St. Paul		
	2022	2023	2022	2023	2022	2023	2024
General Fund							
Property taxes	\$ 2,645	\$ 2,760	\$ 3,506	\$ 3,704	\$ 2,507	\$ 2,660	\$ 3,971
Other local sources	571	742	446	595	328	519	737
State	10,504	10,771	10,536	10,792	10,861	11,424	13,085
Federal	1,335	1,344	1,397	1,441	1,400	1,323	1,107
Total General Fund	15,055	15,617	15,885	16,532	15,096	15,926	18,900
Special revenue funds							
Food Service	803	676	770	649	779	704	876
Community Service	731	795	836	919	762	805	813
Debt Service Fund	1,508	1,579	1,537	1,595	970	1,062	1,163
Total revenue	\$ 18,097	\$ 18,667	\$ 19,028	\$ 19,695	\$ 17,607	\$ 18,497	\$ 21,752
ADM served per MDE School District Profiles Report (current year estimated)					3,094	2,972	2,888
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.							
Source of state-wide and metro area data: School District Profiles Report published by the MDE							

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

The mix of local and state revenues vary from year-to-year primarily based on funding formulas and the state's financial condition. The mix of revenue components from district to district varies, due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

The District's revenues per ADM have been below both the metro area and state-wide averages in recent years.

The District earned \$62,822,272 in the governmental funds reflected above in fiscal 2024, an increase of \$7,847,209 (14.3 percent) from the prior year. Total revenue per ADM served increased by \$3,255 (17.6 percent) per student, with declining enrollment. The increase was spread across most sources presented in the above table. Property taxes were up as approved through the annual tax levy process and with added community support of the annual operating referendum. Other local sources increased over the prior year, largely due to more investment earnings. State sources were up with growth in the basic formula allowance, along with added funding for basic skills and special education programming. Federal revenues in the General Fund were down with the final spending and the end of several COVID-19 pandemic-related entitlements. Food service revenues were up with state legislative changes effective in the current year to provide free meals for all students. Increased programming and participation contributed to the additional funding in the Community Service Special Revenue Fund. Debt Service Fund revenue per capita was up in the current year, due to an increase in property taxes to support debt financing.

GOVERNMENTAL FUNDS EXPENDITURES

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

Governmental Funds Expenditures per Student (ADM) Served							
	State-Wide		Metro Area		SSD No. 6 – South St. Paul		
	2022	2023	2022	2023	2022	2023	2024
General Fund							
Administration and district support	\$ 1,249	\$ 1,300	\$ 1,300	\$ 1,320	\$ 1,288	\$ 1,318	\$ 1,448
Elementary and secondary							
regular instruction	6,494	6,646	6,838	7,019	6,564	6,714	7,357
Vocational education instruction	210	224	191	198	58	67	77
Special education instruction	2,724	2,892	2,883	3,059	2,804	3,129	3,583
Instructional support services	816	861	939	1,030	1,120	1,135	1,272
Pupil support services	1,429	1,553	1,558	1,712	1,043	1,137	1,449
Sites, buildings, and other	1,113	1,201	1,076	1,171	1,432	1,548	1,638
Total General Fund – noncapital	14,035	14,677	14,785	15,509	14,309	15,048	16,824
General Fund capital expenditures	876	960	897	959	429	401	580
Total General Fund	14,911	15,637	15,682	16,468	14,738	15,449	17,404
Special revenue funds							
Food Service	670	706	659	693	683	689	745
Community Service	689	763	774	865	689	745	756
Debt Service Fund	1,599	1,626	1,561	1,652	1,000	1,052	1,170
Total expenditures	<u>\$17,869</u>	<u>\$18,732</u>	<u>\$18,676</u>	<u>\$19,678</u>	<u>\$17,110</u>	<u>\$17,935</u>	<u>\$20,075</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>3,094</u>	<u>2,972</u>	<u>2,888</u>
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.							
Source of state-wide and metro area data: School District Profiles Report published by the MDE							

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

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

The District spent \$57,979,899 in the governmental funds reflected above in fiscal 2024, an increase of \$4,676,822 (8.8 percent) from the prior year. On a per student basis, with declining enrollment, this represents an increase of \$2,140 (11.9 percent). Spending was up in each category presented in the above table, with the largest increases in elementary and secondary regular instruction (\$643 per student) and special education instruction (\$454 per pupil). Spending was up as planned in the budget with inflationary increases, additional needs for contracted services, and more program participation in special revenue funds. Debt service increased as planned in approved debt financing plans.

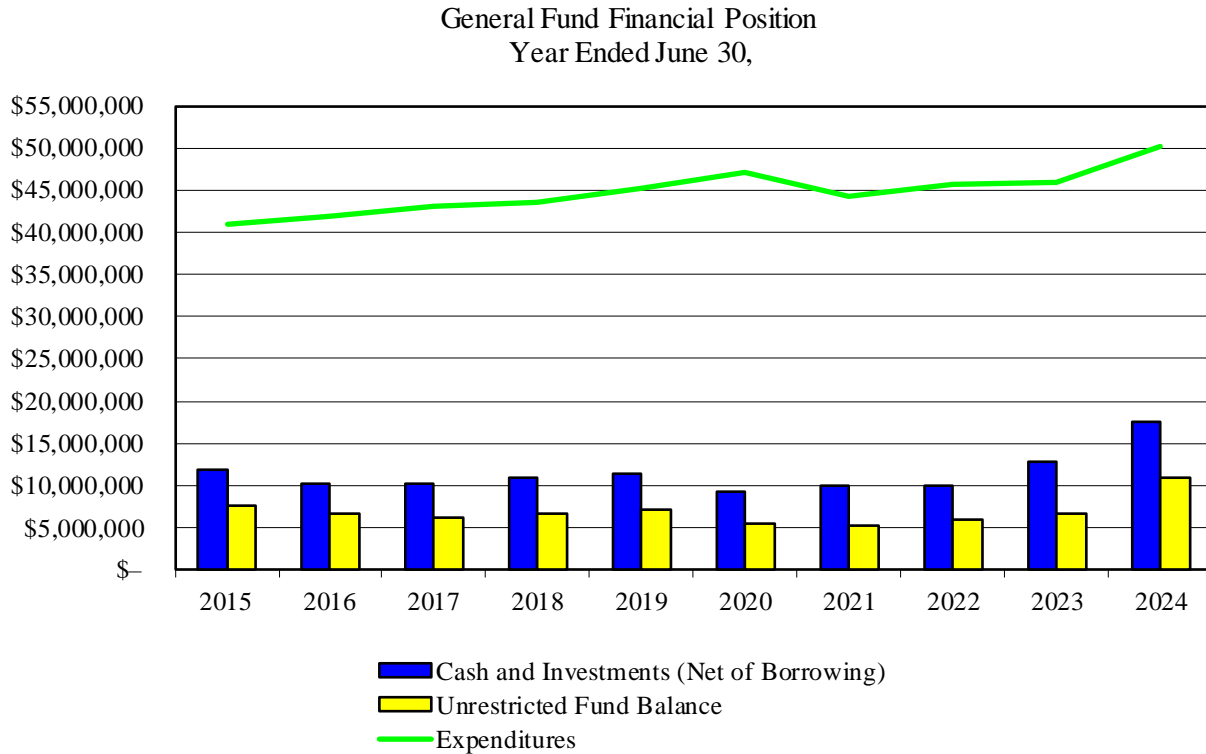
SUMMARY

District school boards and administrators continue to face significant financial challenges as they strive to provide a safe and effective learning environment for their students. Factors such as the sunset of large pandemic-related federal funding programs, state legislative funding changes and mandates, shifting student populations, tight labor markets, heightened safety concerns, increasing transportation costs, and other inflationary pressures continue to make it difficult to allocate limited resources amongst many competing demands.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

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



The District ended fiscal year 2024 with a General Fund cash and investment balances of \$17,547,474 (net of borrowing), an increase of \$4,659,006 from the previous year.

Unrestricted fund balance (consisting of any assigned and unassigned fund balances, but excluding restricted account deficits) at year-end totaled \$10,893,248, an increase of \$4,211,512.

Total fund balance of the General Fund increased by \$4,362,193, compared to an increase of \$2,884,864 approved in the final budget.

GENERAL FUND COMPONENTS OF FUND BALANCE

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

	June 30,				
	2020	2021	2022	2023	2024
Nonspendable fund balances	\$ –	\$ –	\$ –	\$ –	\$ 103,663
Restricted fund balances (1)	505,727	870,719	2,390,529	3,007,734	3,054,752
Unrestricted fund balances					
Assigned	2,213,778	1,345,563	1,047,952	1,814,872	2,778,601
Unassigned	3,258,226	3,924,141	4,830,115	4,866,864	8,114,647
Total fund balances	<u>\$ 5,977,731</u>	<u>\$ 6,140,423</u>	<u>\$ 8,268,596</u>	<u>\$ 9,689,470</u>	<u>\$ 14,051,663</u>
Unrestricted fund balances as a percentage of total expenditures	<u>11.6%</u>	<u>11.9%</u>	<u>12.9%</u>	<u>14.6%</u>	<u>21.7%</u>
Unassigned fund balances as a percentage of total expenditures	<u>6.9%</u>	<u>8.9%</u>	<u>10.6%</u>	<u>10.6%</u>	<u>16.1%</u>
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

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

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

Minimum Fund Balance Policy

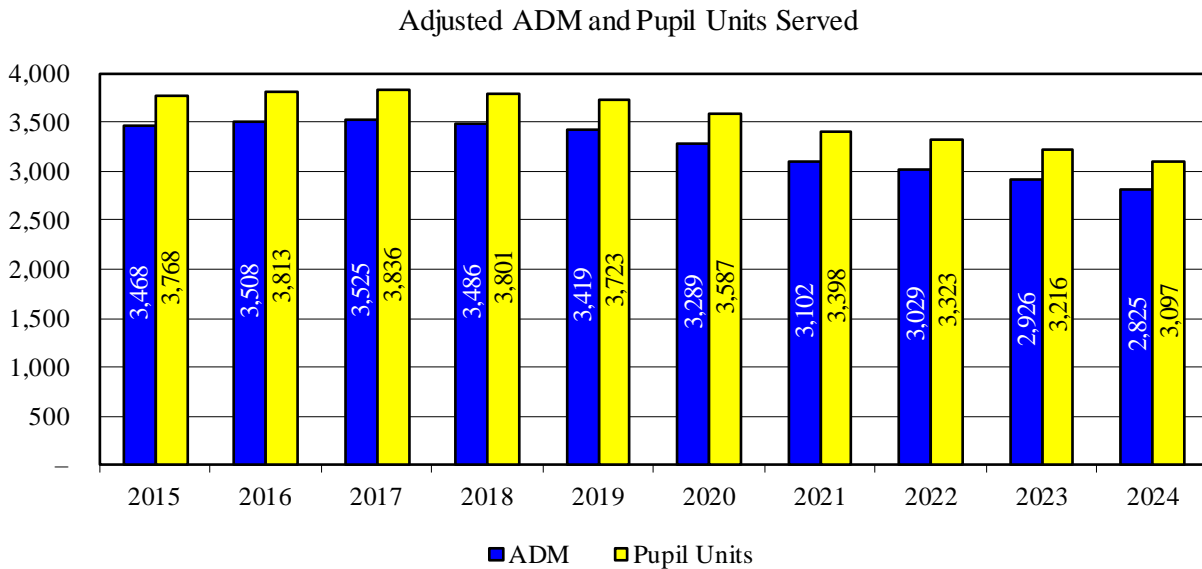
The School Board has formally adopted a fund balance policy regarding maintaining a minimum fund balance for the General Fund. The policy states that the District will strive to maintain a minimum General Fund unassigned balance (excluding restricted deficits) of 8.0 percent of the annual budget.

At June 30, 2024, the total unassigned fund balance of the General Fund was 16.1 percent of the fiscal 2024 General Fund expenditures.

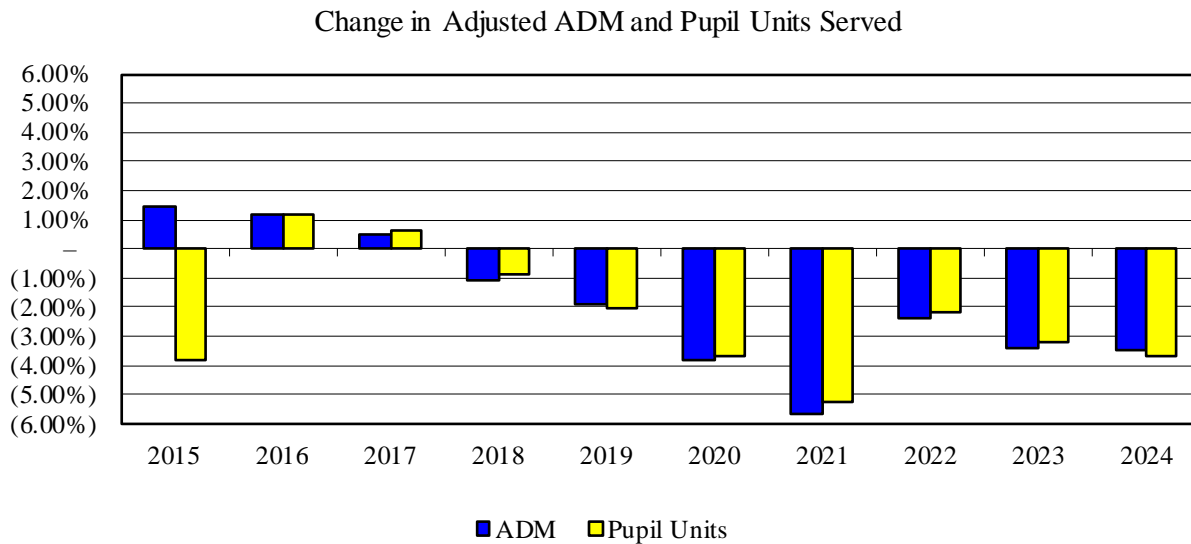
At June 30, 2024, unrestricted fund balance in the General Fund represented 21.7 percent of annual expenditures, or approximately 11 weeks of operations, assuming level spending throughout the year.

AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

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



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



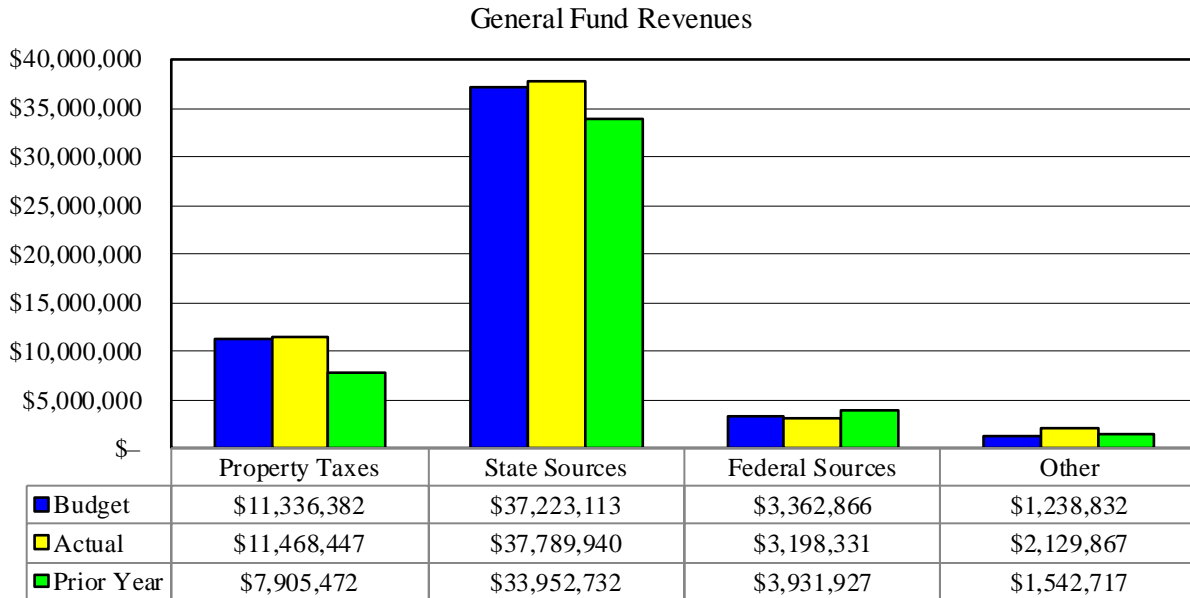
Note: The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

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

The District served an estimated ADM of 2,825 in 2024, a decrease of 101 ADM (about 3.5 percent) from the prior year. The resulting pupil units served by the District decreased by 119 to 3,097.

GENERAL FUND REVENUES

The following graph presents the District's General Fund revenues for 2024:



For 2024, revenues of \$54,586,585 were over budget by \$1,425,392, or 2.7 percent, and were \$7,253,737, or 15.3 percent, more than the prior year.

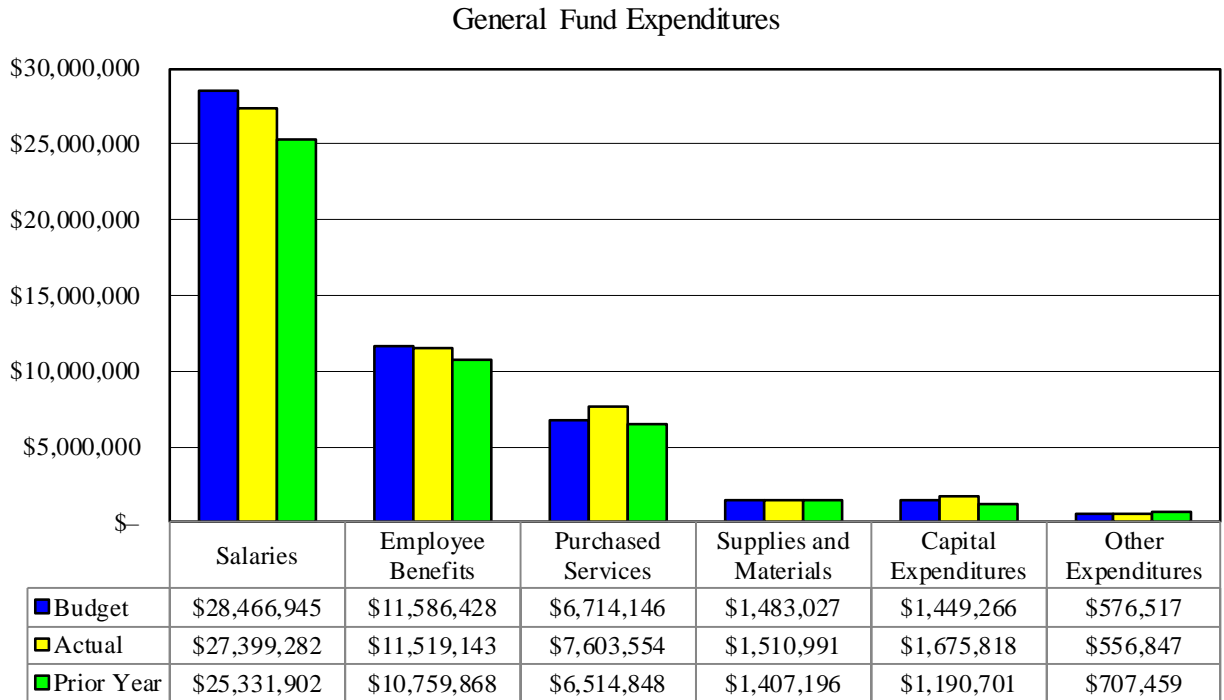
Revenues were better than anticipated in the budget for property taxes, state sources, and other local sources. Favorable variances, largely due to conservative budgeting, more than offset the slight shortfall in projected amounts in federal sources.

The District reported revenue increases over the prior year in property taxes, state, and other local sources. An increase in the School Board-approved levy contributed to the growth in property taxes in the current year. State sources were up due to funding improvements in basic skills and special education funding formulas. The increase in other revenues was directly related to the improved investment earnings recognized by the District in fiscal 2024. Federal revenues were down as anticipated in the budget with the final spending and the end of several COVID-19 pandemic-related entitlements.

The graph above reflects the concentration of state sources (69.2 percent), followed by property taxes (21.0 percent), to finance General Fund operations.

GENERAL FUND EXPENDITURES

The following graph summarizes the District's General Fund expenditures for 2024:



In 2024, expenditures of \$50,265,635 were \$10,694 under the final budget and were \$4,353,661, or 9.5 percent, more than the prior year.

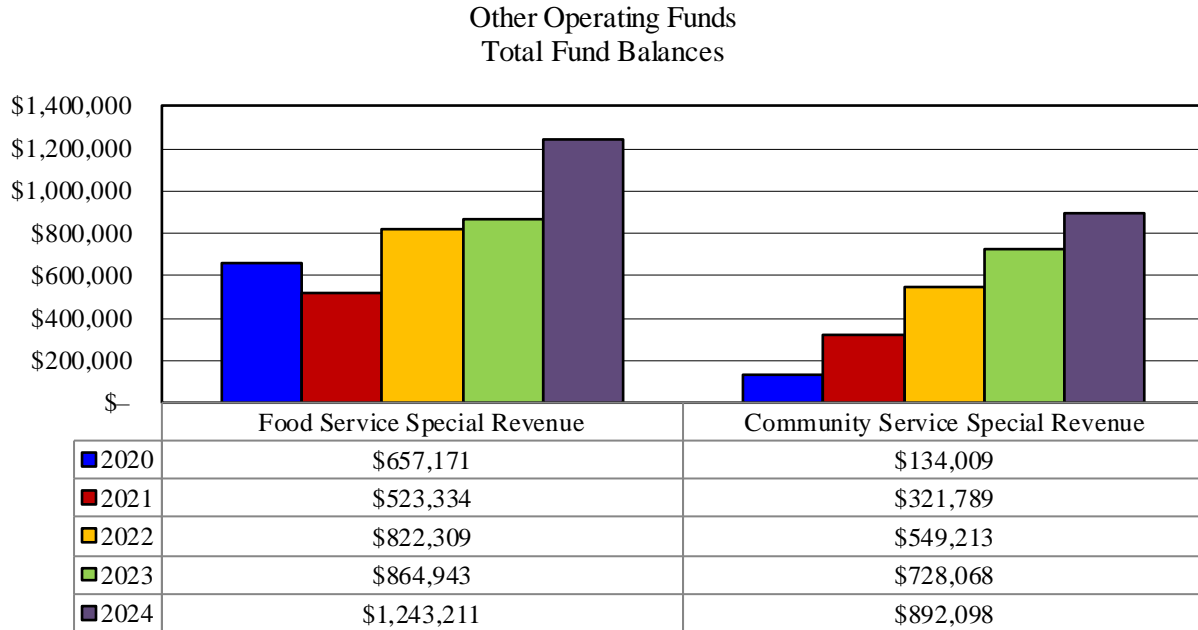
Salary and benefit-related charges, which account for 77.4 percent of General Fund expenditures, increased by \$2,826,655 (7.8 percent) and were \$1,134,948 (2.8 percent) under amounts planned in the budget. Spending for salaries and employee benefits was more than the prior year as anticipated with an increase in staffing and as approved in contracts. Conservative budgeting, attrition, and difficulty filling open positions contributed to salaries and benefits ending the year less than projected.

Spending shifted in the current year with more expenditures in purchased services, due to the need to contract for services due to difficulty in filling open positions.

Capital expenditures exceeded prior year spending and was over budget largely due to the timing of projects in the current year within the function for sites and buildings.

OTHER FUNDS OF THE DISTRICT

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



Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund reported a fund balance increase of \$378,268 over the prior year, compared to a budgeted decrease of \$88,010. Food Service Special Revenue Fund revenue sources were \$590,932 over budget, while expenditures were over budget by \$124,654. The Food Service Special Revenue Fund had a year-end fund balance of \$1,243,211, representing 57.8 percent of annual expenditures. Revenues and expenditures were over budget, largely due to conservative budgeting of participation levels with changes approved by the State Legislature to provide free meals to all students.

Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund reported an increase in fund balance of \$164,030 over the prior year, compared to a budgeted decrease of \$64,853. Revenues were \$335,999 over budget, while expenditures were over budget by \$107,116. The Community Service Special Revenue Fund had a year-end fund balance of \$892,098, representing 40.9 percent of annual expenditures. Conservative budgeting and increased program participation contributed to the variances to projected amounts.

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

Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. It is important to remember that resources of the Debt Service Fund are restricted to the payment of outstanding debt obligations of the District. As of June 30, 2024, the District has \$820,156 restricted for debt service.

Proprietary Funds – Internal Service Funds

Dental Self-Insurance

The District established an internal service fund to account for the District's self-insured dental plan. As of June 30, 2024, net position totaled \$319,188, an increase of \$37,281 over the prior year.

Medical Self-Insurance

The District established an internal service fund to account for the District's self-insured medical plan. As of June 30, 2024, net position totaled \$9,760,035, an increase of \$732,279 over the prior year.

Other Post-Employment Benefits

In fiscal year 2010, the District established an internal service fund to finance the costs of retiree health OPEB as they accrue. The proceeds of the District's \$5.4 million OPEB bonds were contributed into this fund from the District's governmental funds. The assets in this fund are being held in a revocable trust account the District established to finance its OPEB liabilities, and can only be used to pay OPEB costs. However, because the District elected to make the trust revocable (meaning that under certain specific and very restrictive circumstances, the District may take the assets back out of the trust and use them for other purposes), these assets must be accounted for in an internal service fund, which is included in the District's government-wide financial statements.

The District's Other Post-Employment Benefits Internal Service Fund ended the year with cash and investments of \$5,086,663 available to pay future OPEB benefits. Net position improved from the prior year deficit balance of \$4,381,554, to a net position deficit of \$3,505,058 at the end of the current year. This is an increase of \$876,496 from current year activity.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	June 30,		
	2024	2023	Change
Net position – governmental activities			
Total fund balances – governmental funds	\$ 17,007,128	\$ 12,123,512	\$ 4,883,616
Total capital assets, net of depreciation/amortization	39,141,609	39,692,675	(551,066)
Bonds payable and certificates of participation (including unamortized premium/discount)	(24,640,075)	(27,601,718)	2,961,643
Financed purchase payable	–	(85,201)	85,201
Pension adjustments	(28,124,525)	(32,535,078)	4,410,553
Other adjustments	6,083,732	4,331,749	1,751,983
Total net position – governmental activities	<u>\$ 9,467,869</u>	<u>\$ (4,074,061)</u>	<u>\$ 13,541,930</u>
Net position			
Net investment in capital assets	\$ 14,501,534	\$ 12,090,957	\$ 2,410,577
Restricted	5,776,074	4,990,571	785,503
Unrestricted	<u>(10,809,739)</u>	<u>(21,155,589)</u>	<u>10,345,850</u>
Total net position	<u>\$ 9,467,869</u>	<u>\$ (4,074,061)</u>	<u>\$ 13,541,930</u>

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

Total net position increased by \$13,541,930 during fiscal 2024. This change includes an increase of \$154,440 for the change in accounting principle, as previously discussed. The District's net investment in capital assets increased \$2,410,577 this year. The change in this category of net position typically depends on the relationship of the rate at which the District is adding additional capital assets, the rate capital assets are being depreciated and amortized, and how that relates to the rate at which the District is repaying the debt issued to purchase or construct those assets. The change in restricted net position was due to an increase in amounts restricted for debt service, food service, community service, and state funding restrictions. The change in unrestricted net position is due, in part, to adjustments in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension plan liabilities and related deferments. The financial operations of the General Fund and internal service funds, as previously discussed, also contributed to the change in unrestricted net position.

ACCOUNTING AND AUDITING UPDATES

The following is a summary of Governmental Accounting Standards Board (GASB) standards expected to be implemented in the next few years.

GASB STATEMENT NO. 101, *COMPENSATED ABSENCES*

The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used, but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used, but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB STATEMENT NO. 102, *CERTAIN RISK DISCLOSURES*

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This new guidance defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosures should include actions by the government to mitigate the risk. The requirements of this statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided.

The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

GASB STATEMENT NO. 103, *FINANCIAL REPORTING MODEL IMPROVEMENTS*

This statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

- Management's discussion and analysis
- Unusual or infrequent items
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position
- Information about major component units in basic financial statements
- Budgetary comparison information
- Financial trends information in the statistical section

The objective of this statement is to improve key components of the financial reporting model to enhance its quality and effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.



SOUTH ST. PAUL PUBLIC SCHOOLS
School Board Agenda Item

Meeting Date: October 28, 2024

Place on Agenda: Business Meeting

Action Requested: Approval

Attachment: TDE Plan

Topic: TDE Timeline Update
Presenter(s): Amy Winter, Executive Director of Educational Service
Background: The 2023-2026 Alternative Teacher Professional Pay System (ATPPS) and Teacher Growth , Development and Evaluation (TDE) was approved by the board. As we have been implementing the changes, we are asking to modify the Teacher Growth, Development and Evaluation Plan (TDE) timeline outlined on page 25-28.
Recommendation: Approval
Alternatives: N/A

Passionate Learners Positively Changing Our World

South St. Paul *Public Schools*



Teacher Growth, Development, and Evaluation Plan 4th Edition

Approved May 2024

By the South St. Paul Public Schools Board of Education and
South St. Paul Teachers' Association Local #861

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Legislative Requirements

Minnesota Statutes 122A.40 and 122A.41 define requirements for teacher evaluation (Updated March 2017). Retrieved from: <https://www.revisor.mn.gov/statutes/?id=122A.40>. To improve student learning and success, a school board (hereafter referred to as “school district” or “district”) and an exclusive representative of the teachers (hereafter referred to as “union” or “teachers’ union”) must “develop a teacher evaluation and peer review process for probationary and continuing contract teachers through joint agreement.” The Minnesota Department of Education (MDE) has developed a state model, which must be used if a district and the local exclusive representative of teachers fail to reach “joint agreement” on an evaluation model. The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities.

To develop, improve, and support qualified teachers and effective teaching practices, improve student learning and success, and provide all enrolled students in a district or school with improved and equitable access to more effective and diverse teachers, the annual evaluation process for teachers:

1. must, for probationary teachers, provide for all required evaluations;
2. must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, and at least one summative evaluation performed by a qualified and trained Evaluator such as a school administrator. For the years when a tenured teacher is not evaluated by a qualified and trained Evaluator, the teacher must be evaluated by a peer review;
3. must be based on professional teaching standards established in rule;
4. must coordinate staff development activities with this evaluation process and teachers' evaluation outcomes;
5. may provide time during the school day and school year for peer coaching and teacher collaboration;
6. may include job-embedded learning opportunities such as professional learning communities;
7. may include mentoring and induction programs for teachers, including teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of students who are enrolled in the district or school;
8. must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;
9. must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;
10. must use longitudinal data on student engagement and connection, and other student outcome measures explicitly aligned with the elements of curriculum for which teachers are responsible, including academic literacy, oral academic language, and achievement of content areas of English learners;
11. must require qualified and trained Evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective Evaluator training specific to teacher development and evaluation;
12. must give teachers not meeting professional teaching standards support to improve through a teacher improvement process that includes established goals and timelines; and
13. must discipline a teacher for not making adequate progress in the teacher improvement process that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

Background

The South Saint Paul Public Schools Teacher Growth, Development, and Evaluation (TDE) Plan was initially written and approved during the 2013-2014 school year in order to comply with the Minnesota Statutes 122A.40 and 122A.41. The original copy, as approved by the South Saint Paul Public School Board of Education and the South Saint Paul Teachers' Association Local #861 in May 2014, resides with the Executive Director of Educational Services and the TDE Coordinator(s), as do current editions of the plan.

A TDE Steering Committee, composed of district administrators and educators, was formed in order to help with a successful initial implementation of the plan during the 2014-2015 school year. A "Matters-to-be-Addressed" document was created and served as a record of issues reviewed and addressed by the TDE Steering Committee. The overall plan was updated, revised, and approved in 2017, 2020, and 2024.

New/Revised for the SSP Teacher Growth, Development and Evaluation Plan, 4th Edn.

- Moved PLCs to Part One – Teacher Practice
- Re-named and simplified the Performance Assistance Plan, now the Advancing Practice Process
- Adjusted the Minimum Number of Observations (Table 5)
 - Probationary
 - Remove required informal observations
 - Ensure all probationary receive one peer review
 - Continuing Contract
 - Add one informal observation during CCY 1
 - Add one informal observation during CCY 2
 - Remove informal observations from CCY 3
 - Remove peer review from CCY 3
- Updated definitions and language to reflect changes in the district
- Removed now-irrelevant language and appendices

Overview

The most valuable evaluation model will not only meet state legislative requirements, it must produce gains in student learning. The model must evaluate teachers and, just as importantly, improve their classroom performance over time. Next-generation models, grounded in sound research, will emphasize teacher growth and development.

– Robert J. Marzano, “Examining the Role of Teacher Evaluation in Student Achievement”, 2012

Minnesota Statutes §122A.40 and §122A.41 require that a minimum of 35% of a teacher’s evaluation be based on student learning and achievement data. The remaining 65% of a teacher’s evaluation is based on teacher practice.

	How is the component defined?	How is this component measured?	How is this component weighted?
Teacher Practice (Part One)	Defined by 4 domains: 1. Planning & Preparation 2. Learning Environments 3. Learning Experiences 4. Principled Teaching	Using the <i>Updated FFT</i> rubrics for standards of effective teacher practice and evidence gathered from <ul style="list-style-type: none"> Summative Evaluator’s formal and informal observations of teacher practice and student engagement Dialogue (self-reporting and reflection) Teacher portfolio (Optional) 	65%
Student Learning and Achievement (Part Two)	Defined as impact on student learning and achievement	Evidence of student learning and achievement, including but not limited to: <ul style="list-style-type: none"> State and district assessments Teacher-developed common assessments (e.g., pre/post, summative, etc.) Other locally developed measures of impact on student learning 	35%

Table 1: Parts of the South St. Paul Teacher Growth, Development, and Evaluation Plan

At the foundation of our educator practice is a growth mindset: with professional development, feedback, and educator leadership, our practices will grow. Figure 1 outlines the standard level of support for educators in South St. Paul Schools.

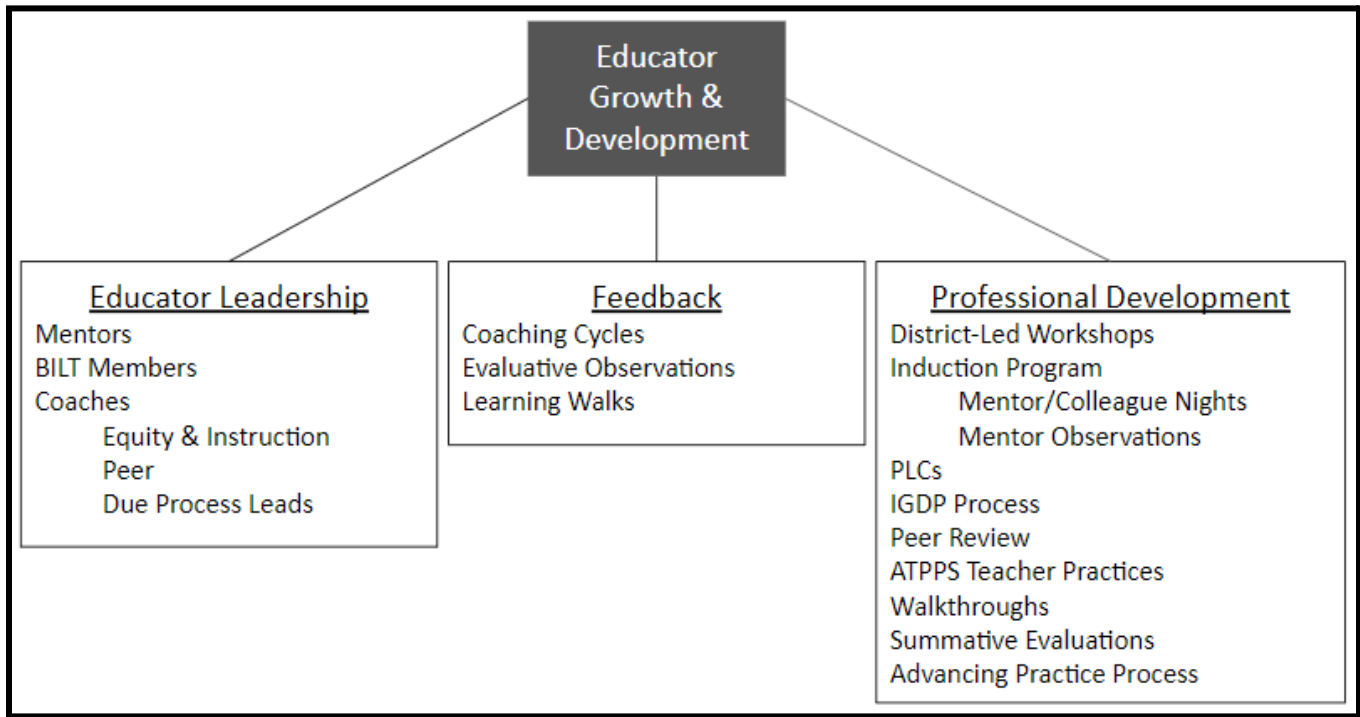


Figure 1: SSPPS Supports for Educator Growth & Development

Definition of Participants

Role/Legislative Requirements	Definition/Qualifications
Teacher Minnesota Statutes §122A.40, subd. 1 and §122A.41, subd. 1	CBA Article 3 Section 2: The term “teacher” shall mean all teachers in the appropriate unit in a position for which the person must be licensed by the state of Minnesota, but excluding the following: superintendent, assistant superintendent, confidential employees, supervisory employees, essential employees, and such other employees excluded by law as determined by the Bureau of Mediation Services, as well as principals, assistant principals, and administrative assistants to principals who devote more than 50% of their time to administrative or supervisory duties.
Coaches	Coaches support professional learning communities, provide ongoing, job-embedded professional development, and participate as members of a site continuous improvement leadership team. Coaches may include Equity & Instruction Coaches, Due Process Leads, and Peer Coaches.
Peer Coaches Trained observers serve as peer coaches	Peer coaches meet and communicate with every teacher to support creation, implementation, and completion of an Individual Growth & Development Plan (IGDP). They also observe teachers multiple times during the school year and facilitate post-observation reflection conversations. Peer Coaches must hold a continuing contract in the district at the time of application. Refer to the Peer Coach (TOSA) Job Description for a complete job description.
Professional Learning Communities (PLCs) MN §122A.40, subd. 8	A group of educators committed to working collaboratively in ongoing processes of collective inquiry and action research to achieve better results for the students they serve. Guiding Questions: 1) What do we want students to know and be able to do? 2) How will we know if they learn it? 3) How will we respond when some students do not learn? 4) How will we extend the learning for students who are already proficient?
Summative Evaluator Qualified and trained Evaluator	Summative Evaluators will receive training to ensure knowledge of the TDE process in SSP, inter-rater reliability, and knowledge of the supports available to educators. Summative Evaluators include: <ul style="list-style-type: none"> • Principal & Assistant Principal • Supervisors of Educational Services • Supervisors of Student Services
Teacher Growth, Development & Evaluation Steering Committee Article XXII from Collective Bargaining Agreement 2023-25	Committee will be responsible for ongoing implementation and revision of the plan. <ul style="list-style-type: none"> • Receive, review and inform steering committee decisions regarding “Matters to be Addressed” • Provide input by sharing perspectives and experiences relative to specific aspects of TDE implementation • Meet approximately 1 hour per month outside the student day during the school year <ul style="list-style-type: none"> ○ Additional meetings may be scheduled as necessary

Table 3: Definitions of Participants

Part One – Teacher Practice

Performance Standards

Standard assessment of teacher practice informs us of our progress in development. Therefore, a teacher is expected to demonstrate professional teaching standards established in Minnesota Rule 8710.2000 and evaluated through the Performance Standards for Teacher Practice.

The standards for professional practice in South St. Paul Public Schools are based on the Danielson Group's *Updated Framework for Teaching*, (2024 rubric). The *Updated FFT* is a research-based set of components of instructional practices grounded in effective teaching practices. The framework focuses on four domains of teacher responsibility: Planning and Preparation, Learning Environments, Learning Experiences, and Principled Teaching. Each domain has a set of components and each component has a set of elements. The framework includes four levels of performance: Distinguished, Proficient, Basic, and Unsatisfactory. There are accompanying rubrics for each domain and its components.

Essential for the performance standards is a focus on equity, one of the district's core values. Equity, once implicit in the FFT but now explicit in the *Updated FFT*, is placed at the center and elevated to the core. Equity is supported by the other five themes: Developmental Appropriateness, Attention to Individual Students, High Expectations, Cultural Competence, and Student Assumption of Responsibility. In adopting the *Updated FFT*, we aim to create equitable educational opportunities.

Teachers, Summative Evaluators, and peer coaches use the performance standards for teacher practice to measure teacher practices against standards of effective practice; the rubrics are used to determine a teacher's level of performance and effectiveness. The performance standards are referenced when documenting evidence or offering feedback to teachers through the IGDP, peer reviews, and formal and informal observations.

The domains, components, and elements of the Danielson Group's *Updated FFT* are available and utilized in the online Frontline Professional Development and Evaluation system.

Professional Review Cycles

Each year of the cycle has defined roles, ongoing activities, and a continuous review of student learning and achievement data. Self-reflection, the peer review process, and the summative evaluation process all inform Individual Growth and Development Plans (IGDP). Steps and requirements for probationary and continuing contract teachers are laid out in the table below.

Roles	Steps/Requirements
Annual Professional Review Cycle for PROBATIONARY TEACHERS	<ol style="list-style-type: none"> 1. IGDP 2. PLC 3. Peer Review (1) 4. Summative Evaluation <ul style="list-style-type: none"> -Formal Observations (3) -Summative Conference (1) -OPTIONAL: Portfolio
3-Year Professional Review Cycle for CONTINUING CONTRACT TEACHERS	<p>Cycle Year 1:</p> <ol style="list-style-type: none"> 1. IGDP 2. PLC 3. Peer Reviews (2) 4. Informal Observation by administrator (1) <p>Cycle Year 2:</p> <ol style="list-style-type: none"> 1. IGDP 2. PLC 3. Peer Reviews (2) 4. Informal Observation by administrator (1) <p>Cycle Year 3:</p> <ol style="list-style-type: none"> 1. IGDP 2. PLC 3. Peer Review (1) 4. Summative Evaluation <ul style="list-style-type: none"> -Formal Observation (1) -Summative Conference (1) -OPTIONAL: Portfolio

Table 4: Probationary & Continuing Contract Review Cycle Requirements

Individual Growth and Development Plan (IGDP)

The Individual Growth and Development Plan is designed to guide an educator's individual professional learning and link that learning to the professional review cycle. It is written at the beginning of each school year. Parts of the plan may be developed in collaboration with members of the educator's professional learning community. The completed plan is submitted to the peer coach team at the end of each school year.

An Individual Growth and Development Plan identifies:

- Peer coach(s) and observation date(s)
- Summative Evaluator(s) and observation date(s)
- Professional growth goal(s)
- Site goals
- Action plans that address professional growth goal and individual student learning achievement goal
- Reflections on professional growth, student impact, and areas of strength

At the beginning of each school year, all teachers will complete a self-assessment based on the SSPPS Performance Standards. The results of the self-assessment will guide teachers to determine at least two *Updated FFT* components of focus for their IGDP. Data and information collected from peer reviews and informal observations during the previous year may also be used to inform the IGDP.

The Summative Evaluator will use this document to remain informed about the professional growth of the teacher.

Professional Learning Communities

All professional development is meant to increase a teacher's knowledge, skills, and professionalism. In South St. Paul, it is an expectation that teachers are engaged in job-embedded professional development through professional learning communities. Administration will ensure the creation of building meeting calendars that include designated PLC meeting times.

Professional Learning Communities (PLCs) will identify student learning needs and then develop an inquiry question using the Collaborative Inquiry Model or develop a SMART Goal using the DuFour Model. PLCs will work collaboratively throughout the school year to implement all elements of the selected model and document their work. At the end of the school year the PLC will self-assess their collaborative efforts with respect to their inquiry question or SMART goal.

Peer Reviews

Peer reviews will be based on the teacher's Individual Growth and Development Plan and facilitated by the teacher's peer coaches. Observations will be conducted by peer coaches annually.

Peer Coach Observations

- Pre Observation Form & conference (approx. 30 mins)
- Observation and Formal Observation Rubric (1 "class period," approx. 30-60 mins)
- Post Observation Form & conference (approx. 30-60 mins)

Peer Coach "Drop-in" Observations

- Observation and Formal Observation Rubric (1 "class period," approx. 30-60 mins)
- Post Observation Form & conference (approx. 30-60 mins)

Summative Evaluations

A Summative Evaluator will conduct informal and formal observations throughout the school year based upon a teacher's probationary or continuing contract status.

Formal Observations

- Pre-Observation Form & Conference (approx. 30 mins)
- Observation and Formal Observation Rubric (1 "class period," approx. 30-60 mins)
- Post-Observation Form & Conference (approx. 30-60 mins)

Informal Observations

- Observation and Informal Observation Rubric with a focus of areas 3B and 3C (approx. 10-20 mins)

Summative Conference

A Summative Evaluator will schedule the summative conference near the end of the school year after completing all informal and formal observations. Prior to the conference, the Summative Evaluator will:

- Review evidence of teacher practice and student engagement from previous observation feedback
- Review portfolio evidence (if submitted by the teacher)
- Determine Teacher Practice Score for each Domain 1-4
- Determine Student Learning & Achievement (SLA) Rating, based on average of SLA ratings from all three cycle years (available in IGDP), for Continuing Contract Cycle Year 3 teachers only

The purpose of a summative conference should be to engage in a meaningful conversation that supports a teacher in reflecting on their growth and development over the previous year(s). During the conference, it is expected that the Summative Evaluator will review both the Teacher Practice Score and SLA Rating as recorded in the Summative Form. The summative conference is also a time to identify areas for future growth and development.

Continuing Contract

Summative Evaluators conduct an informal observation in Cycle Year 1 and Cycle Year 2 to gather information on teacher practice and evidence of student engagement with a focus of areas 3B and 3C. Summative Evaluators will conduct a formal observation in Cycle Year 3. A summative conference will be held near the end of Cycle Year 3 to complete the 3-year professional review cycle.

Probationary

Summative Evaluators will conduct three formal observations and host a summative conference to complete the annual professional review cycle for each probationary year. The first formal observation occurs within 90 days of employment and subsequent formal observations will take place through the remainder of the school year as communicated and scheduled by a Summative Evaluator.

		Minimum Number of Observations			
		Summative Evaluator (may complete more)		Non-Evaluative Observations	
Type of Teacher		Informal Observations	Formal Observations	Peer Coach	Mentor
Probationary Year 1		0	3	1	3
Probationary Year 2 & 3		0	3	1	
Continuing Contract	Year 1	1	0	2	
	Year 2	1	0	2	
	Year 3	0	1	1	

Table 5: Minimum Number of Observations

Student Engagement

School districts are required to use longitudinal data on student engagement and connection and other student outcome measures aligned with curriculum for which teachers are responsible in the teacher evaluation system. The following passage from Danielson's *Framework for Teaching Evaluation Instrument* defines student engagement:

The centerpiece of the Framework is student engagement, which is defined not as "busy" or "on task," but as "intellectually active." Learning activities for students may be "hands-on," but they should always be "minds-on." Furthermore, the hallmark of distinguished-level practice in the Framework is that teachers have been able to create a community of learners, in which students assume a large part of the responsibility for the success of a lesson; they make suggestions, initiate improvements, monitor their own learning against clear standards, and serve as resources to one another.

The best evidence for student engagement is what students are saying and doing as a consequence of what the teacher does, or has done, or has planned. And while students may be physically active (e.g., using manipulative materials in mathematics or making a map in social studies), it is not essential that they be involved in a hands-on manner; it is, however, essential that they be challenged to be "minds-on."

During informal observations, Summative Evaluators will gather data on student engagement of Danielson's components: 3B and 3C. Summative Evaluators will collect student engagement data during Cycle Year 1 and Cycle Year 2 through informal observations and during Cycle Year 3 through a formal observation. Educators may choose to supplement this with additional evidence submitted in an electronic portfolio.

Teacher Portfolio (Optional)

The teacher portfolio is a collection of evidence demonstrating teacher practice, professional growth, student engagement, and impact on student learning and achievement. A teacher possesses the individual right to submit an electronic portfolio to their Summative Evaluator as a source of evidence; submitting a portfolio does not eliminate any other requirements of the teacher evaluation process. A portfolio is a way for a teacher to submit evidence of practice that may not have been gathered through other activities. A Summative Evaluator must consider portfolio evidence, if submitted, when determining scores and ratings for a summative evaluation. If a teacher chooses not to submit a portfolio, it will not reflect negatively on their evaluation.

Portfolios may contain, but are not limited to, the following evidence:

- Reflective statements
- Evidence of participation in professional learning activities
- Evidence of leadership
- Evidence of collaboration with other educators and with families
- Sample communications to families and other stakeholders
- Self-reflection and peer review observation forms
- Student work samples
- Examples of teacher work such as lesson plans
- Videos of lessons
- Student data including results of student learning and achievement goals
- Student survey results and reflection

For example, a teacher may have received feedback from a Summative Evaluator that students rarely work in groups. That teacher may respond to that feedback by providing lesson plans documenting when, how often, and the effect of students working in groups. Or, the teacher could offer a reflection stating changes in practice. In this example, the Summative Evaluator must consider evidence of the existing lesson plans with regards to Domain 1: Planning and Preparation, and the evidence of reflection and growth must be considered in the Domain 4: Principled Teaching.

Determining the Teacher Practice Score

A continuing contract teacher receives a summative evaluation once at the end of the three-year professional review cycle. To determine a Teacher Practice Score, a Summative Evaluator collects all evidence from the three-year professional review cycle activities including:

- Documentation from formal and informal observations by the Summative Evaluator,
- Longitudinal data of student engagement collected by the Summative Evaluator,
- Self-Reflection Annual Summary
- Teacher's portfolio (optional)

The Summative Evaluator uses a holistic approach. ***A holistic approach acknowledges that a Summative Evaluator uses professional judgment when combining evidence from multiple measures into a single rating.*** The Summative Evaluator reviews the body of evidence for teacher practice and looks for patterns in performance and trends over time and compares evidence to the *Updated FFT*. The Summative Evaluator interprets the evidence within the context of these benchmarks to draw conclusions about performance in each of the areas of planning and preparation, the learning environment, learning experiences, and principled teaching to then determine a Teacher Practice Score. Scores are recorded in the Teacher Practice Score Report in the Continuing Contract Teacher Summative Form.

The expectation is that a continuing contract teacher is rated proficient and continually improves their practice. A teacher may be rated basic when implementing a new curriculum, teaching a new course, or trying new professional practices. A continuing contract teacher with an Unsatisfactory score in a single component in the Teacher Practice Score Report will be supported to improve through the Advancing Practice Process.

Part Two – Impact on Student Learning and Achievement

Student learning and achievement is 35% of the Summative Performance Rating for an educator in South St. Paul (as required by Minnesota Statutes §122A.40 and §122A.41). This is calculated by taking the average of the Student Learning and Achievement ratings from all three years of a continuing contract teacher's professional review cycle.

Student Learning and Achievement SMART Goal (35%)

Each year, individual teachers will set a student learning goal that will account for their student learning and achievement rating. Guidance for creating SMART goals and inquiry questions will be provided by the Department of Educational Services through coaches and the PLC process.

Determining the Rating for Student Learning and Achievement

Teachers will use the levels of performance below to determine a rating that indicates their impact on student learning and achievement. The rating(s) will be recorded in the IGDP during each year of the three year performance review cycle.

Rating	Levels of Performance for Student Learning and Achievement SMART Goal
4 (Distinguished)	This category applies when <u>all students</u> have met the target(s) and many students exceed the target(s). <ul style="list-style-type: none">When a substantial number of students surpassed the overall level of attainment established by the target(s), the goal was exceeded.
3 (Proficient)	This category applies when <u>all or almost all students</u> have met the target(s). The bar for this category should be high and it should only be selected when it is clear that the students met the overall level of attainment established by the target(s). <ul style="list-style-type: none">Results within a few points, a few percentage points, or a few students on either side of the target(s) should be considered for a rating of 3 (Proficient).
2 (Basic)	This category applies when it is clear that <u>students fell short</u> of the level of attainment established by the target(s). <ul style="list-style-type: none">When many students met the target(s), but the target(s) was missed by more than a few points, a few percentage points, or a few students, the goal was nearly met.
1 (Unsatisfactory)	This category applies when the results do not fit the description of what it means to have a rating of 2 (Basic). This category also applies when <u>results are missing, incomplete, or unreliable.</u> <ul style="list-style-type: none">If a substantial proportion of students did not meet the target(s), the goal was not met.

Table 6: Student Learning & Achievement Goal Ratings

Summative Performance Rating & Conference

At the end of Cycle Year 3, the Summative Evaluator and teacher will meet in a summative conference. In this conference, the Evaluator shares the Teacher Summative Form, which includes:

- Teacher Practice Score
- Summative Evaluator Comments & Recommendations (strengths and areas for improvement)
- Summative Performance Rating

As shown in Figure 2 below, the summative performance rating is based on evidence from the two parts of the South St. Paul Teacher Growth, Development, and Evaluation Plan: *Part One–Teacher Practice*, and *Part Two–Impact on Student Learning and Achievement*. Put together, the two parts are used to determine a Summative Performance Rating. Evidence of teacher practice and evidence of student learning and achievement are collected during all years of the three-year professional review. A Summative Evaluator reviews all the evidence (including a portfolio if submitted) and determines a Summative Performance Rating.

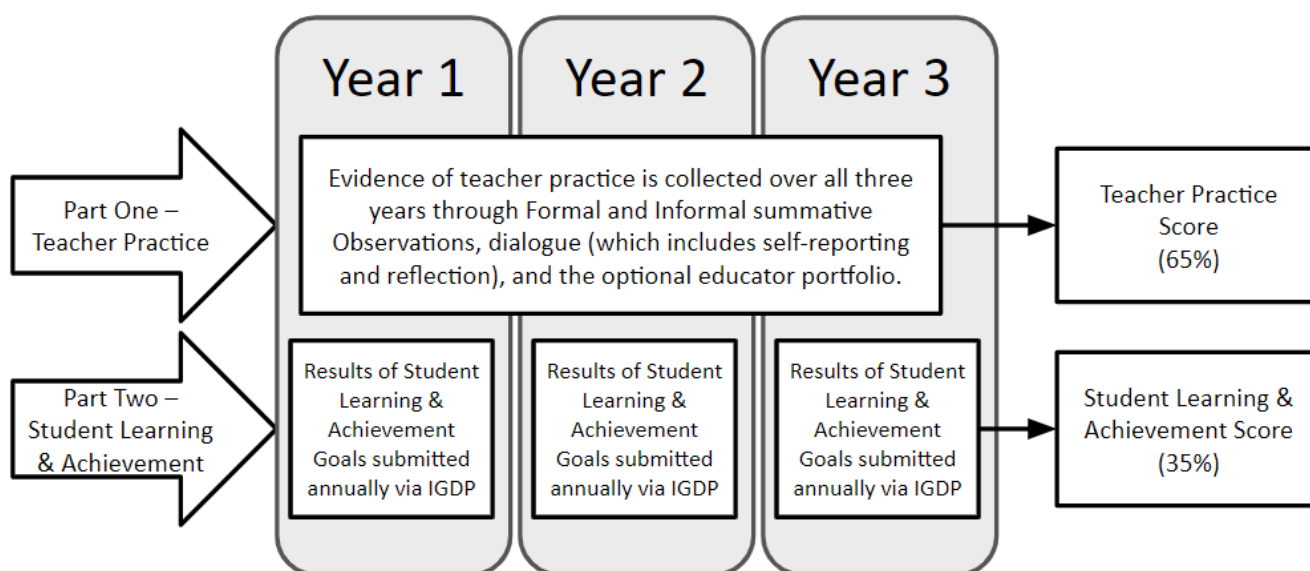


Figure 2: Parts of the Summative Performance Rating

Determining the Summative Performance Rating

For the summative evaluation, the assigned Summative Evaluator first determines a score for *Part One–Teacher Practice* and a rating for *Part Two–Student Learning and Achievement*. The two parts are then used to numerically calculate a summative score and summative performance rating for a continuing contract teacher. The process described in detail below is automatically performed on the Continuing Contract Teacher Summative Form within the district’s Frontline Professional Development and Evaluation system.

Summative Performance Rating Example

Summative Evaluators use the following process:

1. Assign the Teacher Practice Score and Student Learning & Achievement SMART Goal Rating.
(See columns 1 and 2 in the example calculation in Figure 3)
2. Multiply the numerical value for each part by the weight assigned to that part.
(See column 3 in the example in Figure 3)
3. Add the resulting products together to determine the summative score.
(See column 4 in the example in Figure 3)
4. Determine the Summative Performance Rating.
(See the circle and arrow in the example in Figure 3)

Example Calculation of Summative Score


Parts of Evaluation System	Score/Rating	Weight	Products
Part One–Teacher Practice Score	3.5	.65	2.275
Part Two–Student Learning and Achievement SMART Goal Rating (averaged from cycle years 1-3)	3*	.35	1.05
Add Products for Summative Score			3.325
<div><input type="checkbox"/> Distinguished 3.50-4.00</div> <div><input checked="" type="checkbox"/> Proficient 2.50-3.49</div> <div><input type="checkbox"/> Basic 1.50-2.49</div> <div><input type="checkbox"/> Unsatisfactory 1.00-1.49</div> 			

Figure 3: Determining the Summative Performance Rating

<p>Performance Rating 4: Distinguished</p> <p>Evidence of exceptional performance exists. The teacher exceeds South St. Paul Public Schools Performance Standards and shows leadership, initiative, and the ability to model and mentor colleagues. The teacher is a master teacher with consistent high levels of student engagement and makes contributions to the field.</p>
<p>Performance Rating 3: Proficient</p> <p>Evidence of strong performance at a rigorous level exists. The teacher meets South St. Paul Public Schools Performance Standards. The teacher has strong content knowledge, knows his/her students and has a large repertoire of teaching and engagement strategies he/she uses with students. The teacher has developed a sophisticated understanding of classroom dynamics and has mastered the work of teaching while working to improve practice.</p>
<p>Performance Rating 2: Basic</p> <p>Evidence of minimal competence exists. Teacher appears to understand the concepts of the South St. Paul Public Schools Performance Standards but implementation is sporadic, intermittent, or not entirely successful. Improvement is expected.</p>
<p>Performance Rating 1: Unsatisfactory</p> <p>Evidence exists that performance is consistently below South St. Paul Public Schools Performance Standards. The teacher does not appear to understand concepts underlying the performance standards. Assistance and significant improvement are required.</p>

Table 2: Performance Level Ratings

Adapted from Danielson, C. (2007, 2nd Ed.). *Enhancing Professional Practice: A Framework for Teaching*. Alexandria, VA: ASCD.

Non-Disclosure

- A. The Summative Performance Rating, including Teacher Practice and Student Learning and Achievement, shall be considered confidential personnel data available only to the teacher and immediate supervisor without the written consent of the teacher. These ratings will not be used within or publicized by the District in any way that would allow District employees to identify specific teachers.
- B. Information gathered during peer observations will be considered confidential and shall not be shared without the consent of the specific teacher unless required by federal or state law.
- C. The Summative Performance Rating, including Teacher Practice and Student Learning and Achievement, will not be used to rank teachers or compare performances of teachers. Summative performance rating data for individual teachers shall not be shared publicly.
- D. Anonymous summative performance rating data may be used by the District for the purpose of planning professional learning opportunities.
- E. In no case will any data from the South St. Paul Teacher Growth, Development, and Evaluation program be released publicly in such a way as to identify specific teachers unless mandated by a court order or as otherwise mandated by state or federal law. In such instances, relevant documentation will be shared by the District with SSPTA.

Advancing Practice Process (APP)

Philosophy & Purpose

The South St. Paul Teacher Growth, Development, and Evaluation Plan is grounded in the philosophy that teachers can improve with appropriate time and support. The purpose of the Advancing Practice Process (APP) is to support continuing contract teachers not meeting professional teaching standards in improving their craft (in accordance with MN Statutes 122A.40). This process should be developed and implemented *with* a teacher, with growth-focused conversations through the process.

Level 1 Process

Guidelines

A teacher may complete a Level 1 APP if

- Teacher has been given time to improve (i.e. additional observations)
- Areas for growth or improvement require individualized plan of support
- A rating of Unsatisfactory in a single component is assigned in the Teacher Practice Score

Implementation: A Level 1 APP will be implemented no later than 20 school days after the summative conference that precipitated it. A teacher completing the APP will repeat cycle year 3.

SSPTA Role: A teacher has the right to union representation throughout the development and implementation of the process. The District shall notify the SSPTA that a teacher is undergoing the Level 1 process, but the identity of the teacher will be shared with the SSPTA only with the written consent of the teacher.

Advisor: A Peer Coach, chosen by the teacher, who works with the teacher to develop an action plan. An Advisor will serve as a confidential support in this process.

Action Plan:

A. Goal

- a. determined by the summative conference rating that precipitated the plan
- b. linked to *Updated FFT* or board policy

B. Activities for training and support (offered by the District)

May include:

- a. Observing a colleague
- b. Co-planning with a coach (i.e. E&I Coach or Due Process Lead)
- c. Data audit with a coach (i.e. E&I Coach or Due Process Lead)
- d. District-led workshops
- e. Book study/book clubs
- f. Additional observation cycles with a coach
- g. Focused work with an Advisor or Coaches
- h. Generally do not require additional administrative observations beyond standard requirements outlined in the TDE plan

C. Evidence

- a. Outlines evidence which will document the completion of activities

Final Assessment: Final assessment of a teacher's completion of a Level 1 APP shall occur within a 60 day window surrounding the date one calendar year following the date of implementation (i.e. 30 days

before to 30 days after one calendar year from the date of implementation) unless an earlier date is mutually agreed upon. During the last trimester of the Level 1 APP, an observation by a peer coach (not the Advisor) and Department of Educational Services staff, focused on those areas that prompted the Level 1 APP, will determine whether it was completed successfully.

Next Steps:

If a teacher does not successfully complete the Level 1 APP, the teacher will be placed on Level 2 APP.

Level 2 Process

Guidelines

A teacher may complete a Level 2 APP if

- Areas for growth or improvement require individualized plan of support outside of the scope of resources that Coaches can provide
- Teacher does not successfully complete the Level 1 process

Implementation: A Level 2 APP will be implemented no later than 20 school days after the summative conference that precipitated it. A teacher completing the APP will repeat cycle year 3.

SSPTA Role: A teacher has the right to union representation throughout the development and implementation of the APP. The District shall notify the SSPTA of the teacher's building and assignment when placed on a Level 2 APP, but the identity of the teacher will be shared with the SSPTA only with the written consent of the teacher.

Advisor: A Peer Coach, chosen by the teacher, who works with the teacher to develop an action plan. An Advisor will serve as a confidential support in this process.

Trained Mentor: A Trained Mentor, assigned by the District, will work with the teacher and Advisor to develop and complete an action plan. The Trained Mentor will serve as a confidential support in this process. The District and the SSPTA shall determine the qualifications for trained mentors. The Trained Mentor may share information about the teacher's performance with written permission of the teacher.

Action Plan:

A. Goal

- a. determined by the summative conference rating that precipitated the plan
- b. linked to *Updated FFT* or board policy

B. Activities for training and support (offered by the District):

May include—

- a. Observing a colleague
- b. Co-planning with a Coach (i.e. E&I Coach or Due Process Lead)
- c. Data audit with a Coach (i.e. E&I Coach or Due Process Lead)
- d. District-led workshops
- e. Book study/book clubs
- f. Additional observation cycles with a Coach
- g. Focused work with an Advisor, Coaches, or Trained Mentor
- h. Generally do not require additional administrative observations beyond standard requirements outlined in the TDE plan

C. Evidence

- a. Outlines evidence which will document the completion of activities

Final Assessment: Final assessment of a teacher's completion of Level 2 APP shall occur within a 60 day window surrounding the date one calendar year following the date of implementation (i.e. 30 days before to 30 days after one calendar year from the date of implementation) unless an earlier date is mutually agreed upon. During the last trimester of the Level 2 APP, an observation by an Evaluator, focused on those areas that prompted the Level 2 APP, will determine whether it was completed successfully.

Next Steps

If a teacher does not successfully complete the Level 2 APP, the teacher may either be required to complete a second year on Level 2 or may be recommended for discipline and/or termination. In accordance with MN Statutes §122A.40, a teacher who does not make adequate progress after receiving identified support through the APP must be disciplined. Discipline and/or termination must be in accordance with the terms of the Master Agreement and Minnesota statutes.

Appendix A: Annual Timeline of Activities

South St. Paul's Teacher Growth, Development, and Evaluation System is designed as a three-year professional review cycle. Teachers, Peer Coaches, and Summative Evaluators participate in ongoing activities each year as outlined on the following pages.

Continuing Contract Teachers

Approx. Dates	Actions
Beginning of School Year (Aug - Oct) <i>Reflect, Set Goals, Make a plan</i>	<ul style="list-style-type: none"> ● Self-Assessment <ul style="list-style-type: none"> ○ Complete & Submit ● Peer Review <ul style="list-style-type: none"> ○ Initial Meeting with a Peer Coach ○ Set goals, begin IGDP, schedule observation ● Individual Growth and Development Plan <ul style="list-style-type: none"> ○ Write your Professional Growth Goal <ul style="list-style-type: none"> ■ Select at least 2 component focus areas ■ At least one component should be in Domain 2 or 3 ○ Write a Student Learning & Achievement (SLA) goal <ul style="list-style-type: none"> ■ with guidance from Dept of Educational Services ● PLCs <ul style="list-style-type: none"> ○ Identify inquiry question or SMART goal
Throughout School Year (Sep - April) <i>Implement IGDP</i>	<ul style="list-style-type: none"> ● Peer Review <ul style="list-style-type: none"> ○ Schedule observations and complete observation process <ul style="list-style-type: none"> ▪ Pre-Observation Form ▪ Post-Observation Form ▪ IGDP reflections ● Individual Growth and Development Plan <ul style="list-style-type: none"> ○ Write reflections in IGDP for each observation focus ○ Complete SLA action plan ● PLC <ul style="list-style-type: none"> ○ Collaborate to implement team-identified action plan to improve student learning ○ Collect and review evidence of student learning ● Informal Observations (Cycle Year 1&2) <ul style="list-style-type: none"> ○ Review, reflect on, and acknowledge feedback from administrators regarding student engagement ● Formal Observations (Cycle Year 3 ONLY) <ul style="list-style-type: none"> ○ Complete process with Summative Evaluator ● Portfolio (optional) <ul style="list-style-type: none"> ○ Gather evidence around teacher practices & student engagement practices; submit via electronic portfolio
End of School Year (April - May) <i>Reflect</i>	<ul style="list-style-type: none"> ● Individual Growth and Development Plan <ul style="list-style-type: none"> ○ Complete Self-Reflection ○ Assign goal ratings for Student Learning and Achievement Goal ○ Meet with a Peer Coach to finalize ● Summative Evaluation Conference (Cycle Year 3 ONLY) <ul style="list-style-type: none"> ○ Submit portfolio of evidence to Summative Evaluator (optional) ○ 'Acknowledge' Continuing Contract Teacher Summative Form

NOTE: All electronic forms (i.e., IGDP, Self-Assessment, Informal Observations, etc.) for TDE are found in the online Frontline Professional Development & Evaluation system.

Probationary Teachers

Approx. Dates	Actions
Beginning of School Year (Aug - Oct) <i>Reflect, Set Goals, Make a plan</i>	<ul style="list-style-type: none"> ● Self-Assessment <ul style="list-style-type: none"> ○ Complete & Submit ● Peer Review <ul style="list-style-type: none"> ○ Initial Meeting with a Peer Coach ○ Set goals and begin IGDP ○ Complete one Peer Coach observation ● Individual Growth and Development Plan <ul style="list-style-type: none"> ○ Write your Professional Growth Goal <ul style="list-style-type: none"> ■ Select at least 2 component focus areas ■ At least one component should be in Domain 2 or 3 ○ Write a Student Learning & Achievement (SLA) goal <ul style="list-style-type: none"> ■ with guidance from Dept of Educational Services ● PLCs <ul style="list-style-type: none"> ○ Identify inquiry question or SMART goal ● Evaluation Process (with a Summative Evaluator) <ul style="list-style-type: none"> ○ 1st Formal Observation should occur in the first 90 days
Throughout School Year (Sept - March) <i>Implement IGDP</i>	<ul style="list-style-type: none"> ● Individual Growth and Development Plan <ul style="list-style-type: none"> ○ Write reflections in IGDP for each observation focus ○ Complete SLA action plan ● PLC <ul style="list-style-type: none"> ○ Collaborate to implement team-identified action plan to improve student learning ○ Collect and review evidence of student learning ● Formal Observations (with Summative Evaluator) <ul style="list-style-type: none"> ○ complete a total of 3 observation cycles ● Portfolio (optional) <ul style="list-style-type: none"> ○ Gather evidence around teacher practices & student engagement practices; submit to your Evaluator via electronic portfolio
End of School Year (April - May) <i>Reflect</i>	<ul style="list-style-type: none"> ● Individual Growth and Development Plan <ul style="list-style-type: none"> ○ Complete Self-Reflection ○ Assign goal ratings for Student Learning and Achievement Goal ○ Meet with a Peer Coach to finalize ● Summative Evaluation Conference <ul style="list-style-type: none"> ○ 'Acknowledge' Probationary Teacher Summative Form

NOTE: All electronic forms (i.e., IGDP, Self-Assessment, Informal Observations, etc.) for TDE are found in the online Frontline Professional Development & Evaluation system.

Summative Evaluators

Approx. Dates	Actions		
Aug - September <i>Create a plan to ensure minimum number of observations</i>	<ul style="list-style-type: none">● Create a plan for Informal Observations<ul style="list-style-type: none">○ one for each CCY 1 and CCY2 educator● Create a plan for Formal Observations<ul style="list-style-type: none">○ P1 observations should occur in the first 90 days of employment○ three for P1, P2, and P3○ one for CCY3		
October November December January February March	Complete Probationary Round 1 Formal Obs Complete Probationary Round 2 Formal Obs Complete Probationary Round 3 Formal Obs	<u>All CCY 3</u> Complete 1 Formal Observation for each educator	<u>All CCY1 & CCY2</u> Complete 1 Informal Observation for each educator
~April 1	Summative Conferences Due		
April - May <i>Conduct Summative Evaluation Conferences</i>	<ul style="list-style-type: none">● Summative Evaluation Conferences: Probationary<ul style="list-style-type: none">○ Schedule○ Review evidence of teacher practice and student engagement from previous observation feedback from Formal Observations from current year○ Review portfolio (if submitted by educator)○ Determine Teacher Practice Score for each Domain 1-4○ ‘Submit’ Probationary Teacher Summative Form<ul style="list-style-type: none">▪ Print hard copy and send to Human Resources● Summative Evaluation Conference: Cycle Year 3<ul style="list-style-type: none">○ Schedule○ Review evidence of teacher practice and student engagement from previous observation feedback<ul style="list-style-type: none">▪ Formal Observations from current year▪ Informal Observations from year 1 and year 2○ Review portfolio (if submitted by educator)○ Determine Teacher Practice Score for each Domain 1-4○ Determine Student Learning & Achievement Rating○ ‘Submit’ Continuing Contract Teacher Summative Form<ul style="list-style-type: none">▪ Print hard copy and send to Human Resources		

NOTE: All electronic forms for TDE are found in the online Frontline Professional Development & Evaluation system.

Peer Coaches

Approx. Dates	Actions	
August	<ul style="list-style-type: none"> ● Develop case load ● Create a plan to ensure minimum number of observations 	
September	<ul style="list-style-type: none"> ● Schedule Initial Meetings with probationary staff & CCY3 staff <ul style="list-style-type: none"> ○ Review TDE requirements ○ Support teachers in developing IGDP ○ Schedule observations for probationary year 1 educators 	
October	<ul style="list-style-type: none"> ● Complete Observations with probationary staff (one) ● Complete Observations with CCY3 staff (one) 	Complete Initial Meetings with CCY1 & CCY2 staff
November December January February March	Complete Mid Year Meetings with Probationary & CCY3 staff Prepare probationary staff for Summative Conferences	Complete observation cycles with CCY1 & CCY2 staff (two)
April - May	<ul style="list-style-type: none"> ● Support teachers in completing Individual Growth & Development Plans ● 'Finalize' IGDP for every teacher ● Schedule end-of-year meeting with Cycle Year 1 & 2 Teachers <ul style="list-style-type: none"> ○ Review and reflect on Professional Growth Goal and Student Learning and Achievement Goal(s) ○ Identify potential areas of focus for next school year 	

NOTE: All electronic forms (i.e., IGDP, Self-Assessment, Informal Observations, etc.) for TDE are found in the online Frontline Professional Development & Evaluation system.

Teacher Growth, Development and Evaluation Plan

Letter of Agreement

South St. Paul Public Schools, Special School District No. 6, (the "District") and South St. Paul Teachers Association, Local #861 (the "Union") agree to the following:

- A. This Letter of Agreement shall be in effect upon ratification by both the District and the Union from July 1, 2024 through June 30, 2027. Each group shall use its own processes for ratification.
- B. Both the District and the Union shall have the option to initiate a time period for revisions of this Letter of Agreement by notifying the other party in writing of such a request on/before January 30 of a given year. If both parties should decline to initiate a time period for revisions of the Letter of Agreement, the Letter of Agreement shall continue in its current form through June 30th of the subsequent year. If an agreement cannot be reached prior to the expiration of the current Letter of Agreement, and if Minnesota statute still requires a Teacher Development and Evaluation plan, the South St. Paul School District shall adopt a Teacher Development and Evaluation plan as authored by the Minnesota Department of Education.
- C. Should legislative action by the State of Minnesota alter or amend in any fashion the statute language establishing the requirements for a Teacher Development and Evaluation Program in the South St. Paul School District, this letter of agreement shall be opened immediately for renegotiation, and an amended Letter of Agreement shall be developed, agreed upon, and ratified by both the District and the Union within sixty (60) days of both parties becoming aware of the concern. If an agreement cannot be reached during that time, and if Minnesota statute still requires a Teacher Development and Evaluation plan, the South St. Paul School District shall adopt a Teacher Development and Evaluation plan as authored by the Minnesota Department of Education.
- D. Whenever there are revisions made to this Letter of Agreement, the Union shall conduct a ratification vote among its membership.
- E. Disputes related to this Letter of Agreement shall be resolved in accordance with the grievance procedure as articulated by Article XVIII of the Master Agreement.

This Letter of Agreement will expire on -June 30, 2027.

IN WITNESS WHEREOF, the parties have executed this Letter of Agreement as follows:

For _____
South St. Paul Teachers' Association

For _____
South St. Paul Public Schools
Special School District No. 6

President

School Board Chair

Vice President

School Board Vice Chair

Negotiations Representative

Director of Human Resources

Date

Date



SOUTH ST. PAUL PUBLIC SCHOOLS

School Board Agenda Item

Meeting Date: Monday, October 28, 2024

Place on Agenda: Regular Agenda

Action Requested: Approval

Attachment: **Resolutions for Employment of School Board Member as a Substitute**

Topic: Employment of School Board member as a Substitute
Presenter: Joel Milteer Human Resource Director
Background: According to MN Statute 123B.195, School Board members may be employed by the school district as an employee as long as the amount earned does not exceed \$20,000 in a fiscal year. Additionally, employment must receive majority approval at a meeting in which all board members are present. The Board Members on this resolution have been substitutes in the past and would like to continue as substitutes for the 2024-25 school year. Majority approval by the School Board is necessary.
Recommendation: Approve Board Member as a classified substitute for the district.
Alternatives: Not approve Board Member as a classified substitute for the district.

Passionate Learners Positively Changing Our World

Member _____ introduced the following Resolution and moved its adoption:

**RESOLUTION APPROVING EMPLOYMENT OF THE BOARD MEMBER AS A
SUBSTITUTE IN A CLASSIFIED POSITION IN THE SCHOOL DISTRICT**

WHEREAS, Minnesota Statutes sections 123B.195 and 471.88, subdivision 5, grant the School District the authority to hire board members for employment;

WHEREAS, Wendy Felton, board member of the South St. Paul Board of Education, is duly qualified for employment as a substitute in a classified position; and

WHEREAS, the School District wishes to employ Ms. Felton as a substitute in a classified position.

NOW THEREFORE BE IT RESOLVED by the South St. Paul Board of Education as follows:

1. The Board hereby approves Ms. Felton for employment as a substitute in a classified position in the School District. In accordance with Minnesota Statutes section 123B.195, Ms. Felton's compensation as a result of this employment relationship with the School District must not exceed \$20,000 per fiscal year.
2. Ms. Felton will be paid no more than the 2024-25 rate of pay listed below for the designated classified substitute assignment:
 - Nutrition Services substitute - \$16.00/hour
 - Student Supervision substitute - \$15.00/hour
 - Clerical substitute - \$19.00/hour

These are the same rates paid to all substitutes in classified positions in the School District and is as low as the price of obtaining substitute services from someone other than Ms. Felton.

The motion for the adoption of this Resolution was made at the South St. Paul School Board Meeting on October 28, 2024, by _____, duly seconded by _____, and upon a vote being taken thereon, the following voted in favor of the Resolution:

And the following voted against the Resolution:

Whereupon this Resolution was declared duly passed and adopted



SOUTH ST. PAUL PUBLIC SCHOOLS

School Board Agenda Item

Meeting Date: Monday, October 28, 2024

Place on Agenda: Regular Agenda

Action Requested: Approval

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Background: According to MN Statute 123B.195, School Board members may be employed by the school district as an employee as long as the amount earned does not exceed \$20,000 in a fiscal year. Additionally, employment must receive majority approval at a meeting in which all board members are present. The Board Members on this resolution have been substitutes in the past and would like to continue as substitutes for the 2024-25 school year. Majority approval by the School Board is necessary.
Recommendation: Approve Board Member as a classified substitute for the district.
Alternatives: Not approve Board Member as a classified substitute for the district.

Passionate Learners Positively Changing Our World

Member _____ introduced the following Resolution and moved its adoption:

**RESOLUTION APPROVING EMPLOYMENT OF THE BOARD MEMBER AS A
SUBSTITUTE IN A CERTIFIED OR CLASSIFIED POSITION IN THE SCHOOL
DISTRICT**

WHEREAS, Minnesota Statutes sections 123B.195 and 471.88, subdivision 5, grant the School District the authority to hire board members for employment;

WHEREAS, Kimberly Humann, board member of the South St. Paul Board of Education, is duly qualified for employment as a substitute in certified and/or classified positions;
and

WHEREAS, the School District wishes to employ Ms. Humann as a substitute in teacher and paraeducator positions.

NOW THEREFORE BE IT RESOLVED by the South St. Paul Board of Education as follows:

1. The Board hereby approves Ms. Humann for employment as a substitute in a teacher or a paraeducator position in the School District. In accordance with Minnesota Statutes section 123B.195, Ms. Humann's compensation as a result of this employment relationship with the School District must not exceed \$20,000 per fiscal year.
2. Ms. Humann will be paid no more than the 2024-25 rate of pay listed below for the designated substitute assignment:
 - Teacher substitute - \$200/day
 - Para substitute - \$18.00/hour

These are the same rates paid to all substitutes in teacher and para positions in the School District and is as low as the price of obtaining substitute services from someone other than Ms. Humann.

The motion for the adoption of this Resolution was made at the South St. Paul School Board Meeting on October 28, 2024, by _____, duly seconded by _____, and upon a vote being taken thereon, the following voted in favor of the Resolution:

And the following voted against the Resolution:

Whereupon this Resolution was declared duly passed and adopted



SOUTH ST. PAUL PUBLIC SCHOOLS

School Board Agenda Item

Meeting Date: Monday, October 28, 2024

Place on Agenda: Regular Agenda

Action Requested: Approval

Attachment: **Resolutions for Employment of School Board Member as a Substitute**

Topic: Employment of School Board member as a Substitute
Presenter: Joel Milteer Human Resource Director
Background: According to MN Statute 123B.195, School Board members may be employed by the school district as an employee as long as the amount earned does not exceed \$20,000 in a fiscal year. Additionally, employment must receive majority approval at a meeting in which all board members are present. The Board Members on this resolution have been substitutes in the past and would like to continue as substitutes for the 2024-25 school year. Majority approval by the School Board is necessary.
Recommendation: Approve Board Member as a classified substitute for the district.
Alternatives: Not approve Board Member as a classified substitute for the district.

Passionate Learners Positively Changing Our World

Member _____ introduced the following Resolution and moved its adoption:

RESOLUTION APPROVING EMPLOYMENT OF THE BOARD MEMBER AS A SUBSTITUTE IN A CERTIFIED OR CLASSIFIED POSITION IN THE SCHOOL DISTRICT

WHEREAS, Minnesota Statutes sections 123B.195 and 471.88, subdivision 5, grant the School District the authority to hire board members for employment;

WHEREAS, Tim Felton, board member of the South St. Paul Board of Education, is duly qualified for employment as a substitute in certified and/or classified positions; and

WHEREAS, the School District wishes to employ Mr. Felton as a substitute in teacher and paraeducator positions.

NOW THEREFORE BE IT RESOLVED by the South St. Paul Board of Education as follows:

1. The Board hereby approves Mr. Felton for employment as a substitute in a teacher or a paraeducator position in the School District. In accordance with Minnesota Statutes section 123B.195, Mr. Felton's compensation as a result of this employment relationship with the School District must not exceed \$20,000 per fiscal year.
2. Mr. Felton will be paid no more than the 2024-25 rate of pay listed below for the designated substitute assignment:
 - Teacher substitute - \$200/day
 - Para substitute - \$18.00/hour

These are the same rates paid to all substitutes in teacher and para positions in the School District and is as low as the price of obtaining substitute services from someone other than Mr. Felton.

The motion for the adoption of this Resolution was made at the South St. Paul School Board Meeting on October 28, 2024, by _____, duly seconded by _____, and upon a vote being taken thereon, the following voted in favor of the Resolution:

And the following voted against the Resolution:

Whereupon this Resolution was declared duly passed and adopted