

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



MAHTOMEDI
PUBLIC SCHOOLS

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www.mahtomedi.k12.mn.us

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

INDEPENDENT SCHOOL DISTRICT NO. 832
MAHTOMEDI, MINNESOTA

1520 Mahtomedi Avenue
Mahtomedi, MN 55115

Prepared by
Finance Department

Tim Erickson • Director of Business Services

Beth Palmer • Senior Accountant

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INDEPENDENT SCHOOL DISTRICT NO. 832

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SECTION I – INTRODUCTORY SECTION

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December 31, 2024

To the School Board, Citizens, and Employees of Independent School District No. 832:

State law requires that every public school district publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Malloy, Montague, Karnowski, Radosevich & Co. P.A., Certified Public Accountants, have issued unmodified (“clean”) opinions on Independent School District No. 832’s (the District) financial statements for the year ended June 30, 2024. The independent auditor’s report is located at the front of the financial section of this report.

The management’s discussion and analysis (MD&A) immediately following the independent auditor’s report provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE ENTITY AND ITS SERVICES

The District was incorporated in 1950 and serves all or parts of nine communities on the northeastern edge of the Minneapolis/St. Paul metropolitan area. The District is governed by an elected six-member School Board. The School Board members are elected at large in even-numbered years. Members serve alternating four-year terms.

The District provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through Grade 12. These include regular and enriched academic programs, special education programs, and career/vocational education. Food service and transportation are provided as supporting programs. The community education program in the District includes early childhood and family education programs, an adult basic education program, and a variety of classes for lifelong learning experiences for children and adults.

The District has been highly rated in Minnesota Comprehensive Assessments in math, science, reading, and other achievement data. We strive to deliver an educational system dedicated to continuous improvement that defines excellence.

The District served 3,171 students in grades K–12 for the 2023–2024 school year. The District operates two elementary schools (K–2) and (3–5), one middle school (6–8), one high school (9–12), and a transition program for students ages 18–21. An early childhood family education program serves families with young children, from birth to age five.

The average age of the District's buildings is approximately 50 years. Building ages include 1930's District Education Center, 1960's O.H. Anderson Elementary, 1970's High School, 1990's Middle School, and 2010's Wildwood Elementary.

The District is on the eastern shore of White Bear Lake in a scenic area between White Bear Lake Schools and Stillwater Schools in the northeast metro. The District covers approximately 28 square miles. The District encompasses all or parts of nine communities, including: Dellwood, Grant, Hugo, Lake Elmo, Mahtomedi, Oakdale, Pine Springs, White Bear Lake, and Willernie. The total district population is estimated at 14,536.

The mission of the District, the diverse Zephyr community setting the standard for academic and personal excellence, is to ensure each student is equipped with a world-class education to lead and thrive in a dynamic world, pursue their passions, and impact their community through learning environments distinguished by

- A foundation of rigorous academics and real-world skills
- A community where each person is valued, respected, seen, and heard
- Innovative instructional practices and exceptional learning opportunities
- A commitment to personal growth and celebrating the success that comes in many forms
- Curiosity, engagement, and joy

All financial and budgetary decisions made as a district are assessed through our mission and belief statements.

The District strives to develop learners who are innovative, creative, and prepared for a rapidly changing world. Expectations are high and students of all abilities are challenged, supported, and motivated at every level, from early childhood through high school. Students regularly earn top awards and recognitions in academics, and performing and visual arts programs. Student athletes also consistently appear in state competitions.

BUDGETARY PROCESS

The District's budgeting process begins with a review and estimation of projected student enrollment. Student enrollment is the main driver of the allocation of the unrestricted revenue resources within the General Fund. A majority of the budgeting decisions are made by the District Leadership Team, which consists of the Superintendent, Cabinet, and Building Principals. Decisions include staffing levels, capital expenditures, building supply allocations and infrastructure improvements. The budget plan is developed following a School Board approved timeline with completion and adoption in June, prior to the start of the school year.

School Board approval of the District's budget includes the aforementioned General Fund, Special Revenue Funds (Food Service and Community Education), Capital Projects – Building Construction Fund, as well as the District's Debt Service Funds. In addition, Board approval is received for the District's Internal Service Fund and the Post-Employment Benefits Fiduciary Fund. School Board approval is made at the fund level.

The School Board receives quarterly financial reports. These reports are publicly available as part of the School Board's meeting materials. The reports provide budget to actual information, as well as a comparison to the prior year. If material budget to actual variances are detected, the School Board may be asked to approve a revised budget.

LOCAL

Washington County continued to experience population growth increasing to an estimated 278,936 in 2023, an estimated increase of 1.09 percent. The county ranks as the fifth largest out of 87 Minnesota counties. The county's median household income in 2023 is \$106,509 with a median age of 40.0 years.

The county unemployment rate reported in November 2023 was 2.4 percent, which is below the state-wide level of 1.9 percent for the same time period.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

In November 2018, the taxpayers within the District generously approved a revoke and replace to the District's General Fund operating levy. The new authority has 3 tiers over 10 years as outlined below:

- \$1,020 per pupil for taxes payable in 2019 through 2021
- \$1,295 per pupil for taxes payable in 2022 through 2024
- \$1,570 per pupil for taxes payable in 2025 through 2028

The intention of the tiered levy authority is to maintain and enhance class sizes and programming over the longer term. The tiered levy authority helps to ensure that revenues are sufficient to meet projected expenditures and to maintain a reasonable amount in reserve to cover any unforeseen expenditures and to maintain compliance with School Board-approved Fund Balance Policy number 714.

With the exception of the voter-approved operating referendum, the District is dependent on the state of Minnesota for the vast majority of its revenue authority. Recent experience demonstrates that legislated revenue increases are unpredictable and have not been sufficient to meet instructional program needs and increased costs due to inflation.

RELEVANT FINANCIAL POLICIES

The District has adopted several financial policies, which were not significantly changed in the current year. The District is required to adopt an annual budget prior to the start of the fiscal year. Legal budgetary control is at the fund level. For the 2023–2024 fiscal year, the District adopted a General Fund budget estimating revenues to be \$48.3 million versus expenditures of \$48.1 million. In February 2024, the District revised its General Fund budget reflecting updated enrollment and expenditure estimates to project revenues of \$49.2 million versus expenditures of \$49.3 million.

School Board Policy 714 states the School Board shall strive to maintain a minimum unassigned General Fund balance of 8.0 percent of total General Fund expenditures. Operating results for the year ended June 30, 2024 provide for compliance with School Board-approved policy.

AWARDS AND ACKNOWLEDGEMENTS

The District is honored to submit its Annual Comprehensive Financial Report for the fiscal year 2023–2024 to the Association of School Business Officials International for consideration of the Certificate of Excellence in Financial Reporting. The District has achieved this prestigious award in each of the six preceding years.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Business and District Office. We wish to thank the schools and all departments for their assistance in providing the data necessary to prepare this report. We also thank the School Board for its unfailing support in maintaining the highest standards of professionalism in the management of the District’s finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tim Erickson", is written over a light blue grid background.

Tim Erickson
Director of Business Services

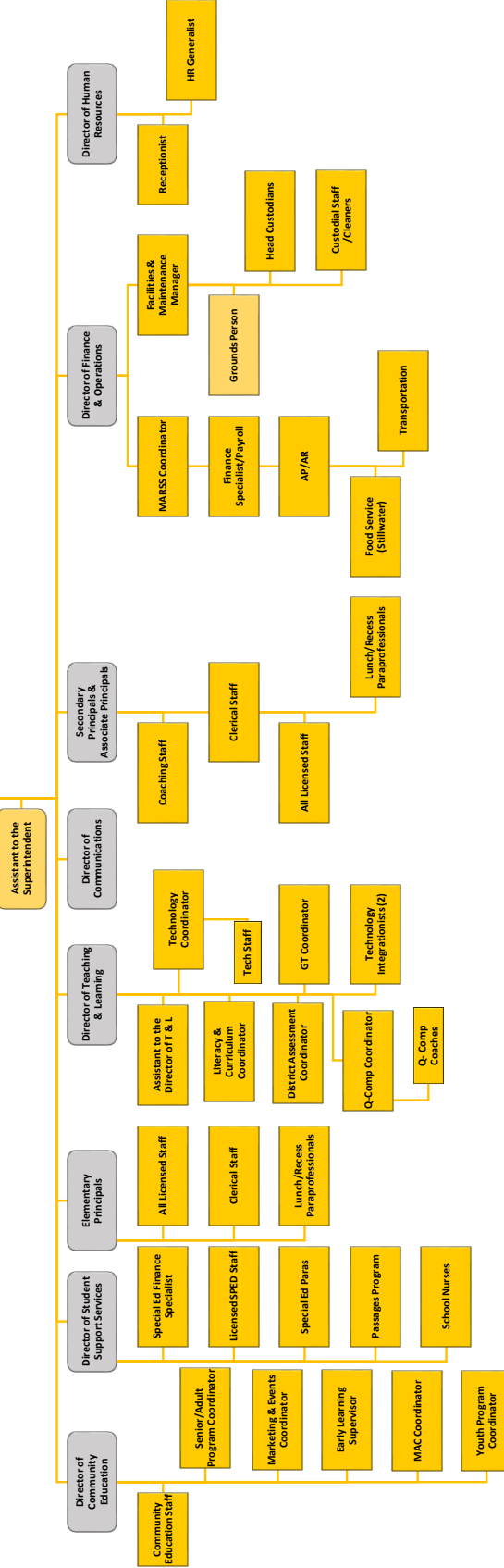


MAHTOMEDI PUBLIC SCHOOLS

Mahtomedi Public Schools Community

Board of Education

Superintendent



INDEPENDENT SCHOOL DISTRICT NO. 832

School Board and Administration
as of June 30, 2024

SCHOOL BOARD

	<u>Position</u>
Stacey Stout	Chairperson
Kelly Reagan	Vice Chair and Clerk
Paul Donna	Treasurer
Ryan Domin	Director
Lucy Payne	Director
Jennifer Peterson	Director

ADMINISTRATION

Barbara Duffrin	Superintendent of Schools
Timothy Erickson	Director of Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Mahtomedi School District 832

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

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



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

Ryan S. Stechschulte
President

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

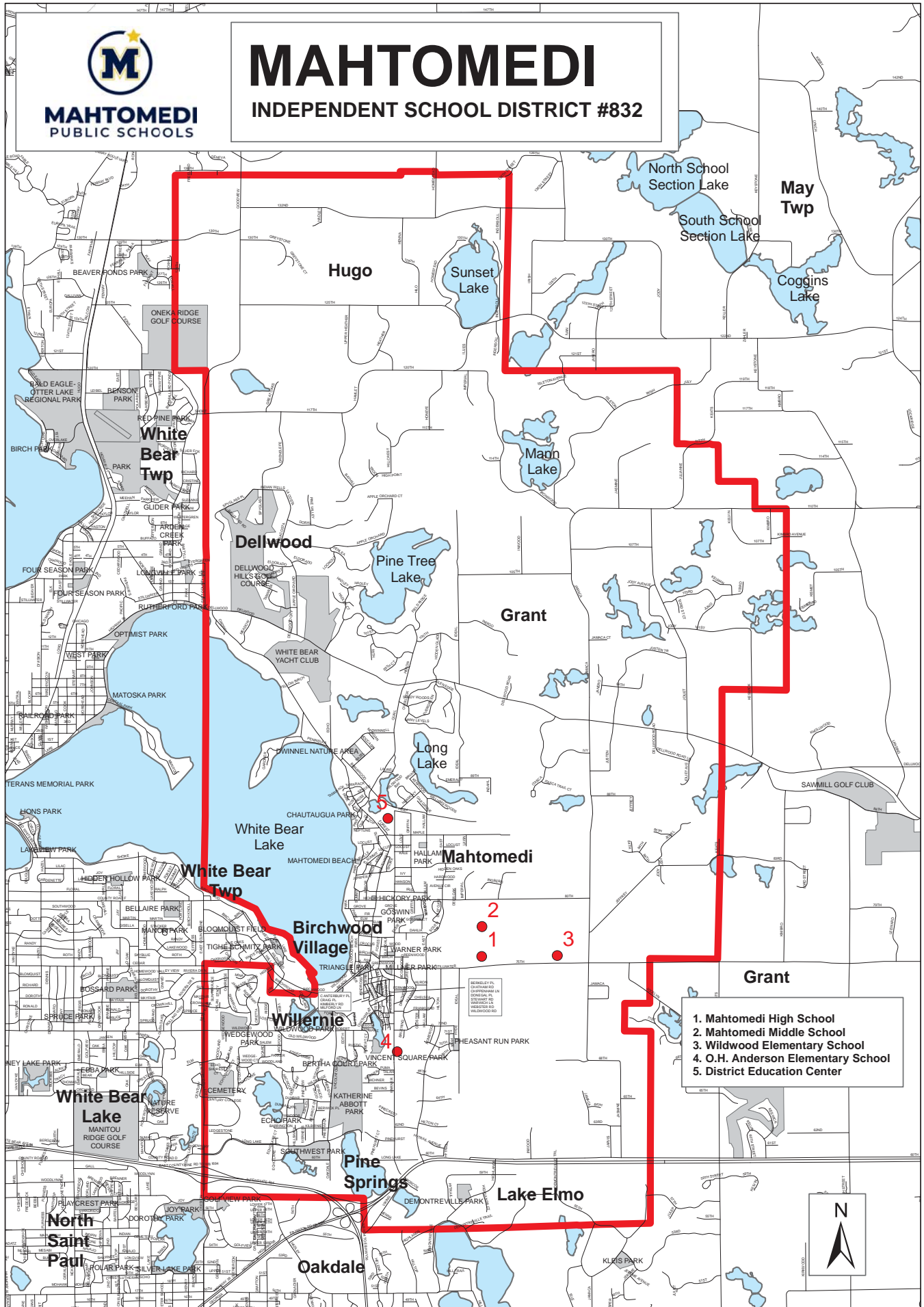
James M. Rowan, CAE, SFO,
CEO/Executive Director



**MAHTOMEDI
PUBLIC SCHOOLS**

MAHTOMEDI

INDEPENDENT SCHOOL DISTRICT #832



1. Mahtomedi High School
2. Mahtomedi Middle School
3. Wildwood Elementary School
4. O.H. Anderson Elementary School
5. District Education Center



SECTION II – FINANCIAL SECTION

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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

INDEPENDENT AUDITOR’S REPORT

To the School Board and Management of
Independent School District No. 832
Mahtomedi, 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 the Independent School District No. 832 (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.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial 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 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 statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

PRIOR YEAR COMPARATIVE INFORMATION

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 26, 2023. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 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
December 31, 2024

INDEPENDENT SCHOOL DISTRICT NO. 832

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

This section of Independent School District No. 832's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the other components of the District's ACFR.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$22,020,733. The District's total net position increased by \$12,905,964 during the fiscal year ended June 30, 2024.
- At June 30, 2024, the District's governmental funds reported a combined ending fund balance of \$13,792,917, a decrease of \$982,933 from the prior year.
- The District's General Fund unassigned fund balance decreased from \$5,899,307 to \$5,089,369 during fiscal year 2024.
- The District received insurance recoveries totaling \$5,141,106 related to storm damage to the District's buildings that occurred during the previous fiscal year.

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 except for the fiduciary funds. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The District maintains the following kinds of funds:

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

Proprietary Fund – The District maintains one type of proprietary fund. The Internal Service Fund is used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its Internal Service Fund to account for its self-insured risk of loss for the employee dental insurance plan. 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.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2024	2023
Assets		
Current and other assets	\$ 32,736,609	\$ 36,584,998
Capital assets, net of depreciation/amortization	79,720,580	73,908,704
Total assets	\$ 112,457,189	\$ 110,493,702
Deferred outflows of resources		
Pension plan deferments	\$ 6,581,795	\$ 8,508,902
OPEB plan deferments	13,498	50,870
Total deferred outflows of resources	\$ 6,595,293	\$ 8,559,772
Liabilities		
Current and other liabilities	\$ 3,761,043	\$ 7,164,432
Long-term liabilities, including due within one year	75,474,422	80,574,341
Total liabilities	\$ 79,235,465	\$ 87,738,773
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 15,470,701	\$ 15,059,989
Pension plan deferments	1,944,749	6,638,486
OPEB plan deferments	380,834	501,457
Total deferred inflows of resources	\$ 17,796,284	\$ 22,199,932
Net position		
Net investment in capital assets	\$ 38,125,994	\$ 29,525,125
Restricted	2,743,383	2,550,874
Unrestricted	(18,848,644)	(22,961,230)
Total net position	\$ 22,020,733	\$ 9,114,769

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/amortization amounts. A conservative versus liberal approach to depreciation/amortization estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. The other major factor in determining net position, as compared to fund balances, is the liability for long-term severance, compensated absences, pension, and other post-employment benefits, which impacts the unrestricted portion of net position.

Total net position increased by \$12,905,964. The increase in the General Fund balances and 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 increase in unrestricted net position and to the change in deferred outflows of resources, long-term liabilities, and deferred inflows of resources in the table above. Total net position also increased due to insurance recoveries used for related building improvements.

The increase in capital assets, net of depreciation/amortization relates to building improvements made in the current year. The decreases in current and other assets and current and other liabilities are the result of less building construction activity near the end of the fiscal year causing lower building construction cash and temporary investments and contracts payable.

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

	<u>2024</u>	<u>2023</u>
Revenues		
Program revenues		
Charges for services	\$ 3,612,041	\$ 4,073,866
Operating grants and contributions	9,673,804	6,273,076
General revenues		
Property taxes	16,028,546	16,113,485
General grants and aids	30,075,325	28,157,152
Other	1,773,441	1,456,911
Total revenues	<u>61,163,157</u>	<u>56,074,490</u>
Expenses		
Administration	1,838,255	1,636,857
District support services	1,892,099	1,750,204
Elementary and secondary regular instruction	21,041,609	16,049,742
Vocational education instruction	1,035,309	850,120
Special education instruction	7,929,355	6,498,735
Instructional support services	2,739,589	2,147,195
Pupil support services	4,588,458	4,151,359
Sites and buildings	5,258,337	5,017,950
Fiscal and other fixed cost programs	203,038	165,776
Food service	2,122,293	1,679,866
Community service	2,905,416	2,587,356
Depreciation/amortization not allocated to other functions	982,673	982,749
Interest and fiscal charges	861,868	1,080,691
Total expenses	<u>53,398,299</u>	<u>44,598,600</u>
Excess of revenues over expenses	7,764,858	11,475,890
Extraordinary item		
Insurance recovery	5,141,106	5,216,200
Change in net position	12,905,964	16,692,090
Net position – beginning	9,114,769	(7,577,321)
Net position – ending	<u>\$ 22,020,733</u>	<u>\$ 9,114,769</u>

This format is similar to the fund financial statements except that this is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation/amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

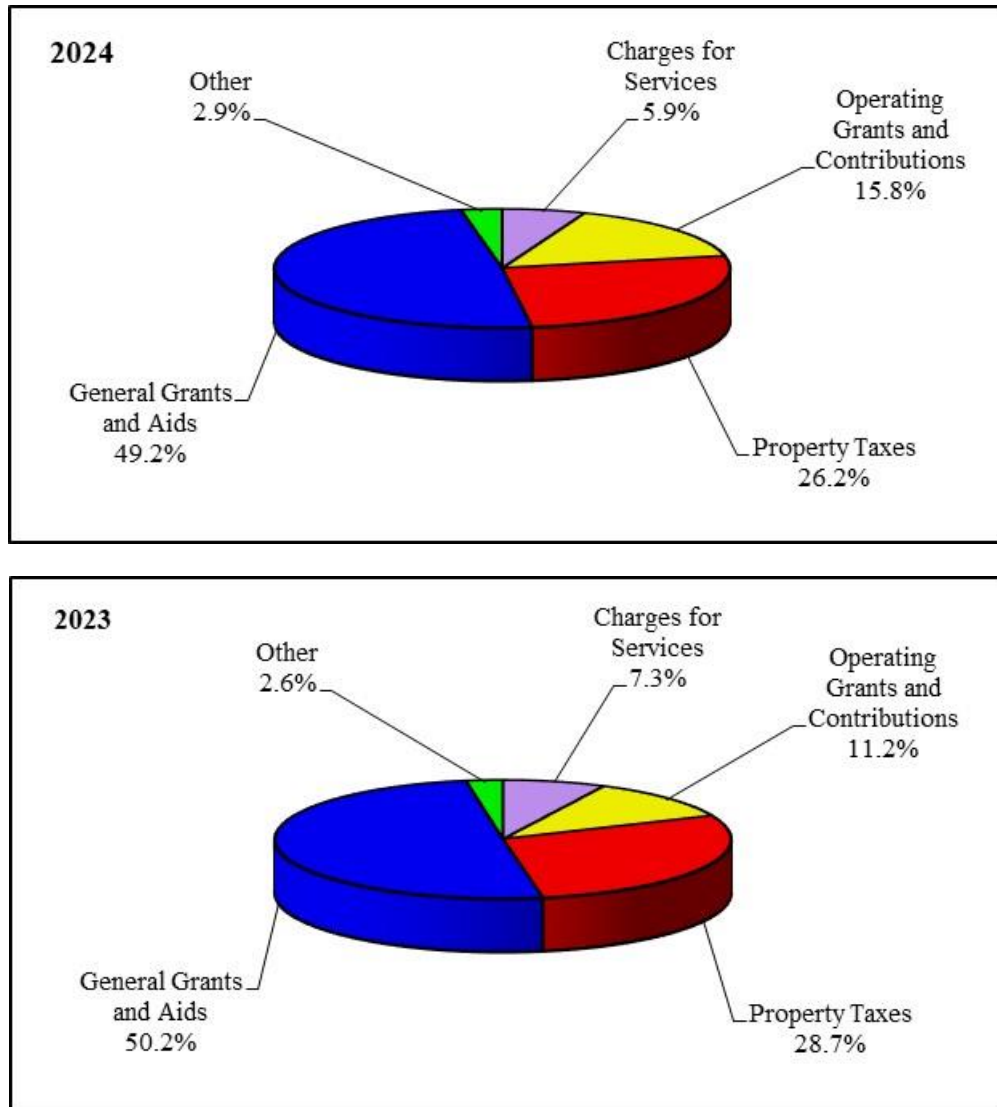
The increases to operating grants and contributions and general grants and aids relate to increased state aid from the general education aid formula, state special education aid, and state aid for food service from the free student meals program.

The change in the District's share of the PERA and the TRA pension plans contributed to the change in elementary and secondary regular instruction and special education instruction expenses, as seen in the table above. The increases in elementary and secondary regular instruction and special education instruction were also related to increased salary and benefit costs for these programs.

The District reported an extraordinary item in the current year from insurance recoveries related to storm damage to the District's buildings that occurred in the prior fiscal year.

Figures A and B show further analysis of these revenue sources and expense functions:

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

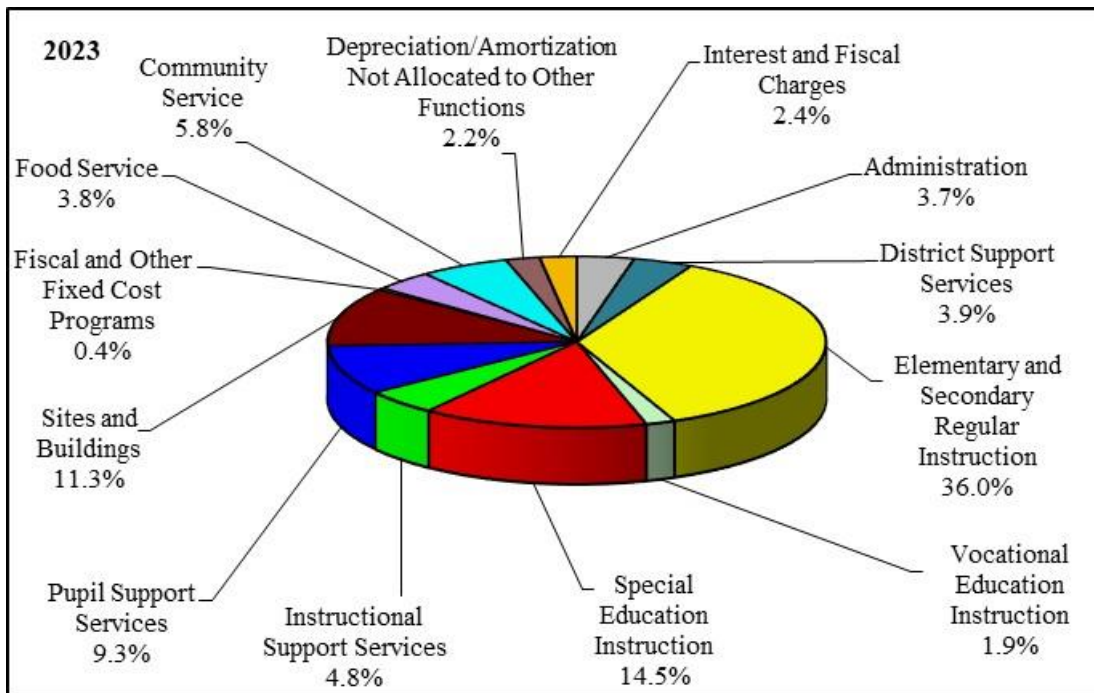
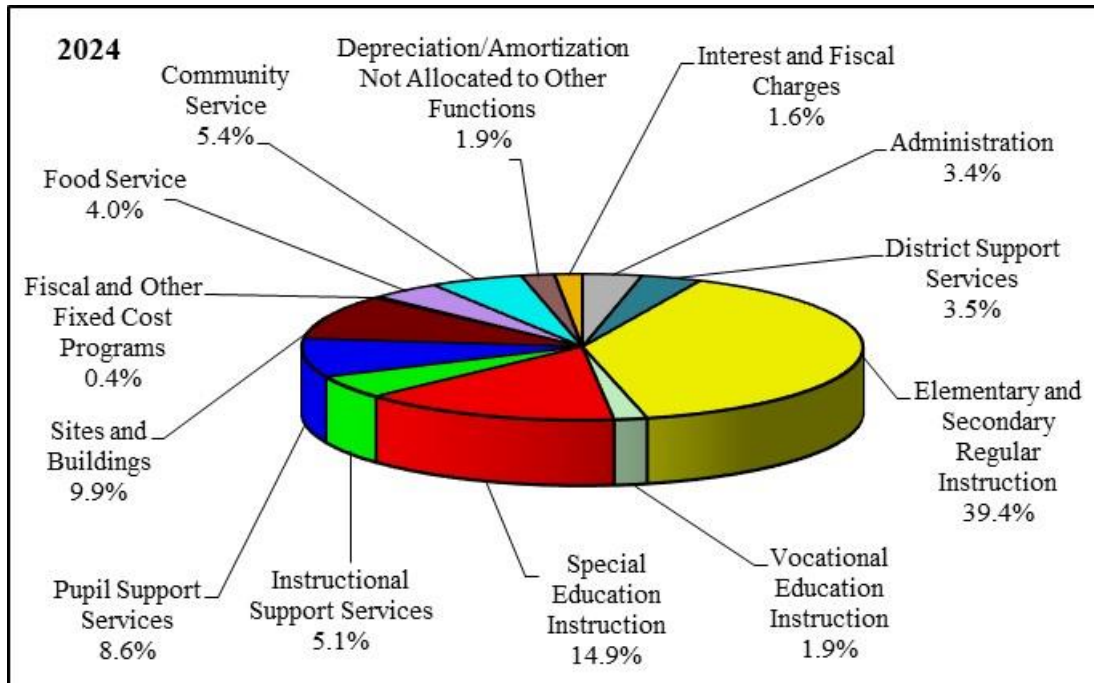


The largest share of the District’s revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2024 and 2023



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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Major funds			
General	\$ 8,769,418	\$ 8,114,005	\$ 655,413
Capital Projects –			
Building Construction	2,072,930	3,773,880	(1,700,950)
Debt Service			
Regular	1,054,520	1,093,153	(38,633)
OPEB	71,108	69,623	1,485
Nonmajor funds			
Food Service Special Revenue	988,555	917,745	70,810
Community Service Special Revenue	836,386	807,444	28,942
Total governmental funds	<u>\$ 13,792,917</u>	<u>\$ 14,775,850</u>	<u>\$ (982,933)</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 \$13,792,917, a decrease of \$982,933 in comparison with the prior year.

General Fund

The General Fund is used to account for all revenues and expenditures of the District not accounted for elsewhere. The General Fund is used to account for: K–12 educational activities, district instructional and student support programs, expenditures for the superintendent, district administration, normal operations and maintenance, pupil transportation, capital expenditures, and other legal school district expenditures not specifically designated to be accounted for in any other fund.

Table 4 summarizes the amendments to the General Fund budget:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenue	<u>\$ 48,271,610</u>	<u>\$ 49,159,592</u>	<u>\$ 887,982</u>	<u>1.8%</u>
Expenditures	<u>\$ 48,052,928</u>	<u>\$ 49,316,874</u>	<u>\$ 1,263,946</u>	<u>2.6%</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 amends the budget for known changes in circumstances, such as enrollment levels, legislative funding, and employee contract settlements.

Table 5 summarizes the operating results of the General Fund:

	2024	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		Amount	Percent	Amount	Percent
Revenue	\$ 50,145,246	\$ 985,654	2.0%	\$ 4,016,567	8.7%
Expenditures	(49,600,462)	\$ 283,588	0.6%	\$ 3,805,496	8.3%
Other financing sources	<u>110,629</u>	\$ 110,629	–	\$ (354,551)	(76.2%)
Net change in fund balances	<u>\$ 655,413</u>				

The fund balance of the General Fund increased \$655,413, compared to a planned decrease of \$157,282 approved in the final budget.

General Fund revenues for 2024 increased \$4,016,567 (8.7 percent), compared to the prior year and were \$985,654 (2.0 percent), more than budget. The largest revenue variance to budget occurred in investment earnings, which was \$410,167 more than projected due to favorable interest rates and market conditions. State aid revenue was \$312,272 more than budgeted, mainly in state special education aid.

The increase from prior year was mainly in state aids of \$3,447,109, due to increases in state aids for general education and special education.

General Fund expenditures were \$283,588 (0.6 percent) more than budget. Supplies and materials were higher than budget by \$589,512, mainly for Smartboard purchases not included in the original budget.

Expenditures were higher than the prior year in salaries and benefits by \$3,268,062. Elementary and secondary regular instruction salaries increased \$923,564, the result of contract improvements and additional staffing. Special Education salaries increased \$208,519 for similar reasons. Employee benefits increased \$1,627,706, the result of increases to salaries, health insurance costs, contractual improvements to employee benefits, and additional contributions to employee health savings accounts.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund experienced a decline in fund balance of \$1,700,950. The expenditures in this Fund relate to spending of previous bond issues. The District also completed a district-wide roofing project in the current year contributing to the overall decrease in the fund balance. These expenditures were offset by an extraordinary item related to insurance recoveries totaling \$5,141,106, related to storm damage on district buildings in the prior year. At June 30, 2024, the District has \$2,072,930 in fund balance, mostly restricted for long-term facility maintenance projects.

Debt Service Fund

The Debt Service Fund balance ended fiscal year 2024 at \$1,125,628, a decrease of \$37,148. The Debt Service Fund balance is restricted for payments on future debt service obligations.

Other Governmental Funds

The Food Service Special Revenue Fund balance increased \$70,810 in fiscal year 2024, compared to a planned increase of \$269,394 in the District's budget. This change was the result of state aid revenue exceeding budgeted amounts by \$122,649. Expenditures for purchased services and supplies and materials exceeded budgeted amounts by \$351,766. The fund balance at the end of the fiscal year was \$988,555, or 42.5 percent, of current year expenditures. The District has a joint powers agreement for food service with Independent School District No. 834, Stillwater Area Public Schools.

The Community Service Special Revenue Fund balance increased \$28,942, compared to a planned decrease of \$182,240 in the District's budget. Revenues were higher than budgeted by \$572,346 from tuition and fees, while purchased service costs exceeded budget by \$376,362. The fund balance at the end of the fiscal year was \$836,386, or 28.2 percent, of current year expenditures.

Internal Service Fund

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 one Internal Service Fund. This fund is used to account for the District's self-insured dental insurance function. In fiscal 2023, the health benefits portion of this plan was closed. The residual balance was transferred out in the current year. Operating revenues for the Internal Service Fund for fiscal year 2024 totaled \$578,595. Operating expenses totaled \$529,021 for dental benefit claims. After a transfer out of \$78,927, the net position for the Internal Service Fund decreased by \$29,353 to a total of \$213,522 at year-end.

Post-Employment Benefits Trust Fund

This irrevocable trust fund was established to provide a source of funds to finance current and future post-employment benefit obligations to employees. The fund ended the year with a net position of \$214,468 held in trust for future benefit obligations.

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:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Land	\$ 1,561,766	\$ 1,561,766	\$ -
Construction in progress	84,245	6,303,213	(6,218,968)
Buildings	94,341,430	80,712,924	13,628,506
Land improvements	2,223,299	1,508,106	715,193
Furniture and equipment	25,102,005	23,959,895	1,142,110
Leases – buildings and improvements	645,842	645,842	-
Leases – equipment	916,582	916,582	-
Less accumulated depreciation/amortization	<u>(45,154,589)</u>	<u>(41,699,624)</u>	<u>(3,454,965)</u>
Total	<u>\$ 79,720,580</u>	<u>\$ 73,908,704</u>	<u>\$ 5,811,876</u>
Depreciation/amortization expense	<u>\$ 3,500,424</u>	<u>\$ 3,167,800</u>	<u>\$ 332,624</u>

Increases in capital assets relate to Capital Projects – Building Construction Fund activity in the current year, as previously mentioned.

Long-Term Liabilities

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

	<u>2024</u>	<u>2023</u>	<u>Change</u>
General obligation bonds payable	\$ 41,390,000	\$ 45,045,000	\$ (3,655,000)
Net (discount) premium	1,557,305	2,313,892	(756,587)
Lease liabilities	720,211	1,083,567	(363,356)
Net pension liability	29,832,251	30,173,818	(341,567)
Net OPEB liability	1,737,130	1,720,483	16,647
Severance benefits payable	132,097	135,657	(3,560)
Compensated absences payable	<u>105,428</u>	<u>101,924</u>	<u>3,504</u>
Total	<u>\$ 75,474,422</u>	<u>\$ 80,574,341</u>	<u>\$ (5,099,919)</u>

The change in general obligation bonds payable is the result of principal payments on these outstanding bonds in the current year.

The state limits the amount of general obligation debt the District can issue to 15 percent of the market value of all taxable property within the District’s corporate limits. (See Table 8.)

District’s market value	\$ 3,314,732,300
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 497,209,845</u>

Additional details of the District’s capital assets and long-term liabilities activity can be found in Notes 3 and 4 of the notes to basic financial statements.

FACTORS BEARING ON THE DISTRICT’S FUTURE

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

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

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

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This ACFR is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the resources it receives and utilizes. Should you have questions about these statements, or need additional information, please contact the Mahtomedi School District Business Office (phone 651-407-2003), ISD No. 832, 1520 Mahtomedi Avenue, Mahtomedi, Minnesota 55115.

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BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 832

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	\$ 19,799,398	\$ 24,088,848
Receivables		
Current taxes	8,124,188	8,125,301
Delinquent taxes	165,527	172,048
Accounts and interest	153,520	34,412
Due from fiduciary fund	130,550	210,550
Due from other governmental units	3,837,106	3,482,542
Inventory	35,205	19,956
Prepaid items	491,115	451,341
Capital assets		
Not depreciated/amortized	1,646,011	7,864,979
Depreciated, net of accumulated depreciation/amortization	78,074,569	66,043,725
Total capital assets, net of accumulated depreciation/amortization	<u>79,720,580</u>	<u>73,908,704</u>
Total assets	112,457,189	110,493,702
Deferred outflows of resources		
Pension plan deferments	6,581,795	8,508,902
OPEB plan deferments	13,498	50,870
Total deferred outflows of resources	<u>6,595,293</u>	<u>8,559,772</u>
Total assets and deferred outflows of resources	<u>\$ 119,052,482</u>	<u>\$ 119,053,474</u>
Liabilities		
Salaries and benefits payable	\$ 176,150	\$ 102,693
Accounts and contracts payable	2,765,254	5,715,727
Accrued interest payable	580,682	755,250
Due to other governmental units	-	295,908
Unearned revenue	238,957	294,854
Long-term liabilities		
Due within one year	4,502,894	4,255,937
Due in more than one year	70,971,528	76,318,404
Total long-term liabilities	<u>75,474,422</u>	<u>80,574,341</u>
Total liabilities	79,235,465	87,738,773
Deferred inflows of resources		
Property taxes levied for subsequent year	15,470,701	15,059,989
Pension plan deferments	1,944,749	6,638,486
OPEB plan deferments	380,834	501,457
Total deferred inflows of resources	<u>17,796,284</u>	<u>22,199,932</u>
Net position		
Net investment in capital assets	38,125,994	29,525,125
Restricted for		
Debt service	591,559	441,940
Food service	988,555	917,745
Community service	837,580	809,515
Other purposes (state funding restrictions)	325,689	381,674
Unrestricted	(18,848,644)	(22,961,230)
Total net position	<u>22,020,733</u>	<u>9,114,769</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 119,052,482</u>	<u>\$ 119,053,474</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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 Services	Operating Grants and Contributions	Revenue and Changes in Net Position	Revenue and Changes in Net Position
			Governmental Activities	Governmental Activities	
Governmental activities					
Administration	\$ 1,838,255	\$ -	\$ -	\$ (1,838,255)	\$ (1,636,857)
District support services	1,892,099	-	-	(1,892,099)	(1,750,204)
Elementary and secondary regular instruction	21,041,609	826,967	-	(20,214,642)	(15,248,651)
Vocational education instruction	1,035,309	-	-	(1,035,309)	(850,120)
Special education instruction	7,929,355	-	7,387,175	(542,180)	(993,244)
Instructional support services	2,739,589	17,181	-	(2,722,408)	(2,130,322)
Pupil support services	4,588,458	17,574	-	(4,570,884)	(4,129,767)
Sites and buildings	5,258,337	-	-	(5,258,337)	(5,017,950)
Fiscal and other fixed cost programs	203,038	-	-	(203,038)	(165,776)
Food service	2,122,293	274,603	2,090,886	243,196	(92,725)
Community service	2,905,416	2,475,716	195,743	(233,957)	(172,602)
Depreciation/amortization not allocated to other functions (excludes amounts directly allocated by program)	982,673	-	-	(982,673)	(982,749)
Interest and fiscal charges	861,868	-	-	(861,868)	(1,080,691)
Total governmental activities	\$ 53,398,299	\$ 3,612,041	\$ 9,673,804	(40,112,454)	(34,251,658)
General revenues					
Taxes					
Property taxes, levied for general purposes				10,505,943	10,730,599
Property taxes, levied for community service				286,362	279,760
Property taxes, levied for debt service				5,236,241	5,103,126
General grants and aids				30,075,325	28,157,152
Other general revenues				820,074	782,877
Investment earnings				953,367	674,034
Extraordinary items					
Insurance recovery				5,141,106	5,216,200
Total general revenues and extraordinary items				53,018,418	50,943,748
Change in net position				12,905,964	16,692,090
Net position – beginning				9,114,769	(7,577,321)
Net position – ending				\$ 22,020,733	\$ 9,114,769

INDEPENDENT SCHOOL DISTRICT NO. 832

Balance Sheet
Governmental Funds
as of June 30, 2024

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds
Assets				
Cash and temporary investments	\$ 11,275,409	\$ 2,098,998	\$ 3,906,210	\$ 2,191,086
Receivables				
Current taxes	5,162,015	–	2,869,303	92,870
Delinquent taxes	85,310	–	77,329	2,888
Accounts and interest	153,520	–	–	–
Due from other funds	130,550	–	–	–
Due from other governmental units	3,777,262	–	13,418	46,426
Inventory	–	–	–	35,205
Prepaid items	491,115	–	–	–
	<u>\$ 21,075,181</u>	<u>\$ 2,098,998</u>	<u>\$ 6,866,260</u>	<u>\$ 2,368,475</u>
Liabilities				
Salaries and benefits payable	\$ 123,891	\$ –	\$ –	\$ 52,259
Accounts and contracts payable	2,537,187	26,068	–	190,695
Due to other governmental units	–	–	–	–
Unearned revenue	22,189	–	–	113,899
Total liabilities	<u>2,683,267</u>	<u>26,068</u>	<u>–</u>	<u>356,853</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	9,591,195	–	5,694,019	185,487
Unavailable revenue – delinquent taxes	31,301	–	46,613	1,194
Total deferred inflows of resources	<u>9,622,496</u>	<u>–</u>	<u>5,740,632</u>	<u>186,681</u>
Fund balances				
Nonspendable	491,115	–	–	35,205
Restricted	325,689	2,072,930	1,125,628	1,789,736
Assigned	2,863,245	–	–	–
Unassigned	5,089,369	–	–	–
Total fund balances	<u>8,769,418</u>	<u>2,072,930</u>	<u>1,125,628</u>	<u>1,824,941</u>
	<u>\$ 21,075,181</u>	<u>\$ 2,098,998</u>	<u>\$ 6,866,260</u>	<u>\$ 2,368,475</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,075,181</u>	<u>\$ 2,098,998</u>	<u>\$ 6,866,260</u>	<u>\$ 2,368,475</u>

Total Governmental Funds	
2024	2023
\$ 19,471,703	\$ 24,088,848
8,124,188	8,125,301
165,527	172,048
153,520	34,412
130,550	273,269
3,837,106	3,482,542
35,205	19,956
491,115	22,341
<u>\$ 32,408,914</u>	<u>\$ 36,218,717</u>
\$ 176,150	\$ 102,693
2,753,950	5,676,609
–	295,908
136,088	210,566
<u>3,066,188</u>	<u>6,285,776</u>
15,470,701	15,059,989
79,108	97,102
<u>15,549,809</u>	<u>15,157,091</u>
526,320	42,297
5,313,983	7,023,057
2,863,245	1,811,189
5,089,369	5,899,307
<u>13,792,917</u>	<u>14,775,850</u>
<u>\$ 32,408,914</u>	<u>\$ 36,218,717</u>

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INDEPENDENT SCHOOL DISTRICT NO. 832

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	\$ 13,792,917	\$ 14,775,850
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	124,875,169	115,608,328
Accumulated depreciation/amortization	(45,154,589)	(41,699,624)
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	(41,390,000)	(45,045,000)
Net discount (premium)	(1,557,305)	(2,313,892)
Lease liabilities	(720,211)	(1,083,567)
Net pension liability	(29,832,251)	(30,173,818)
Net OPEB liability	(1,737,130)	(1,720,483)
Severance benefits payable	(132,097)	(135,657)
Compensated absences payable	(105,428)	(101,924)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(580,682)	(755,250)
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.	213,522	242,875
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	6,581,795	8,508,902
Deferred outflows of resources – OPEB plan deferments	13,498	50,870
Deferred inflows of resources – pension plan deferments	(1,944,749)	(6,638,486)
Deferred inflows of resources – OPEB plan deferments	(380,834)	(501,457)
Deferred inflows of resources – unavailable revenue – delinquent property taxes	79,108	97,102
Total net position – governmental activities	<u>\$ 22,020,733</u>	<u>\$ 9,114,769</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds
Revenue				
Local sources				
Property taxes	\$ 10,535,259	\$ –	\$ 5,224,042	\$ 287,239
Investment earnings	710,167	80,612	90,069	72,519
Other	1,650,094	–	–	2,750,319
State sources	35,401,822	–	85,716	1,482,392
Federal sources	1,847,904	–	–	804,237
Total revenue	<u>50,145,246</u>	<u>80,612</u>	<u>5,399,827</u>	<u>5,396,706</u>
Expenditures				
Current				
Administration	1,998,402	–	–	–
District support services	1,865,034	–	–	–
Elementary and secondary regular instruction	22,908,155	–	–	–
Vocational education instruction	1,003,189	–	–	–
Special education instruction	8,553,161	–	–	–
Instructional support services	3,488,476	–	–	–
Pupil support services	4,688,656	–	–	–
Sites and buildings	4,517,947	263,596	–	–
Fiscal and other fixed cost programs	203,038	–	–	–
Food service	–	–	–	1,988,806
Community service	–	–	–	2,924,342
Capital outlay	–	–	–	383,806
Debt service				
Principal	363,356	–	3,655,000	–
Interest and fiscal charges	11,048	–	1,781,975	–
Total expenditures	<u>49,600,462</u>	<u>263,596</u>	<u>5,436,975</u>	<u>5,296,954</u>
Excess (deficiency) of revenue over expenditures	544,784	(182,984)	(37,148)	99,752
Other financing sources				
Bonds issued	–	–	–	–
Premium on bonds issued	–	–	–	–
Issuance of lease liabilities	–	–	–	–
Sale of equipment	8,907	–	–	–
Insurance recovery	22,795	–	–	–
Transfer in	78,927	–	–	–
Total other financing sources	<u>110,629</u>	<u>–</u>	<u>–</u>	<u>–</u>
Extraordinary item				
Insurance recovery	–	5,141,106	–	–
Insurance recovery related capital expenditures	–	(6,659,072)	–	–
Total extraordinary item	<u>–</u>	<u>(1,517,966)</u>	<u>–</u>	<u>–</u>
Net change in fund balances	655,413	(1,700,950)	(37,148)	99,752
Fund balances				
Beginning of year	<u>8,114,005</u>	<u>3,773,880</u>	<u>1,162,776</u>	<u>1,725,189</u>
End of year	<u>\$ 8,769,418</u>	<u>\$ 2,072,930</u>	<u>\$ 1,125,628</u>	<u>\$ 1,824,941</u>

See notes to basic financial statements

Total Governmental Funds	
2024	2023
\$ 16,046,540	\$ 16,090,696
953,367	674,034
4,400,413	4,856,743
36,969,930	32,229,962
2,652,141	2,052,015
<u>61,022,391</u>	<u>55,903,450</u>
1,998,402	2,001,880
1,865,034	1,714,787
22,908,155	20,678,474
1,003,189	984,760
8,553,161	8,111,369
3,488,476	2,622,569
4,688,656	4,422,200
4,781,543	9,112,757
203,038	165,776
1,988,806	1,638,721
2,924,342	2,685,740
383,806	213,154
4,018,356	3,753,765
1,793,023	1,906,681
<u>60,597,987</u>	<u>60,012,633</u>
424,404	(4,109,183)
—	3,390,000
—	252,755
—	465,180
8,907	—
22,795	—
78,927	—
<u>110,629</u>	<u>4,107,935</u>
5,141,106	5,216,200
<u>(6,659,072)</u>	<u>(6,317,516)</u>
<u>(1,517,966)</u>	<u>(1,101,316)</u>
(982,933)	(1,102,564)
<u>14,775,850</u>	<u>15,878,414</u>
<u>\$ 13,792,917</u>	<u>\$ 14,775,850</u>

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INDEPENDENT SCHOOL DISTRICT NO. 832

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	\$ (982,933)	\$ (1,102,564)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded in net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	9,312,300	12,938,595
Depreciation expense	(3,500,424)	(3,167,800)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds	–	(3,390,000)
(Premium) discount on bonds	–	(252,755)
Lease liabilities	–	(465,180)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	3,655,000	3,510,000
Lease liabilities	363,356	243,765
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.		
	174,568	72,451
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.		
	756,587	753,539
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.		
Net pension liability	341,567	(13,806,278)
Net OPEB liability	(16,647)	180,050
Severance benefits payable	3,560	(54,993)
Compensated absences payable	(3,504)	(16,789)
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 Fund is included in the governmental activities in the Statement of Activities.		
	(29,353)	114,622
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	(1,927,107)	(612,424)
Deferred outflows of resources – OPEB plan deferments	(37,372)	(51,579)
Deferred inflows of resources – pension plan deferments	4,693,737	22,042,545
Deferred inflows of resources – OPEB plan deferments	120,623	(265,904)
Deferred inflows of resources – unavailable revenue – delinquent property taxes	(17,994)	22,789
Change in net position – governmental activities	<u>\$ 12,905,964</u>	<u>\$ 16,692,090</u>

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INDEPENDENT SCHOOL DISTRICT NO. 832

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

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 10,363,635	\$ 10,341,400	\$ 10,535,259	\$ 193,859
Investment earnings	276,000	300,000	710,167	410,167
Other	1,467,768	1,548,768	1,650,094	101,326
State sources	34,818,884	35,089,550	35,401,822	312,272
Federal sources	1,345,323	1,879,874	1,847,904	(31,970)
Total revenue	<u>48,271,610</u>	<u>49,159,592</u>	<u>50,145,246</u>	<u>985,654</u>
Expenditures				
Current				
Administration	2,182,701	2,164,240	1,998,402	(165,838)
District support services	1,551,675	2,035,494	1,865,034	(170,460)
Elementary and secondary regular instruction	22,494,539	22,897,198	22,908,155	10,957
Vocational education instruction	1,072,433	1,070,129	1,003,189	(66,940)
Special education instruction	8,620,109	8,715,141	8,553,161	(161,980)
Instructional support services	2,957,974	2,743,181	3,488,476	745,295
Pupil support services	4,438,615	4,570,932	4,688,656	117,724
Sites and buildings	4,474,382	4,785,059	4,517,947	(267,112)
Fiscal and other fixed cost programs	260,500	335,500	203,038	(132,462)
Debt service				
Principal	–	–	363,356	363,356
Interest and fiscal charges	–	–	11,048	11,048
Total expenditures	<u>48,052,928</u>	<u>49,316,874</u>	<u>49,600,462</u>	<u>283,588</u>
Excess (deficiency) of revenue over expenditures	218,682	(157,282)	544,784	702,066
Other financing sources				
Sale of equipment	–	–	8,907	8,907
Insurance recovery	–	–	22,795	22,795
Transfer in	–	–	78,927	78,927
Total other financing sources	<u>–</u>	<u>–</u>	<u>110,629</u>	<u>110,629</u>
Net change in fund balances	<u>\$ 218,682</u>	<u>\$ (157,282)</u>	<u>655,413</u>	<u>\$ 812,695</u>
Fund balances				
Beginning of year			<u>8,114,005</u>	
End of year			<u>\$ 8,769,418</u>	

INDEPENDENT SCHOOL DISTRICT NO. 832

Statement of Net Position
 Proprietary Fund
 Governmental Activities
 Internal Service Fund
 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	\$ 327,695	\$ -
Prepaid items	-	429,000
Total assets	<u>327,695</u>	<u>429,000</u>
Liabilities		
Current liabilities		
Accounts and contracts payable	11,304	39,118
Due to other funds	-	62,719
Unearned revenue	102,869	84,288
Total current liabilities	<u>114,173</u>	<u>186,125</u>
Net position		
Unrestricted	<u>\$ 213,522</u>	<u>\$ 242,875</u>

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

	<u>2024</u>	<u>2023</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 578,595	\$ 5,472,919
Operating expenses		
Claims and settlements	<u>529,021</u>	<u>5,358,297</u>
Operating income before transfers	49,574	114,622
Transfer out	<u>(78,927)</u>	<u>-</u>
Change in net position	(29,353)	114,622
Net position		
Beginning of year	<u>242,875</u>	<u>128,253</u>
End of year	<u>\$ 213,522</u>	<u>\$ 242,875</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

Statement of Cash Flows
 Proprietary Fund
 Governmental Activities
 Internal Service Fund
 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	\$ 597,176	\$ 4,467,220
Payments for claims and settlements	<u>(127,835)</u>	<u>(7,885,579)</u>
Net cash flows from operating activities	469,341	(3,418,359)
Cash flows from noncapital financing activities		
Transfer out	(78,927)	-
Cash received from other funds	<u>(62,719)</u>	<u>62,719</u>
Net cash flows from noncapital financing activities	<u>(141,646)</u>	<u>62,719</u>
Net change in cash and cash equivalents	327,695	(3,355,640)
Cash and temporary investments		
Beginning of year	<u>-</u>	<u>3,355,640</u>
End of year	<u>\$ 327,695</u>	<u>\$ -</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 49,574	\$ 114,622
Adjustments to reconcile operating income to net cash flows from operating activities		
Changes in assets and liabilities		
Prepaid items	429,000	(429,000)
Accounts and contracts payable	(27,814)	(2,098,282)
Unearned revenue	<u>18,581</u>	<u>(1,005,699)</u>
Net cash flows from operating activities	<u>\$ 469,341</u>	<u>\$ (3,418,359)</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

Statement of Fiduciary Net Position
Fiduciary Funds
as of June 30, 2024

	Custodial Fund	Post-Employment Benefits Trust Fund
	<u> </u>	<u> </u>
Assets		
Investments held by trustee at fair value		
Money market mutual fund	\$ —	\$ 345,018
Liabilities		
Due to other funds	<u> —</u>	<u> 130,550</u>
Net position		
Restricted for OPEB	<u><u> \$ —</u></u>	<u><u> \$ 214,468</u></u>

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

	Custodial Fund	Post-Employment Benefits Trust Fund
	<u> </u>	<u> </u>
Additions		
Contributions		
Refunds	\$ (9,712)	\$ —
Investment earnings	<u> —</u>	<u> 16,687</u>
Total additions	(9,712)	16,687
Deductions		
Administrative expenses	<u> —</u>	<u> 250</u>
Change in net position	(9,712)	16,437
Net position		
Beginning of year	<u> 9,712</u>	<u> 198,031</u>
End of year	<u><u> \$ —</u></u>	<u><u> \$ 214,468</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 832

Notes to Basic Financial Statements June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 832 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a six-member School Board elected by voters of the District to serve four-year terms. 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 (the primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no organizations considered to be component units of the District.

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position at the fund financial statement level. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. Depreciation/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/amortization expense is reported as “depreciation/amortization not allocated to other functions.” Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements. The Proprietary Fund (Internal Service Fund) is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District’s governmental activities, the financial statements of the Proprietary Fund (Internal Service Fund) are consolidated into the governmental activities in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity. Fiduciary funds are presented in the fiduciary fund financial statements by type: custodial or pension (or other benefit) trust. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide financial statements.

The internal service funds are presented in the proprietary fund financial statements. Because the principal user of the internal services are the District’s governmental activities, the financial statements of the internal service funds are consolidated into the governmental 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 other district funds for insurance. Operating expenses for the internal service funds include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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. Revenues are generally considered as available if 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. Debt proceeds are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. A description of the funds included in this report is as follows:

Major Governmental Funds

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

Capital Projects – Building Construction Fund – The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by debt issue.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and payment of general obligation debt principal, interest, and related costs. The Regular Debt Service Account is used for all general obligation debt service except for the financial activities of the Other Post-Employment Benefits (OPEB) Debt Service Account. The OPEB Debt Service Account is used to pay principal, interest, and related costs on the 2021B Taxable OPEB Bond issue that was fully paid in the current fiscal year.

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is used primarily to record financial activities of 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 Fund

Internal Service Fund – The internal service fund accounts for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The District’s internal service fund is used to account for dental insurance benefits offered by the District to its employees as a self-insured plan. In fiscal 2023, the health benefits portion of this fund was closed. In fiscal 2024, the residual balance was transferred out of this fund.

Fiduciary Fund

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

Custodial Fund – The Custodial Fund was established to account for cash and other assets held by the District as the agent for others.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

The budget for each fund is prepared on the same basis of accounting as the financial statements. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end. Each June, the School Board adopts an annual budget for all governmental funds. Actual expenditures exceeded budgeted amounts in the General Fund by \$283,588, the Food Service Fund Special Revenue Fund by \$374,046, the Community Service Special Revenue Fund by \$461,663, and the Debt Service Fund by \$101,685. Revenues and other financing sources in excess of budget and available fund balances covered these variances.

F. Cash and Temporary Investments

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

In the Post-Employment Benefits Trust Fund, investments reported at fair value are deposited by the District in an irrevocable trust account, the use of which is restricted to paying other post-employment health insurance benefits as specified in the trust agreement. Interest earned on this trust account is allocated directly to that fund.

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 are also 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.

G. Receivables

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

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Purchased food and supplies are 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recognized using the consumption method and recorded as expenditures/expenses at the time of consumption.

J. Property Taxes

The majority of district revenue is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aid 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 \$746,441 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 the 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 which 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 deferred inflows of resources (unavailable revenue) in the fund-based financial statements because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes is considered necessary.

K. Interfund Balances and Transfers

The General Fund has a receivable of \$130,550 at year-end due from the Post-Employment Benefits Trust Fund to cover costs paid by the General Fund.

The Internal Service Fund transferred \$78,927 to the General Fund related to the residual balance in the health benefits portion of the Internal Service Fund, which was closed during the year.

Interfund balances and transfers reported in the funds were eliminated to the extent possible in the government-wide financial statements.

L. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Lease capital assets are recorded based on the measurement of payments applicable to the lease term. The District defines capital assets as those with an initial, individual cost of \$5,000 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 threshold, are also capitalized if the 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets are recorded in the government-wide financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated/amortized using the straight-line method over their estimated useful lives. Since 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 taken into consideration for depreciation/amortization purposes. Useful lives vary, ranging from 20 to 50 years for buildings and land improvements, and 5 to 20 years for furniture and equipment. Lease assets are amortized over the term of the lease or over the useful life of the applicable asset class previously described, if future ownership is anticipated. Capital assets that are not depreciated/amortized include land and construction in progress.

The District does not possess any 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. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively.

N. Compensated Absences Payable

Under the terms of union contracts, certain employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation and related benefits 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 governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end.

O. Severance Benefits

The District provides lump sum severance benefits to eligible employees in accordance with provisions in certain collectively bargained contracts. Eligibility for these benefits is based on years of service and/or minimum age requirements. The severance benefit is calculated by converting a portion of unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary.

Severance benefits payable are recorded as a liability in the government-wide financial statements as they are earned and it becomes probable they will vest at some point in the future. Severance benefits payable are accrued in the governmental fund financial statements as the liability matures, due to employee termination.

P. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Q. Other Post-Employment Benefits (OPEB) Plan

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and certain investments that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

R. 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; employee health insurance; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in the fiscal year.
- 2. Self-Insurance** – The District has established an Internal Service Fund to account for and finance its self-insured risk of loss for employee dental insurance plans. Under this plan, the District provides coverage to participating employees and their dependents for certain dental costs as described in the plan.

The District makes premium payments that include both employer and employee contributions to the Internal Service Fund on behalf of program participants based on rates determined by insurance company estimates monthly claims paid for each coverage class, plus 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 past two years were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2023	\$ 34,320	\$ 500,757	\$ (507,943)	\$ 27,134
2024	\$ 27,134	\$ 529,021	\$ (544,851)	\$ 11,304

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. 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 position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

The District reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual economic experience, changes in proportion, changes of actuarial assumptions, net collective difference between projected and actual investment earnings on pension and OPEB Plan investments, 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.

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. Net Position

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation 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.”

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. 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 director of finance and operations 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.

W. Statement of Cash Flows

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 to be cash equivalent.

X. 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 year ended June 30, 2023 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.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Cash and Investments

Cash and investments are presented in the financial statements as follows:

Statement of Net Position	
Cash and temporary investments	\$ 19,799,398
Statement of Fiduciary Net Position	
Cash and temporary investments	
Post-Employment Benefits Trust Fund	<u>345,018</u>
Total	<u>\$ 20,144,416</u>

B. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the District's 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 of the District's deposits was zero, while the balance on the bank records was also zero.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	No Maturity Date	Interest Risk – Maturity Duration in Years		Carrying Value
	Credit Rating	Rating Agency			Less Than 1		
Negotiable certificates of deposits	N/R	N/A	Level 2	N/A	\$	700,950	\$ 700,950
Investment pools/mutual funds							
MNTrust Investment Shares Portfolio	AAA	S&P	Amortized Cost	\$ 11,424,127		N/A	11,635,308
MSDLAF Liquid Class	AAA	S&P	Amortized Cost	\$ 2,818,197		N/A	2,818,197
MNTrust Full Flex	N/R	N/A	Amortized Cost	\$ 1,201,142		N/A	1,201,142
MNTrust Term Series	N/R	N/A	Amortized Cost	N/A	\$	4,000,000	4,000,000
Goldman Sachs Governmental Money Market Mutual Fund	AAA	S&P	Amortized Cost	\$ 345,018		N/A	345,018
Total							<u>\$ 20,700,615</u>

N/A – Not Applicable

N/R – Not Rated

The District’s investments include investment pools managed by MNTrust and the Minnesota School District Liquid Asset Fund (MSDLAF), which are external investment pools regulated by Minnesota Statutes not registered with the Securities and Exchange Commission. The District’s investments in these investment pools are measured at the net asset value per share provided by the pools, which are based on amortized cost methods that approximate fair value. There are no restrictions or limitations on withdrawals from the MNTrust Investment Shares Portfolio or MSDLAF Liquid Class investment pools. MNTrust Full Flex investments can be withdrawn weekly with one day advance notice. Investments in the MNTrust Term Series Portfolios are intended to be held until maturity; a participant’s withdrawal prior to maturity will require seven days’ notice of redemption and will likely carry a penalty, which could be substantial in that it would be intended to allow the MNTrust Term Series Portfolio to recoup any associated penalties, charges, losses, or other costs associated with the early redemption of the investments therein.

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.

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.

OPEB Trust Fund – This fund represents investments administered by the District’s OPEB Trust Fund investment managers. The District’s investment policy, discussed below, extends to the OPEB Trust Fund investments.

For assets held in the Post-Employment Benefits Trust Fund, the investment options available to the District are expanded to include the investment types specified in Minnesota Statutes § 356A.06, Subd. 7. The District’s investment policies do not further restrict investing in specific financial instruments.

The OPEB Trust Agreement indicates permitted investments include one or more series of MNTrust shares relating to a separate portfolio of investments, or from multi-class shares of MNTrust within the same portfolio.

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 policy states that the District will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. The maximum percent of the District’s portfolio in any instrument is as follows:

U.S. treasury obligations (bills, notes, and bonds)	100%
U.S. government agency securities and instrumentalities of government-sponsored corporations	100%
Bankers’ acceptances (Ba)	75%
Commercial paper – prime (C)	75%
Repurchase agreements (Repos)	50%
Certificates of deposit (CDs)	75%
Local government investment pool	100%

Also, no more than 50 percent of the total portfolio will be in any one single investment.

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 policy includes limits on investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Transfers and Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized					
Land	\$ 1,561,766	\$ –	\$ –	\$ –	\$ 1,561,766
Construction in progress	6,303,213	84,245	–	(6,303,213)	84,245
Total capital assets, not depreciated/amortized	7,864,979	84,245	–	(6,303,213)	1,646,011
Capital assets, depreciated/amortized					
Buildings	80,712,924	7,325,293	–	6,303,213	94,341,430
Land improvements	1,508,106	715,193	–	–	2,223,299
Furniture and equipment	23,959,895	1,187,569	(45,459)	–	25,102,005
Leases – buildings and improvements	645,842	–	–	–	645,842
Leases – equipment	916,582	–	–	–	916,582
Total capital assets, depreciated/amortized	107,743,349	9,228,055	(45,459)	6,303,213	123,229,158
Less accumulated depreciation/amortization for					
Buildings	(31,149,578)	(1,980,433)	–	–	(33,130,011)
Land improvements	(622,451)	(99,332)	–	–	(721,783)
Furniture and equipment	(9,305,012)	(1,056,298)	45,459	–	(10,315,851)
Leases – buildings and improvements	(279,212)	(134,528)	–	–	(413,740)
Leases – equipment	(343,371)	(229,833)	–	–	(573,204)
Total accumulated depreciation/amortization	(41,699,624)	(3,500,424)	45,459	–	(45,154,589)
Net capital assets, depreciated/amortized	66,043,725	5,727,631	–	6,303,213	78,074,569
Total capital assets, net	\$ 73,908,704	\$ 5,811,876	\$ –	\$ –	\$ 79,720,580

Depreciation and amortization expense for the year ended June 30, 2024 was charged to the following governmental functions:

District support services	\$ 11,335
Elementary and secondary regular instruction	172,226
Vocational education instruction	97,574
Special education instruction	11,681
Instructional support services	178,655
Pupil support services	21,715
Sites and buildings	1,961,631
Food service	35,592
Community service	27,342
Depreciation/amortization not allocated to other functions	982,673
Total depreciation/amortization expense	<u>\$ 3,500,424</u>

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	Average Annual Installments	Original Issue	Final Maturity	Principal Outstanding
General obligation bonds payable						
School Refunding Bonds, Series 2014A	11/13/2014	4.00–5.00%	\$ 4,150,000	\$ 38,930,000	02/01/2031	\$ 25,150,000
Tax Abatement Bonds, Series 2016A	06/09/2016	2.00–3.00%	\$ 745,000	\$ 7,640,000	02/01/2030	4,015,000
Facilities Maintenance Bonds, Series 2021A	04/02/2021	2.00%	\$ 131,000	\$ 610,000	02/01/2027	370,000
Facilities Maintenance Bonds, Series 2022A	03/17/2022	2.00%	\$ 972,000	\$ 8,465,000	02/01/2033	8,465,000
Facilities Maintenance Bonds, Series 2023A	05/18/2023	4.00–5.00%	\$ 226,000	\$ 3,390,000	02/01/2038	3,390,000
Total general obligation bonds payable						<u>\$ 41,390,000</u>

These bonds were issued to finance acquisition and/or construction of capital facilities, facilities maintenance, to refinance the retirement (refund) of prior bond issues, or to finance OPEB. 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 to 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. Lease Liabilities

The District is leasing equipment and building space at various district sites. The total amount of underlying lease assets by major classes and the related accumulated amortization is presented in Note 3 of the notes to basic financial statements. Annual principal and interest on these agreements will be paid from the General Fund. The agreements are secured by the original property. The lessor also may repossess the property or equipment and seek full recovery of the losses upon default.

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Copier	2.50%	07/25/2019	07/25/2024	\$ 4,302
Copier	2.50%	08/24/2020	08/24/2025	3,043
Copier	2.50%	12/16/2020	12/16/2025	19,487
Copier	2.50%	09/20/2021	09/20/2026	3,046
Copier	2.50%	10/18/2021	10/18/2026	27,325
Ice arena	2.50%	09/15/2020	04/15/2025	38,067
Lincoln Passages building space	3.00%	07/16/2016	08/31/2026	213,813
Server equipment	3.00%	07/21/2020	07/01/2025	63,856
Server equipment	0.93%	07/01/2023	06/30/2027	347,272
Total lease liabilities				<u>\$ 720,211</u>

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

C. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including: compensated absences, severance benefits, 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 a Post-Employment Benefits Trust Fund to finance OPEB obligations.

District employees participate in two defined benefit pension plans, including the state-wide, cost-sharing, multiple-employer 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 year ended June 30, 2024:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	\$ 3,668,279	\$ 1,303,653	\$ 1,230,102	\$ 531,867
State-wide, multiple-employer – TRA	26,163,972	5,278,142	714,647	(1,086,819)
Total	\$ 29,832,251	\$ 6,581,795	\$ 1,944,749	\$ (554,952)

D. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds and lease liabilities are as follows:

Year Ending June 30,	General Obligation Bonds		Lease Liabilities	
	Principal	Interest	Principal	Interest
2025	\$ 3,920,000	\$ 1,668,600	\$ 345,369	\$ 11,087
2026	4,105,000	1,488,900	236,722	4,645
2027	4,285,000	1,307,050	138,120	1,167
2028	4,470,000	1,116,500	–	–
2029	4,680,000	913,250	–	–
2030–2034	18,610,000	1,638,400	–	–
2035–2038	1,320,000	134,600	–	–
	\$ 41,390,000	\$ 8,267,300	\$ 720,211	\$ 16,899

E. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Retirements	Balance – End of Year	Due Within One Year
General obligation bonds payable	\$ 45,045,000	\$ –	\$ 3,655,000	\$ 41,390,000	\$ 3,920,000
Net (discount) premium	2,313,892	–	756,587	1,557,305	–
Lease liabilities	1,083,567	–	363,356	720,211	345,369
Net pension liabilities	30,173,818	5,001,263	5,342,830	29,832,251	–
Net OPEB liability	1,720,483	147,197	130,550	1,737,130	–
Severance benefits payable	135,657	–	3,560	132,097	132,097
Compensated absences payable	101,924	334,719	331,215	105,428	105,428
	\$ 80,574,341	\$ 5,483,179	\$ 10,583,098	\$ 75,474,422	\$ 4,502,894

NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report. Any such restrictions, which have an accumulated deficit rather than positive 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. However, 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 June 30, 2024, a summary of the District’s governmental fund balance classifications are as follows:

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	\$ –	\$ –	\$ –	\$ 35,205	\$ 35,205
Prepaid items	491,115	–	–	–	491,115
Total nonspendable	<u>491,115</u>	<u>–</u>	<u>–</u>	<u>35,205</u>	<u>526,320</u>
Restricted					
Student activities	120,070	–	–	–	120,070
Literacy incentive aid	41,323	–	–	–	41,323
American Indian education aid	23,180	–	–	–	23,180
Basic skills	83,143	–	–	–	83,143
Student support personnel	42,394	–	–	–	42,394
Medical Assistance	15,579	–	–	–	15,579
Food service	–	–	–	953,350	953,350
Community education	–	–	–	507,959	507,959
Early childhood family education	–	–	–	213,032	213,032
School readiness	–	–	–	94,249	94,249
Adult basic education	–	–	–	21,146	21,146
Long-term facilities maintenance	–	2,045,396	–	–	2,045,396
Building construction	–	27,534	–	–	27,534
Debt service	–	–	1,125,628	–	1,125,628
Total restricted	<u>325,689</u>	<u>2,072,930</u>	<u>1,125,628</u>	<u>1,789,736</u>	<u>5,313,983</u>
Assigned					
Separation benefits	100,000	–	–	–	100,000
Student activities	129,657	–	–	–	129,657
Building carryover	2,301,951	–	–	–	2,301,951
Donations	331,637	–	–	–	331,637
Total assigned	<u>2,863,245</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,863,245</u>
Unassigned					
Restricted account deficits					
Operating capital	(843,493)	–	–	–	(843,493)
Safe schools levy	(107,444)	–	–	–	(107,444)
Long-term facilities maintenance	(14,793)	–	–	–	(14,793)
Unassigned	6,055,099	–	–	–	6,055,099
Total unassigned	<u>5,089,369</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,089,369</u>
Total	<u>\$ 8,869,418</u>	<u>\$ 2,072,930</u>	<u>\$ 1,125,628</u>	<u>\$ 1,824,941</u>	<u>\$ 13,892,917</u>

NOTE 5 – FUND BALANCES (CONTINUED)

B. Fund Balance Policy

The School Board has formally adopted a fund balance policy. This policy states that the School Board will strive to maintain a minimum unassigned General Fund balance (excluding restricted account deficits) of 8.0 percent of total General Fund expenditures. At June 30, 2024, the unassigned fund balance of the General Fund was 12.2 percent of the total General Fund expenditures.

If the fund balance falls below 8.0 percent, the School Board shall implement a procedure to stabilize the District's financial position. This shall involve:

1. No new programs will be added at the District level unless matched by a like revenue source;
2. Allocations such as textbooks, supplies, etc., shall be frozen; and
3. The District will review other measures, which shall not immediately affect delivery of programs but could have a cost savings. An example might be areas where expenditures have historically been lower than budgeted levels.

If the fund balance is projected to fall below 7.0 percent, the District shall take measures to either generate additional revenues or to reduce expenditures through budget cuts, or a combination of both.

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.

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. GERF Benefits

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

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 \$417,921. 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 employer and employee 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 \$1,856,726. 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	<u>(643)</u>
Total employer contributions	508,034
Total nonemployer contributions	<u>35,587</u>
Total contributions reported in the Schedule of Employer and Nonemployer Allocations	<u><u>\$ 543,621</u></u>

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

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 \$3,668,279 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 \$101,109. 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 0.0656 percent at the end of the measurement period and 0.0622 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$ 3,668,279
State’s proportionate share of the net pension liability associated with the District	<u>101,109</u>
Total	<u><u>\$ 3,769,388</u></u>

For the year ended June 30, 2024, the District recognized pension expense of \$531,413 for its proportionate share of the GERF’s pension expense. The District also recognized an additional \$454 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	\$ 118,968	\$ 24,036
Changes in actuarial assumptions	564,803	1,005,444
Net collective difference between projected and actual investment earnings on pension plan investments	–	145,391
Changes in proportion	201,961	55,231
District’s contributions to the GERF subsequent to the measurement date	<u>417,921</u>	<u>–</u>
Total	<u><u>\$ 1,303,653</u></u>	<u><u>\$ 1,230,102</u></u>

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

The \$417,921 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:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2025	\$ 84,630
2026	\$ (478,037)
2027	\$ 128,613
2028	\$ (79,576)

2. TRA Pension Costs

At June 30, 2024, the District reported a liability of \$26,163,972 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 0.3169 percent at the end of the measurement period and 0.3153 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	\$ 26,163,972
State’s proportionate share of the net pension liability associated with the District	<u>1,832,758</u>
Total	<u><u>\$ 27,996,730</u></u>

For the year ended June 30, 2024, the District recognized negative pension expense of \$1,344,886. It also recognized \$258,067 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	\$ 257,535	\$ 380,346
Changes in actuarial assumptions	3,027,752	–
Net collective difference between projected and actual investment earnings on pension plan investments	–	93,711
Changes in proportion	136,129	240,590
District’s contributions to the TRA subsequent to the measurement date	<u>1,856,726</u>	<u>–</u>
Total	<u>\$ 5,278,142</u>	<u>\$ 714,647</u>

A total of \$1,856,726 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	\$ 141,980
2026	\$ (102,566)
2027	\$ 2,989,557
2028	\$ (295,670)
2029	\$ (26,532)

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	<u>25.00</u>	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 2023, then increasing by 0.10 percent each year, up to 1.50 percent annually.

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

NOTE 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	\$ 6,489,479	\$ 3,668,279	\$ 1,347,734
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	\$ 41,729,614	\$ 26,163,972	\$ 13,421,602

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 District has provided early retirement incentive payment plans for certain employee groups. All of these early retirement incentives are based on contractual agreements with employee groups. These early retirement incentive payment plans include the payment of OPEB. These contractual agreements do not include any specific contribution or funding requirements.

The District administers a defined benefit Post-Employment Benefits Trust Fund. The assets of the plan are reported in the District's financial report in the Post-Employment Benefits Trust Fund, established by the District to finance these obligations. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan. The plan does not issue a publicly available financial report.

B. Benefits Provided

All retirees of the District upon retirement have the option under state law to continue their medical insurance coverage through the District. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical insurance from the time of retirement until the earlier of eight years or until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit and date of hire, 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.

In addition, full-time teachers who are at least 50 years of age or have completed 20 years of professional service in the appropriate unit in the District shall be eligible for severance pay pursuant to the provisions in the severance pay article of the teachers' master agreement. All persons whose actual service began prior to July 1, 1989 shall be eligible for this benefit.

The full-time teachers shall accumulate 10 days of credit for each full year of actual teaching in the District up to a maximum of one year's salary as determined by the salary schedule placement. In applying these provisions, a teacher's daily rate of pay shall be the basic rate of the teacher's last day of actual service as provided in the basic salary schedule for the basic school year. These amounts are contributed directly to a health savings account.

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

C. Contributions

The contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has established the Post-Employment Benefits Trust Fund to finance these obligations.

D. Membership

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

Retirees and beneficiaries receiving benefits	43
Active plan members	<u>338</u>
Total members	<u><u>381</u></u>

E. Net OPEB Liability of the District

The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2022. Updated procedures were used to foll forward the total OPEB liability to the measurement date since the actuarial valuation date is not the same as the measurement date. The components of the net OPEB liability of the District at year-end were as follows:

Total OPEB liability	\$ 1,951,598
Plan fiduciary net position	<u>(214,468)</u>
District's net OPEB liability	<u><u>\$ 1,737,130</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>10.99%</u></u>

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation measured as of June 30, 2024, using the entry-age method using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.10%
Expected long-term investment return	5.00% (net of investment expenses)
20-year municipal bond yield	4.10%
Inflation rate	2.50%
Salary increases	Service graded table
Healthcare trend rate	6.25% grading to 5.00% over 5 years and then to 4.00% over the next 48 years
Dental trend rate	N/A

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

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

The District’s policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statutes.

The long-term expected rate of return on OPEB Plan investments was set based on the plan’s target investment allocation described below, along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Fixed income	95.00 %	5.00 %
Cash	<u>5.00</u>	4.00 %
Total portfolio	<u><u>100.00 %</u></u>	5.00 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 12.9 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

H. Discount Rate

The discount rate used to measure the total OPEB liability was 4.10 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy have also been considered.

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

I. Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Beginning balance – July 1, 2023	\$ 1,918,514	\$ 198,031	\$ 1,720,483
Changes for the year			
Service cost	128,966	–	128,966
Interest	77,167	–	77,167
Assumption changes	(16,057)	–	(16,057)
Employer contributions	–	156,992	(156,992)
Projected investment return	–	9,902	(9,902)
Differences between expected and actual experience	–	6,785	(6,785)
Benefit payments	(156,992)	(156,992)	–
Administrative expense	–	(250)	250
Total net changes	<u>33,084</u>	<u>16,437</u>	<u>16,647</u>
Ending balance – June 30, 2024	<u>\$ 1,951,598</u>	<u>\$ 214,468</u>	<u>\$ 1,737,130</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.90 percent to 4.10 percent.

J. Net OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes

The following presents the net OPEB liability of the District, as well as what the District’s net 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	3.10%	4.10%	5.10%
Net OPEB liability	\$ 1,837,870	\$ 1,737,130	\$ 1,638,859

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

The following presents the net OPEB liability of the District, as well as what the District’s net 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	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB healthcare cost trend rate	5.25% decreasing to 4.00% then 3.00%	6.25% decreasing to 5.00% then 4.00%	7.25% decreasing to 6.00% then 5.00%
Net OPEB liability	\$ 1,541,106	\$ 1,737,130	\$ 1,964,893

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

For the current year ended, the District recognized OPEB expense of \$90,388. 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	\$ –	\$ 303,740
Changes in actuarial assumptions	12,623	77,094
Differences between projected and actual investment earnings	875	–
Total	<u>\$ 13,498</u>	<u>\$ 380,834</u>

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

Year Ending June 30,	OPEB Expense Amount
2025	\$ (129,593)
2026	\$ (92,719)
2027	\$ (70,371)
2028	\$ (71,981)
2029	\$ (2,672)

NOTE 8 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Receivables

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

B. Legal Claims

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

NOTE 9 – EXTRAORDINARY ITEM

During the fiscal year, the District received insurance recoveries totaling \$5,141,106 related to storm damage to district buildings, which was considered unusual in nature and infrequent in occurrence, due to the significance of the damage. The Capital Projects – Building Construction Fund had \$6,659,072 of insurance recovery related capital expenditures in the fiscal year related to this storm damage in the prior year. All of these capital expenditures were capitalized on the Statement of Net Position in the fiscal year.

NOTE 10 – SUBSEQUENT EVENT

In November 2024, the District entered into a lease for building space for fiscal years 2026 to 2030. The commitment on this lease ranges from \$130,008 to \$146,328 per year over the life of the lease.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 832

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 Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's 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	0.0742%	\$ 3,485,544	\$ -	\$ 3,485,544	\$ 3,901,247	89.34%	78.70%
06/30/2016	06/30/2015	0.0707%	\$ 3,664,041	\$ -	\$ 3,664,041	\$ 3,774,394	97.08%	78.20%
06/30/2017	06/30/2016	0.0673%	\$ 5,464,427	\$ 71,389	\$ 5,535,816	\$ 4,176,584	130.83%	68.90%
06/30/2018	06/30/2017	0.0645%	\$ 4,117,637	\$ 51,791	\$ 4,169,428	\$ 4,156,472	99.07%	75.90%
06/30/2019	06/30/2018	0.0647%	\$ 3,589,290	\$ 117,696	\$ 3,706,986	\$ 4,356,483	82.39%	79.50%
06/30/2020	06/30/2019	0.0668%	\$ 3,693,222	\$ 114,828	\$ 3,808,050	\$ 4,715,012	78.33%	80.20%
06/30/2021	06/30/2020	0.0658%	\$ 3,945,011	\$ 121,598	\$ 4,066,609	\$ 4,669,182	84.49%	79.10%
06/30/2022	06/30/2021	0.0624%	\$ 2,664,759	\$ 81,369	\$ 2,746,128	\$ 4,490,496	59.34%	87.00%
06/30/2023	06/30/2022	0.0622%	\$ 4,926,262	\$ 144,370	\$ 5,070,632	\$ 4,610,354	106.85%	76.70%
06/30/2024	06/30/2023	0.0656%	\$ 3,668,279	\$ 101,109	\$ 3,769,388	\$ 5,204,971	70.48%	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	\$ 278,552	\$ 278,552	\$ -	\$ 3,774,394	7.38%
06/30/2016	\$ 308,972	\$ 308,972	\$ -	\$ 4,176,584	7.40%
06/30/2017	\$ 311,736	\$ 311,736	\$ -	\$ 4,156,472	7.50%
06/30/2018	\$ 326,328	\$ 326,328	\$ -	\$ 4,356,483	7.49%
06/30/2019	\$ 353,648	\$ 353,648	\$ -	\$ 4,715,012	7.50%
06/30/2020	\$ 350,168	\$ 350,168	\$ -	\$ 4,669,182	7.50%
06/30/2021	\$ 336,568	\$ 336,568	\$ -	\$ 4,490,496	7.50%
06/30/2022	\$ 346,271	\$ 346,271	\$ -	\$ 4,610,354	7.51%
06/30/2023	\$ 390,277	\$ 390,277	\$ -	\$ 5,204,971	7.50%
06/30/2024	\$ 417,921	\$ 417,921	\$ -	\$ 5,581,681	7.49%

INDEPENDENT SCHOOL DISTRICT NO. 832

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 Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's 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	0.3515%	\$ 16,196,867	\$ 1,139,345	\$ 17,336,212	\$ 16,044,763	100.95%	81.50%
06/30/2016	06/30/2015	0.3284%	\$ 20,314,788	\$ 2,491,928	\$ 22,806,716	\$ 16,114,607	126.06%	76.80%
06/30/2017	06/30/2016	0.3363%	\$ 80,215,574	\$ 8,052,513	\$ 88,268,087	\$ 17,491,654	458.59%	44.88%
06/30/2018	06/30/2017	0.3375%	\$ 67,371,122	\$ 6,512,110	\$ 73,883,232	\$ 18,167,356	370.84%	51.57%
06/30/2019	06/30/2018	0.3345%	\$ 21,009,731	\$ 1,973,781	\$ 22,983,512	\$ 18,481,913	113.68%	78.07%
06/30/2020	06/30/2019	0.3172%	\$ 20,218,395	\$ 1,789,416	\$ 22,007,811	\$ 18,018,935	112.21%	78.21%
06/30/2021	06/30/2020	0.3144%	\$ 23,228,293	\$ 1,946,326	\$ 25,174,619	\$ 18,305,143	126.89%	75.48%
06/30/2022	06/30/2021	0.3148%	\$ 13,702,781	\$ 1,161,731	\$ 14,864,512	\$ 18,860,634	72.65%	86.63%
06/30/2023	06/30/2022	0.3153%	\$ 25,247,556	\$ 1,872,428	\$ 27,119,984	\$ 19,489,707	129.54%	76.17%
06/30/2024	06/30/2023	0.3169%	\$ 26,163,972	\$ 1,832,758	\$ 27,996,730	\$ 20,163,927	129.76%	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	\$ 1,159,998	\$ 1,159,998	\$ -	\$ 16,114,607	7.20%
06/30/2016	\$ 1,310,240	\$ 1,310,240	\$ -	\$ 17,491,654	7.49%
06/30/2017	\$ 1,359,847	\$ 1,359,847	\$ -	\$ 18,167,356	7.49%
06/30/2018	\$ 1,393,361	\$ 1,393,361	\$ -	\$ 18,481,913	7.54%
06/30/2019	\$ 1,389,479	\$ 1,389,479	\$ -	\$ 18,018,935	7.71%
06/30/2020	\$ 1,447,430	\$ 1,447,430	\$ -	\$ 18,305,143	7.91%
06/30/2021	\$ 1,529,806	\$ 1,529,806	\$ -	\$ 18,860,634	8.11%
06/30/2022	\$ 1,625,437	\$ 1,625,437	\$ -	\$ 19,489,707	8.34%
06/30/2023	\$ 1,724,015	\$ 1,724,015	\$ -	\$ 20,163,927	8.55%
06/30/2024	\$ 1,856,726	\$ 1,856,726	\$ -	\$ 21,241,846	8.74%

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	District Fiscal Year-End Date							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability								
Service cost	\$ 128,966	\$ 137,515	\$ 126,640	\$ 154,743	\$ 160,748	\$ 105,053	\$ 146,189	\$ 145,928
Interest	77,167	87,180	50,583	59,372	77,708	80,244	56,541	61,031
Assumption changes	(16,057)	18,937	(127,482)	(63,631)	64,488	166,935	(97,314)	–
Plan changes	–	–	–	272,767	–	(68,126)	440,358	–
Differences between expected and actual experience	–	(415,926)	–	(132,288)	–	112,866	–	–
Benefit payments	(156,992)	(130,550)	(219,741)	(434,775)	(225,761)	(250,888)	(593,442)	(169,143)
Other changes	–	–	–	–	36,293	–	–	–
Net change in total OPEB liability	33,084	(302,844)	(170,000)	(143,812)	113,476	146,084	(47,668)	37,816
Total OPEB liability – beginning of year	1,918,514	2,221,358	2,391,358	2,535,170	2,421,694	2,275,610	2,323,278	2,285,462
Total OPEB liability – end of year	1,951,598	1,918,514	2,221,358	2,391,358	2,535,170	2,421,694	2,275,610	2,323,278
Plan fiduciary net position								
Employer contributions	156,992	–	–	–	–	–	–	–
Projected investment return	9,902	16,041	21,440	23,028	33,649	58,449	37,678	12,937
Differences between expected and actual experience	6,785	(8,035)	(15,746)	(11,520)	(8,568)	–	–	–
Benefit payments	(156,992)	(130,550)	(219,741)	(434,775)	(225,762)	(250,888)	(593,442)	(169,143)
Administrative expense	(250)	(250)	(1,124)	(250)	(165)	(250)	(250)	(250)
Net change in plan fiduciary net position	16,437	(122,794)	(215,171)	(423,517)	(200,846)	(192,689)	(556,014)	(156,456)
Plan fiduciary net position – beginning of year	198,031	320,825	535,996	959,513	1,160,359	1,353,048	1,909,062	2,065,518
Plan fiduciary net position – end of year	214,468	198,031	320,825	535,996	959,513	1,160,359	1,353,048	1,909,062
Net OPEB liability	\$ 1,737,130	\$ 1,720,483	\$ 1,900,533	\$ 1,855,362	\$ 1,575,657	\$ 1,261,335	\$ 922,562	\$ 414,216
Plan fiduciary net position as a percentage of the total OPEB liability	10.99%	10.32%	14.44%	22.41%	37.85%	47.92%	59.46%	82.17%
Covered-employee payroll	\$ 23,724,156	\$ 23,033,161	\$ 22,798,862	\$ 22,134,817	\$ 22,446,085	\$ 21,792,316	\$ 21,784,370	\$ 21,064,964
Net OPEB liability as a percentage of covered-employee payroll	7.32%	7.47%	8.34%	8.38%	7.02%	5.79%	4.23%	1.97%

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 832

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2024

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	0.60 %
2018	2.00 %
2019	4.30 %
2020	2.20 %
2021	1.20 %
2022	1.10 %
2023	2.50 %
2024	12.90 %

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

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INDEPENDENT SCHOOL DISTRICT NO. 832

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

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.90 percent to 4.10 percent.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.80 percent to 3.90 percent.
- The expected long-term investment return was changed from 4.00 percent to 5.00 percent.
- The healthcare trend rates, mortality tables, salary increase rates for nonteachers, and withdrawal rates were updated.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 2.40 percent to 4.00 percent.
- The discount rate was changed from 2.10 percent to 3.80 percent.

2021 CHANGES IN PLAN PROVISIONS

- An early retirement incentive was paid to a health reimbursement arrangement over two years, which was elected by nine teachers.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates, mortality tables, and salary increase rates were updated.
- The expected long-term investment return was changed from 2.90 percent to 2.40 percent.
- The discount rate was changed from 2.40 percent to 2.10 percent.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 3.50 percent to 2.90 percent.
- The discount rate was changed from 3.50 percent to 2.90 percent.

2019 CHANGES IN PLAN PROVISIONS

- The severance benefit for the assistant superintendent and the director of business services was moved from another post-employment benefit to a severance benefit, since it is not defined to be paid to a Healthcare Savings Plan. The new superintendent does not have a subsidized post-employment benefit.

2019 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 ending age for valuing implicit dental was increased from age 65 to 70 for current retirees based on the average age of current retirees with dental insurance.
- The discount rate and the 20-year municipal bond rate were changed from 3.50 percent to 3.10 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2018 CHANGES IN PLAN PROVISIONS

- An early retirement incentive was given to teachers retiring at the end of the 2017–2018 school year who were over age 55 with at least 15 years of service. Eligible teachers will receive two annual payments of \$10,000 paid to a health reimbursement arrangement.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 1.25 percent to 3.50 percent.
- The discount rate was changed from 2.60 percent to 3.50 percent.

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SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	Special Revenue Funds		Total
	Food Service	Community Service	
Assets			
Cash and temporary investments	\$ 1,037,343	\$ 1,153,743	\$ 2,191,086
Receivables			
Current taxes	–	92,870	92,870
Delinquent taxes	–	2,888	2,888
Due from other governmental units	27,452	18,974	46,426
Inventory	35,205	–	35,205
Total assets	\$ 1,100,000	\$ 1,268,475	\$ 2,368,475
Liabilities			
Salaries and benefits payable	\$ –	\$ 52,259	\$ 52,259
Accounts and contracts payable	111,445	79,250	190,695
Unearned revenue	–	113,899	113,899
Total liabilities	111,445	245,408	356,853
Deferred inflows of resources			
Property taxes levied for subsequent year	–	185,487	185,487
Unavailable revenue – delinquent taxes	–	1,194	1,194
Total deferred inflows of resources	–	186,681	186,681
Fund balances			
Nonspendable	35,205	–	35,205
Restricted	953,350	836,386	1,789,736
Total fund balances	988,555	836,386	1,824,941
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,100,000	\$ 1,268,475	\$ 2,368,475

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	Special Revenue Funds		Total
	Food Service	Community Service	
Revenue			
Local sources			
Property taxes	\$ -	\$ 287,239	\$ 287,239
Investment earnings	33,671	38,848	72,519
Other	274,603	2,475,716	2,750,319
State sources	1,286,649	195,743	1,482,392
Federal sources	804,237	-	804,237
Total revenue	<u>2,399,160</u>	<u>2,997,546</u>	<u>5,396,706</u>
Expenditures			
Current			
Food service	1,988,806	-	1,988,806
Community service	-	2,924,342	2,924,342
Capital outlay	339,544	44,262	383,806
Total expenditures	<u>2,328,350</u>	<u>2,968,604</u>	<u>5,296,954</u>
Net change in fund balances	70,810	28,942	99,752
Fund balances			
Beginning of year	<u>917,745</u>	<u>807,444</u>	<u>1,725,189</u>
End of year	<u>\$ 988,555</u>	<u>\$ 836,386</u>	<u>\$ 1,824,941</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 11,275,409	\$ 10,536,377
Receivables		
Current taxes	5,162,015	5,294,209
Delinquent taxes	85,310	110,261
Accounts and interest	153,520	34,412
Due from other funds	130,550	210,550
Due from other governmental units	3,777,262	3,443,807
Prepaid items	<u>491,115</u>	<u>21,835</u>
Total assets	<u><u>\$ 21,075,181</u></u>	<u><u>\$ 19,651,451</u></u>
Liabilities		
Salaries and benefits payable	\$ 123,891	\$ 37,709
Accounts and contracts payable	2,537,187	1,658,394
Due to other governmental units	-	230,650
Unearned revenue	<u>22,189</u>	<u>23,998</u>
Total liabilities	<u>2,683,267</u>	<u>1,950,751</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	9,591,195	9,526,078
Unavailable revenue – delinquent taxes	<u>31,301</u>	<u>60,617</u>
Total deferred inflows of resources	<u>9,622,496</u>	<u>9,586,695</u>
Fund balances		
Nonspendable for prepaid items	491,115	21,835
Restricted for student activities	120,070	127,325
Restricted for literacy incentive aid	41,323	-
Restricted for American Indian education aid	23,180	-
Restricted for basic skills	83,143	-
Restricted for achievement and integration	-	12,451
Restricted for long-term facilities maintenance	-	221,800
Restricted for student support personnel	42,394	-
Restricted for Medical Assistance	15,579	20,098
Assigned for separation benefits	100,000	100,000
Assigned for student activities	129,657	129,657
Assigned for quality compensation program	-	28,190
Assigned for building carryover	2,301,951	1,150,000
Assigned for donations	331,637	403,342
Unassigned – operating capital restricted account deficit	(843,493)	-
Unassigned – safe schools levy restricted account deficit	(107,444)	-
Unassigned – long-term facilities maintenance restricted account deficit	(14,793)	-
Unassigned	<u>6,055,099</u>	<u>5,899,307</u>
Total fund balances	<u><u>8,769,418</u></u>	<u><u>8,114,005</u></u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u><u>\$ 21,075,181</u></u>	 <u><u>\$ 19,651,451</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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	\$ 10,341,400	\$ 10,535,259	\$ 193,859	\$ 10,713,595
Investment earnings	300,000	710,167	410,167	350,161
Other	1,548,768	1,650,094	101,326	1,622,433
State sources	35,089,550	35,401,822	312,272	31,954,713
Federal sources	1,879,874	1,847,904	(31,970)	1,487,777
Total revenue	49,159,592	50,145,246	985,654	46,128,679
Expenditures				
Current				
Administration				
Salaries	1,437,985	1,347,858	(90,127)	1,413,788
Employee benefits	543,610	517,485	(26,125)	525,917
Purchased services	119,096	31,989	(87,107)	33,272
Supplies and materials	22,645	71,024	48,379	2,213
Other expenditures	40,904	30,046	(10,858)	26,690
Total administration	2,164,240	1,998,402	(165,838)	2,001,880
District support services				
Salaries	756,664	809,910	53,246	656,816
Employee benefits	331,595	572,993	241,398	195,481
Purchased services	757,713	443,897	(313,816)	823,465
Supplies and materials	172,267	27,567	(144,700)	13,487
Capital expenditures	3,500	5,066	1,566	751
Other expenditures	13,755	5,601	(8,154)	24,787
Total district support services	2,035,494	1,865,034	(170,460)	1,714,787
Elementary and secondary regular instruction				
Salaries	14,335,733	13,968,711	(367,022)	13,045,147
Employee benefits	5,927,897	5,768,875	(159,022)	4,983,718
Purchased services	1,452,727	1,606,819	154,092	1,169,589
Supplies and materials	989,160	1,298,523	309,363	1,149,914
Capital expenditures	170,774	247,221	76,447	224,694
Other expenditures	20,907	18,006	(2,901)	105,412
Total elementary and secondary regular instruction	22,897,198	22,908,155	10,957	20,678,474

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	2024		2023	
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	497,408	495,476	(1,932)	535,235
Employee benefits	262,627	252,367	(10,260)	232,150
Purchased services	196,053	241,176	45,123	206,112
Supplies and materials	112,779	14,170	(98,609)	5,500
Capital expenditures	1,010	–	(1,010)	3,240
Other expenditures	252	–	(252)	2,523
Total vocational education instruction	1,070,129	1,003,189	(66,940)	984,760
Special education instruction				
Salaries	5,531,576	5,440,946	(90,630)	5,185,731
Employee benefits	2,395,093	2,383,155	(11,938)	2,116,685
Purchased services	571,601	543,130	(28,471)	538,417
Supplies and materials	132,536	103,941	(28,595)	113,332
Capital expenditures	29,290	23,945	(5,345)	125,244
Other expenditures	55,045	58,044	2,999	31,960
Total special education instruction	8,715,141	8,553,161	(161,980)	8,111,369
Instructional support services				
Salaries	1,627,683	1,679,578	51,895	1,471,059
Employee benefits	726,870	652,385	(74,485)	552,479
Purchased services	122,250	93,337	(28,913)	54,759
Supplies and materials	238,915	938,493	699,578	69,975
Capital expenditures	12,454	119,758	107,304	466,548
Other expenditures	15,009	4,925	(10,084)	7,749
Total instructional support services	2,743,181	3,488,476	745,295	2,622,569
Pupil support services				
Salaries	1,186,657	1,142,558	(44,099)	1,067,640
Employee benefits	540,227	546,660	6,433	511,685
Purchased services	2,710,061	2,872,566	162,505	2,749,594
Supplies and materials	133,482	126,797	(6,685)	87,033
Capital expenditures	–	50	50	390
Other expenditures	505	25	(480)	5,858
Total pupil support services	4,570,932	4,688,656	117,724	4,422,200

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	2024		2023	
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	1,120,635	1,131,026	10,391	1,000,291
Employee benefits	453,385	441,360	(12,025)	389,459
Purchased services	1,184,843	1,386,090	201,247	1,373,473
Supplies and materials	447,589	258,370	(189,219)	342,503
Capital expenditures	1,577,092	1,296,792	(280,300)	1,708,572
Other expenditures	1,515	4,309	2,794	5,034
Total sites and buildings	<u>4,785,059</u>	<u>4,517,947</u>	<u>(267,112)</u>	<u>4,819,332</u>
Fiscal and other fixed cost programs				
Employee benefits	112,000	–	(112,000)	–
Purchased services	<u>223,500</u>	<u>203,038</u>	<u>(20,462)</u>	<u>165,776</u>
Total fiscal and other fixed cost programs	<u>335,500</u>	<u>203,038</u>	<u>(132,462)</u>	<u>165,776</u>
Debt service				
Principal	–	363,356	363,356	243,765
Interest and fiscal charges	<u>–</u>	<u>11,048</u>	<u>11,048</u>	<u>30,054</u>
Total debt service	<u>–</u>	<u>374,404</u>	<u>374,404</u>	<u>273,819</u>
Total expenditures	<u>49,316,874</u>	<u>49,600,462</u>	<u>283,588</u>	<u>45,794,966</u>
Excess (deficiency) of revenue over expenditures	(157,282)	544,784	702,066	333,713
Other financing sources				
Issuance of lease liabilities	–	–	–	465,180
Sale of equipment	–	8,907	8,907	–
Insurance recovery	–	22,795	22,795	–
Transfer in	<u>–</u>	<u>78,927</u>	<u>78,927</u>	<u>–</u>
Total other financing sources	<u>–</u>	<u>110,629</u>	<u>110,629</u>	<u>465,180</u>
Net change in fund balances	<u>\$ (157,282)</u>	655,413	<u>\$ 812,695</u>	798,893
Fund balances				
Beginning of year		<u>8,114,005</u>		<u>7,315,112</u>
End of year		<u>\$ 8,769,418</u>		<u>\$ 8,114,005</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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	\$ 1,037,343	\$ 1,040,330
Receivables		
Due from other governmental units	27,452	17,330
Inventory	<u>35,205</u>	<u>19,956</u>
Total assets	<u>\$ 1,100,000</u>	<u>\$ 1,077,616</u>
Liabilities		
Accounts and contracts payable	\$ 111,445	\$ 2,505
Due to other governmental units	–	65,258
Unearned revenue	–	92,108
Total liabilities	<u>111,445</u>	<u>159,871</u>
Fund balances		
Nonspendable for inventory	35,205	19,956
Restricted for food service	953,350	897,789
Total fund balances	<u>988,555</u>	<u>917,745</u>
Total liabilities and fund balances	<u>\$ 1,100,000</u>	<u>\$ 1,077,616</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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		Over (Under) Budget	2023
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 1,000	\$ 33,671	\$ 32,671	\$ 37,718
Other – primarily meal sales	250,400	274,603	24,203	961,441
State sources	1,164,000	1,286,649	122,649	61,462
Federal sources	808,298	804,237	(4,061)	564,238
Total revenue	<u>2,223,698</u>	<u>2,399,160</u>	<u>175,462</u>	<u>1,624,859</u>
Expenditures				
Current				
Salaries	38,044	39,961	1,917	44,030
Employee benefits	33,130	31,949	(1,181)	31,308
Purchased services	647,333	883,209	235,876	732,606
Supplies and materials	917,797	1,033,687	115,890	830,777
Other expenditures	3,000	–	(3,000)	–
Capital outlay	315,000	339,544	24,544	50,226
Total expenditures	<u>1,954,304</u>	<u>2,328,350</u>	<u>374,046</u>	<u>1,688,947</u>
Net change in fund balances	<u>\$ 269,394</u>	70,810	<u>\$ (198,584)</u>	(64,088)
Fund balances				
Beginning of year		<u>917,745</u>		<u>981,833</u>
End of year		<u>\$ 988,555</u>		<u>\$ 917,745</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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	\$ 1,153,743	\$ 1,207,866
Receivables		
Current taxes	92,870	145,678
Delinquent taxes	2,888	3,439
Due from other governmental units	18,974	14,215
Prepaid items	–	506
	<u>–</u>	<u>506</u>
Total assets	<u>\$ 1,268,475</u>	<u>\$ 1,371,704</u>
Liabilities		
Salaries and benefits payable	\$ 52,259	\$ 64,984
Accounts and contracts payable	79,250	115,737
Unearned revenue	113,899	94,460
Total liabilities	<u>245,408</u>	<u>275,181</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	185,487	287,008
Unavailable revenue – delinquent taxes	1,194	2,071
Total deferred inflows of resources	<u>186,681</u>	<u>289,079</u>
Fund balances		
Nonspendable for prepaid items	–	506
Restricted for community education	507,959	529,974
Restricted for early childhood family education	213,032	207,669
Restricted for school readiness	94,249	34,048
Restricted for adult basic education	21,146	21,146
Restricted for community service	–	14,101
Total fund balances	<u>836,386</u>	<u>807,444</u>
	<u>–</u>	<u>506</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,268,475</u>	<u>\$ 1,371,704</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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		Over (Under) Budget	2023
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 287,271	\$ 287,239	\$ (32)	\$ 279,434
Investment earnings	–	38,848	38,848	42,834
Other – primarily tuition and fees	1,903,370	2,475,716	572,346	2,272,869
State sources	134,060	195,743	61,683	141,885
Total revenue	<u>2,324,701</u>	<u>2,997,546</u>	<u>672,845</u>	<u>2,737,022</u>
Expenditures				
Current				
Salaries	1,464,035	1,556,560	92,525	1,486,591
Employee benefits	480,532	481,686	1,154	466,124
Purchased services	392,100	768,462	376,362	575,672
Supplies and materials	156,905	116,448	(40,457)	157,067
Other expenditures	1,569	1,186	(383)	286
Capital outlay	11,800	44,262	32,462	162,928
Total expenditures	<u>2,506,941</u>	<u>2,968,604</u>	<u>461,663</u>	<u>2,848,668</u>
Net change in fund balances	<u>\$ (182,240)</u>	28,942	<u>\$ 211,182</u>	(111,646)
Fund balances				
Beginning of year		<u>807,444</u>		<u>919,090</u>
End of year		<u>\$ 836,386</u>		<u>\$ 807,444</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

Capital Projects – Building Construction Fund
 Comparative Balance Sheet
 as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	<u>\$ 2,098,998</u>	<u>\$ 7,673,853</u>
Liabilities		
Accounts and contracts payable	\$ 26,068	\$ 3,899,973
Fund balances		
Restricted for long-term facilities maintenance	2,045,396	–
Restricted for building construction	<u>27,534</u>	<u>3,773,880</u>
Total fund balances	<u>2,072,930</u>	<u>3,773,880</u>
Total liabilities and fund balances	<u>\$ 2,098,998</u>	<u>\$ 7,673,853</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 15,000	\$ 80,612	\$ 65,612	\$ 145,297
Expenditures				
Current				
Sites and buildings				
Salaries	–	–	–	21,758
Employee benefits	–	–	–	5,838
Purchased services	–	200,177	200,177	69,167
Supplies and materials	–	–	–	6,978
Capital expenditures	12,250,425	63,419	(12,187,006)	4,189,684
Debt service				
Interest and fiscal charges	–	–	–	72,406
Total expenditures	<u>12,250,425</u>	<u>263,596</u>	<u>(11,986,829)</u>	<u>4,365,831</u>
Excess (deficiency) of revenue over expenditures	(12,235,425)	(182,984)	12,052,441	(4,220,534)
Other financing sources				
Bonds issued	–	–	–	3,390,000
Premium on bonds issued	–	–	–	252,755
Total other financing sources	–	–	–	3,642,755
Extraordinary item				
Insurance recovery	4,200,000	5,141,106	941,106	5,216,200
Insurance recovery related capital expenditures	–	(6,659,072)	(6,659,072)	(6,317,516)
Total extraordinary item	<u>4,200,000</u>	<u>(1,517,966)</u>	<u>(5,717,966)</u>	<u>(1,101,316)</u>
Net change in fund balances	<u>\$ (8,035,425)</u>	(1,700,950)	<u>\$ 6,334,475</u>	(1,679,095)
Fund balances				
Beginning of year		<u>3,773,880</u>		<u>5,452,975</u>
End of year		<u>\$ 2,072,930</u>		<u>\$ 3,773,880</u>

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INDEPENDENT SCHOOL DISTRICT NO. 832

Debt Service Fund
 Balance Sheet by Account
 as of June 30, 2024
 (With Comparative Totals as of June 30, 2023)

	Regular Debt Service Account	OPEB Debt Service Account	Totals	
			2024	2023
Assets				
Cash and temporary investments	\$ 3,836,809	\$ 69,401	\$ 3,906,210	\$ 3,693,141
Receivables				
Current taxes	2,869,303	–	2,869,303	2,685,414
Delinquent taxes	74,179	3,150	77,329	58,348
Due from other governmental units	13,403	15	13,418	7,190
	<u>\$ 6,793,694</u>	<u>\$ 72,566</u>	<u>\$ 6,866,260</u>	<u>\$ 6,444,093</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	\$ 5,694,019	\$ –	\$ 5,694,019	\$ 5,246,903
Unavailable revenue – delinquent taxes	45,155	1,458	46,613	34,414
Total deferred inflows of resources	<u>5,739,174</u>	<u>1,458</u>	<u>5,740,632</u>	<u>5,281,317</u>
Fund balances				
Restricted for debt service	<u>1,054,520</u>	<u>71,108</u>	<u>1,125,628</u>	<u>1,162,776</u>
	<u>\$ 6,793,694</u>	<u>\$ 72,566</u>	<u>\$ 6,866,260</u>	<u>\$ 6,444,093</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	Budget	2024 Actual	
		Regular Debt Service Account	OPEB Debt Service Account
Revenue			
Local sources			
Property taxes	\$ 5,246,902	\$ 4,939,972	\$ 284,070
Investment earnings	6,000	84,616	5,453
State sources	24,950	85,564	152
Total revenue	<u>5,277,852</u>	<u>5,110,152</u>	<u>289,675</u>
Expenditures			
Debt service			
Principal	3,655,000	3,370,000	285,000
Interest	1,673,790	1,776,185	1,140
Fiscal charges and other	6,500	2,600	2,050
Total expenditures	<u>5,335,290</u>	<u>5,148,785</u>	<u>288,190</u>
Net change in fund balances	<u>\$ (57,438)</u>	<u>(38,633)</u>	<u>1,485</u>
Fund balances			
Beginning of year		<u>1,093,153</u>	<u>69,623</u>
End of year		<u>\$ 1,054,520</u>	<u>\$ 71,108</u>

		2023	
Total	Over (Under) Budget	Actual	
\$ 5,224,042	\$ (22,860)	\$ 5,097,667	
90,069	84,069	98,024	
85,716	60,766	71,902	
<u>5,399,827</u>	<u>121,975</u>	<u>5,267,593</u>	
3,655,000	–	3,510,000	
1,777,325	103,535	1,797,220	
4,650	(1,850)	7,001	
<u>5,436,975</u>	<u>101,685</u>	<u>5,314,221</u>	
(37,148)	<u>\$ 20,290</u>	(46,628)	
<u>1,162,776</u>		<u>1,209,404</u>	
<u>\$ 1,125,628</u>		<u>\$ 1,162,776</u>	

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SECTION III – STATISTICAL SECTION

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STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 832's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Indicators

These schedules contain service and infrastructure data to help the reader understand how the information in the District's ACFR relates to the services the District provides, and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the District's ACFR for the relevant year.

INDEPENDENT SCHOOL DISTRICT NO. 832

Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 12,905,622	\$ 14,765,621	\$ 15,992,115	\$ 17,152,606
Restricted	1,800,899	1,243,525	1,325,088	1,614,396
Unrestricted	(19,173,033)	(18,104,962)	(30,691,596)	(43,309,814)
Total governmental activities net position	<u>\$ (4,466,512)</u>	<u>\$ (2,095,816)</u>	<u>\$ (13,374,393)</u>	<u>\$ (24,542,812)</u>

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$1.96 million.

2019	2020	2021	2022	2023	2024
\$ 18,587,875	\$ 20,334,346	\$ 21,864,445	\$ 21,319,056	\$ 29,525,125	\$ 38,125,994
1,592,858	1,533,781	2,069,633	2,955,015	2,550,874	2,743,383
(35,132,513)	(35,345,374)	(35,368,555)	(31,851,392)	(22,961,230)	(18,848,644)
<u>\$ (14,951,780)</u>	<u>\$ (13,477,247)</u>	<u>\$ (11,434,477)</u>	<u>\$ (7,577,321)</u>	<u>\$ 9,114,769</u>	<u>\$ 22,020,733</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Expenses				
Administration	\$ 1,655,841	\$ 1,619,612	\$ 2,389,784	\$ 2,402,693
District support services	1,649,503	1,131,424	1,321,965	1,511,534
Elementary and secondary regular instruction	18,248,216	18,653,040	26,880,726	27,200,155
Vocational education instruction	497,700	527,083	830,853	1,122,590
Special education instruction	5,748,810	6,321,217	9,098,090	9,191,728
Instructional support services	1,666,593	1,857,995	2,002,692	1,985,912
Pupil support services	2,489,090	2,697,078	3,329,970	3,553,250
Sites and buildings	3,728,643	4,740,775	4,842,234	5,221,236
Fiscal and other fixed cost programs	110,258	115,640	127,338	123,860
Food service	1,398,475	1,432,468	1,430,195	1,350,209
Community service	1,718,100	1,889,306	2,219,940	2,384,050
Depreciation/amortization not allocated to other functions	750,341	749,146	734,936	1,125,891
Interest and fiscal charges	2,580,364	1,617,812	1,616,865	1,439,989
Total governmental activities expenses	<u>42,241,934</u>	<u>43,352,596</u>	<u>56,825,588</u>	<u>58,613,097</u>
Program revenues				
Charges for services				
Elementary and secondary regular instruction	343,355	421,300	389,147	407,701
Instructional support services	-	870	1,439	1,297
Pupil support services	4,280	21,397	21,996	18,622
Sites and buildings	70,578	73,946	71,293	63,252
Food service	1,081,008	1,035,277	942,204	994,770
Community service	1,501,089	1,576,585	1,787,189	1,867,091
Operating grants and contributions	3,303,034	3,903,503	4,430,112	4,241,381
Capital grants and contributions	377,865	-	-	-
Total governmental activities program revenues	<u>6,681,209</u>	<u>7,032,878</u>	<u>7,643,380</u>	<u>7,594,114</u>
Net (expense) revenue	(35,560,725)	(36,319,718)	(49,182,208)	(51,018,983)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	5,444,375	7,112,358	8,086,584	8,040,986
Property taxes, levied for community service	285,295	262,629	257,209	275,835
Property taxes, levied for debt service	5,372,947	5,266,374	5,249,690	5,206,265
General grants and aids	23,240,959	24,822,060	25,182,239	25,232,775
Other general revenues	1,726,882	1,197,349	946,821	983,144
Gain on sale of assets	-	5,554	1,662	-
Investment earnings	13,216	24,090	137,938	111,559
Extraordinary item	-	-	-	-
Total general revenues and other changes in net position	<u>36,083,674</u>	<u>38,690,414</u>	<u>39,862,143</u>	<u>39,850,564</u>
Change in net position	<u>\$ 522,949</u>	<u>\$ 2,370,696</u>	<u>\$ (9,320,065)</u>	<u>\$ (11,168,419)</u>

	2019	2020	2021	2022	2023	2024
\$	1,318,479	\$ 2,085,841	\$ 1,934,908	\$ 1,799,211	\$ 1,636,857	\$ 1,838,255
	1,383,764	1,353,272	1,440,663	1,284,668	1,750,204	1,892,099
	13,688,037	20,931,554	20,638,140	20,426,449	16,049,742	21,041,609
	559,872	883,650	978,974	799,264	850,120	1,035,309
	5,454,302	7,676,376	7,559,495	7,122,968	6,498,735	7,929,355
	1,411,241	1,803,914	2,517,323	1,880,135	2,147,195	2,739,589
	2,999,858	3,568,833	3,744,420	3,729,189	4,151,359	4,588,458
	4,749,556	5,005,374	5,153,963	7,085,606	5,017,950	5,258,337
	130,465	121,405	133,618	148,912	165,776	203,038
	1,301,930	1,268,643	1,042,522	1,554,158	1,679,866	2,122,293
	2,091,177	1,973,416	1,673,748	2,110,761	2,587,356	2,905,416
	1,125,891	1,118,675	1,118,048	1,071,716	982,749	982,673
	1,401,844	1,283,393	1,175,096	1,256,043	1,080,691	861,868
	37,616,416	49,074,346	49,110,918	50,269,080	44,598,600	53,398,299
	391,913	285,207	402,213	525,195	801,091	826,967
	917	1,232	300	3,160	16,873	17,181
	23,392	5,353	–	–	21,592	17,574
	–	–	–	–	–	–
	962,054	739,569	84,193	240,235	961,441	274,603
	1,921,399	1,601,400	1,334,355	2,065,415	2,272,869	2,475,716
	4,104,156	5,140,174	6,173,014	7,435,622	6,273,076	9,673,804
	–	–	–	–	–	–
	7,403,831	7,772,935	7,994,075	10,269,627	10,346,942	13,285,845
	(30,212,585)	(41,301,411)	(41,116,843)	(39,999,453)	(34,251,658)	(40,112,454)
	8,395,688	9,365,786	9,542,135	10,049,145	10,730,599	10,505,943
	273,636	303,976	319,365	297,714	279,760	286,362
	4,990,743	4,988,574	4,989,804	5,032,220	5,103,126	5,236,241
	24,919,668	27,051,916	27,868,671	27,653,514	28,157,152	30,075,325
	1,053,335	964,454	410,135	783,206	782,877	820,074
	–	–	9,419	2,959	–	–
	170,547	101,238	20,084	37,851	674,034	953,367
	–	–	–	–	5,216,200	5,141,106
	39,803,617	42,775,944	43,159,613	43,856,609	50,943,748	53,018,418
\$	9,591,032	\$ 1,474,533	\$ 2,042,770	\$ 3,857,156	\$ 16,692,090	\$ 12,905,964

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INDEPENDENT SCHOOL DISTRICT NO. 832

Governmental Activities Tax Revenues by Source and Levy Type
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Fiscal Year	Property Tax			Total
	General Purposes	Community Service	Debt Service	
2015	\$ 5,444,375	\$ 285,295	\$ 5,372,947	\$ 11,102,617
2016	7,112,358	262,629	5,266,374	12,641,361
2017	8,086,584	257,209	5,249,690	13,593,483
2018	8,040,986	275,835	5,206,265	13,523,086
2019	8,395,688	273,636	4,990,743	13,660,067
2020	9,365,786	303,976	4,988,574	14,658,336
2021	9,542,135	319,365	4,989,804	14,851,304
2022	10,049,145	297,714	5,032,220	15,379,079
2023	10,730,599	279,760	5,103,126	16,113,485
2024	10,505,943	286,362	5,236,241	16,028,546

INDEPENDENT SCHOOL DISTRICT NO. 832

Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 55,608	\$ 25,573	\$ 8,938	\$ 193,907
Restricted	944,315	438,515	379,654	409,709
Assigned	1,443,870	1,428,890	1,465,000	974,520
Unassigned	<u>2,918,858</u>	<u>3,527,966</u>	<u>3,108,917</u>	<u>1,727,414</u>
Total General Fund	<u>\$ 5,362,651</u>	<u>\$ 5,420,944</u>	<u>\$ 4,962,509</u>	<u>\$ 3,305,550</u>
All other governmental funds				
Nonspendable	\$ 22,060	\$ 16,943	\$ 20,924	\$ 18,472
Restricted	2,810,505	8,964,564	4,546,188	1,982,078
Unassigned	<u>(29,567)</u>	<u>(54,383)</u>	<u>(50,387)</u>	<u>(5,120)</u>
Total all other governmental funds	<u>\$ 2,802,998</u>	<u>\$ 8,927,124</u>	<u>\$ 4,516,725</u>	<u>\$ 1,995,430</u>
Total all governmental funds	<u>\$ 8,165,649</u>	<u>\$ 14,348,068</u>	<u>\$ 9,479,234</u>	<u>\$ 5,300,980</u>

2019	2020	2021	2022	2023	2024
\$ 182,562	\$ 17,859	\$ 17,800	\$ 53,918	\$ 21,835	\$ 491,115
404,413	481,548	703,596	641,689	381,674	325,689
907,388	1,133,443	1,885,158	1,315,543	1,811,189	2,863,245
1,683,097	3,434,646	4,460,187	5,303,962	5,899,307	5,089,369
<u>\$ 3,177,460</u>	<u>\$ 5,067,496</u>	<u>\$ 7,066,741</u>	<u>\$ 7,315,112</u>	<u>\$ 8,114,005</u>	<u>\$ 8,769,418</u>
\$ 12,701	\$ 12,200	\$ 15,763	\$ 22,708	\$ 20,462	\$ 35,205
1,975,084	1,879,040	2,031,435	8,540,594	6,641,383	4,988,294
(6,103)	(89,149)	(13,604)	—	—	—
<u>\$ 1,981,682</u>	<u>\$ 1,802,091</u>	<u>\$ 2,033,594</u>	<u>\$ 8,563,302</u>	<u>\$ 6,661,845</u>	<u>\$ 5,023,499</u>
<u>\$ 5,159,142</u>	<u>\$ 6,869,587</u>	<u>\$ 9,100,335</u>	<u>\$ 15,878,414</u>	<u>\$ 14,775,850</u>	<u>\$ 13,792,917</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Local sources				
Property taxes	\$ 11,146,001	\$ 13,333,149	\$ 13,576,488	\$ 13,526,230
Investment earnings	13,216	24,090	137,938	111,559
Other	4,690,566	4,323,233	4,159,406	4,335,877
State sources	25,662,936	27,086,413	27,477,950	28,245,477
Federal sources	1,245,847	951,766	1,124,513	1,219,444
Total revenues	<u>42,758,566</u>	<u>45,718,651</u>	<u>46,476,295</u>	<u>47,438,587</u>
Expenditures				
Current				
Administration	1,625,130	1,752,516	1,720,341	1,905,703
District support services	1,629,882	1,150,350	1,283,621	1,507,137
Elementary and secondary regular instruction	18,275,458	19,288,869	19,624,166	19,972,080
Vocational education instruction	489,000	528,338	645,529	934,483
Special education instruction	5,713,305	6,343,824	6,838,551	6,998,277
Instructional support services	1,615,312	1,666,024	1,691,952	1,649,016
Pupil support services	2,477,437	2,695,742	2,863,652	3,165,217
Sites and buildings	3,176,091	3,517,883	3,312,184	3,667,550
Fiscal and other fixed cost programs	110,258	115,640	119,422	123,860
Food service	1,352,306	1,377,841	1,401,390	1,332,914
Community service	1,678,916	1,890,419	1,896,115	2,122,401
Capital outlay	13,396	1,764,359	4,353,617	2,423,773
Debt service				
Principal	3,830,000	2,965,000	2,885,000	3,135,000
Interest and fiscal charges	3,049,341	2,269,320	2,371,251	2,348,963
Total expenditures	<u>45,035,832</u>	<u>47,326,125</u>	<u>51,006,791</u>	<u>51,286,374</u>
Excess of revenues over (under) expenditures	(2,277,266)	(1,607,474)	(4,530,496)	(3,847,787)
Other financing sources (uses)				
Debt issued (bonds, COP, and leases)	39,315,000	7,640,000	-	-
Premium (discount) on debt issued	7,791,412	484,339	-	-
Payment on refunding bonds	(45,000,000)	(340,000)	(340,000)	(340,000)
Sale of assets	532	5,554	1,662	-
Insurance recovery	-	-	-	-
Transfer in	-	-	-	-
Extraordinary item	-	-	-	-
Total other financing sources (uses) and extraordinary items	<u>2,106,944</u>	<u>7,789,893</u>	<u>(338,338)</u>	<u>(340,000)</u>
Net change in fund balances	<u>\$ (170,322)</u>	<u>\$ 6,182,419</u>	<u>\$ (4,868,834)</u>	<u>\$ (4,187,787)</u>
Debt service as a percentage of noncapital expenditures	<u>15.3%</u>	<u>11.5%</u>	<u>11.3%</u>	<u>11.2%</u>

	2019	2020	2021	2022	2023	2024
\$	13,649,164	\$ 14,643,223	\$ 14,875,449	\$ 15,375,540	\$ 16,090,696	\$ 16,046,540
	170,547	89,325	17,882	35,044	674,034	953,367
	4,353,010	3,597,215	2,231,196	3,617,211	4,856,743	4,400,413
	29,459,210	30,976,493	31,131,668	31,952,780	32,229,962	36,969,930
	1,055,638	1,205,186	2,853,229	3,282,233	2,052,015	2,652,141
	48,687,569	50,511,442	51,109,424	54,262,808	55,903,450	61,022,391
	1,736,575	1,968,075	1,839,766	1,943,221	2,001,880	1,998,402
	1,440,144	1,338,738	1,460,465	1,366,021	1,714,787	1,865,034
	19,667,716	19,479,152	19,479,671	21,838,437	20,678,474	22,908,155
	742,891	850,553	943,214	749,186	984,760	1,003,189
	7,343,628	7,165,740	7,146,231	7,653,333	8,111,369	8,553,161
	1,644,017	1,730,595	2,468,997	1,911,823	2,622,569	3,488,476
	3,338,856	3,469,722	3,640,657	3,814,926	4,422,200	4,688,656
	3,958,735	4,262,184	4,640,194	7,496,498	9,112,757	4,781,543
	130,465	121,405	133,618	148,912	165,776	203,038
	1,328,695	1,236,024	1,009,180	1,519,844	1,638,721	1,988,806
	2,242,269	1,974,145	1,631,795	2,202,335	2,685,740	2,924,342
	162,548	136,666	32,118	13,435	213,154	383,806
	2,910,000	2,995,000	3,110,000	3,525,092	3,753,765	4,018,356
	2,182,868	2,072,998	2,007,353	1,916,142	1,906,681	1,793,023
	48,829,407	48,800,997	49,543,259	56,099,205	60,012,633	60,597,987
	(141,838)	1,710,445	1,566,165	(1,836,397)	(4,109,183)	424,404
	–	–	1,500,000	8,528,218	3,855,180	–
	–	–	25,164	83,299	252,755	–
	–	–	(870,000)	–	–	–
	–	–	9,419	2,959	–	8,907
	–	–	–	–	–	22,795
	–	–	–	–	–	78,927
	–	–	–	–	(1,101,316)	(1,517,966)
	–	–	664,583	8,614,476	3,006,619	(1,407,337)
\$	(141,838)	\$ 1,710,445	\$ 2,230,748	\$ 6,778,079	\$ (1,102,564)	\$ (982,933)
	10.6%	10.6%	10.5%	10.1%	12.0%	11.3%

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INDEPENDENT SCHOOL DISTRICT NO. 832

General Governmental Tax Revenues by Source and Levy Type
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax			Total
	General Fund	Community Service Special Revenue Fund	Debt Service Fund	
2015	\$ 5,472,218	\$ 286,345	\$ 5,387,438	\$ 11,146,001
2016	7,795,116	263,302	5,274,731	13,333,149
2017	8,080,579	247,053	5,248,856	13,576,488
2018	8,042,652	275,844	5,207,734	13,526,230
2019	8,388,598	273,294	4,987,272	13,649,164
2020	9,355,775	303,709	4,983,739	14,643,223
2021	9,557,355	319,848	4,998,246	14,875,449
2022	10,046,706	297,539	5,031,295	15,375,540
2023	10,713,595	279,434	5,097,667	16,090,696
2024	10,535,259	287,239	5,224,042	16,046,540

INDEPENDENT SCHOOL DISTRICT NO. 832

Tax Capacities and Market Values
Last Ten Fiscal Years

For Taxes Collectible	Tax Capacity Valuation			
	Fiscal Disparities			
	Agricultural	Nonagricultural	Contribution	Distribution
2015	\$ 374,500	\$ 20,406,646	\$ (695,612)	\$ 1,264,879
2016	361,716	21,644,421	(646,439)	1,291,826
2017	371,984	22,224,920	(705,658)	1,355,452
2018	378,365	23,617,568	(706,319)	1,439,349
2019	384,797	24,361,946	(739,621)	1,539,746
2020	377,851	25,925,374	(768,851)	1,664,067
2021	379,701	27,108,457	(788,484)	1,689,839
2022	394,438	27,447,555	(839,422)	1,852,611
2023	496,124	34,297,975	(853,093)	1,814,148
2024	552,652	36,758,131	(866,411)	1,875,599

Source: State of Minnesota School Tax Report

<u>Tax Increment</u>	<u>Total Taxable</u>	<u>Total Direct Tax Rate</u>	<u>Taxable Market Value</u>	<u>Tax Capacity as a Percentage of Market Value</u>
\$ (86,939)	\$ 21,263,474	\$ 34.50	\$ 1,925,324,900	1.10 %
(1,776)	22,649,748	34.11	2,040,219,100	1.11
(220)	23,246,478	34.09	2,085,503,900	1.11
(230)	24,728,733	32.16	2,196,603,700	1.13
(226)	25,546,642	31.89	2,265,402,400	1.13
(212)	27,198,229	29.93	2,400,602,400	1.13
(219)	28,389,294	29.55	2,501,549,300	1.13
(261)	28,854,921	29.03	2,533,106,700	1.14
(260)	35,754,894	23.94	3,120,566,100	1.15
(46,032)	38,273,939	23.32	3,314,732,300	1.15

INDEPENDENT SCHOOL DISTRICT NO. 832

Property Tax Rates – Direct and Overlapping Governments
Last Ten Fiscal Years

Rate	Tax Collection Calendar Year	ISD No. 832	Overlapping Rates Municipalities				
			Mahtomedi	Dellwood	Pine Springs	Hugo	Grant
Tax capacity rate	2015	34.500%	38.018%	17.851%	6.849%	36.319%	13.336%
Market value rate	2015	0.16222%	–	–	–	–	–
Tax capacity rate	2016	34.110%	34.657%	16.756%	7.234%	36.322%	13.755%
Market value rate	2016	0.26630%	–	–	–	–	–
Tax capacity rate	2017	34.090%	37.560%	15.100%	9.110%	36.360%	13.790%
Market value rate	2017	0.25378%	–	–	–	–	–
Tax capacity rate	2018	32.160%	36.374%	17.877%	7.449%	36.374%	14.601%
Market value rate	2018	0.24118%	–	–	–	–	–
Tax capacity rate	2019	31.890%	38.890%	10.360%	9.290%	36.270%	13.920%
Market value rate	2019	0.27420%	–	–	–	–	–
Tax capacity rate	2020	29.930%	36.470%	21.000%	9.130%	39.280%	13.090%
Market value rate	2020	0.25900%	–	–	–	–	–
Tax capacity rate	2021	29.554%	37.307%	29.544%	9.340%	35.576%	13.609%
Market value rate	2021	0.25300%	–	–	–	–	–
Tax capacity rate	2022	29.032%	39.119%	19.248%	9.427%	35.863%	13.426%
Market value rate	2022	0.28696%	–	–	–	–	–
Tax capacity rate	2023	23.941%	34.410%	15.724%	7.484%	33.058%	11.054%
Market value rate	2023	0.21652%	–	–	–	–	–
Tax capacity rate	2024	23.316%	33.936%	16.360%	7.764%	36.522%	10.330%
Market value rate	2024	0.20841%	–	–	–	–	–

Source: Washington County Tax Rates

White Bear Township	Willernie	Lake Elmo	Birchwood Village	Washington County	Total Mahtomedi Resident
20.300% -	45.150% -	23.792% -	27.631% -	30.173% 0.00401%	102.691% 0.16623%
19.690% -	53.691% -	23.120% -	23.893% -	30.563% 0.00390%	99.330% 0.27020%
18.970% -	48.810% -	20.010% -	24.300% -	30.434% 0.00378%	102.084% 0.25756%
21.139% -	52.135% -	7.754% -	27.011% -	32.751% 0.00448%	101.285% 0.24566%
20.190% -	48.210% -	22.930% -	23.010% -	29.680% 0.00330%	100.460% 0.27750%
20.620% -	46.040% -	23.480% -	28.070% -	28.940% 0.00341%	95.340% 0.26241%
20.185% -	51.674% -	23.630% -	29.231% -	27.435% 0.00324%	94.296% 0.25624%
20.106% -	49.194% -	30.546% -	28.692% -	27.532% 0.00378%	95.683% 0.29074%
17.560% -	46.245% -	24.064% -	21.270% -	23.625% 0.00261%	81.976% 0.21913%
16.455% -	48.031% -	24.631% -	24.708% -	27.319% 0.00261%	84.571% 0.21102%

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INDEPENDENT SCHOOL DISTRICT NO. 832

Principal Property Taxpayers
Current Year and Nine Years Ago

*Taxpayer	2024			2015		
	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity Value
PSA Housing/Assisted Living Inc.	\$ 280,082	1	1.63 %	\$ 150,652	2	1.63 %
FedEx Ground Packaging System	278,452	2	1.62	179,122	1	1.94
Echo Lake LLC	171,864	3	1.00	–	–	–
Xcel Energy	163,296	4	0.95	125,312	3	1.36
Wash N Fill Property	118,683	5	0.69	–	–	–
Flex Holding, LLC	88,404	6	0.52	30,658	9	0.33
Briarcliff of Mahtomedi	74,723	7	0.44	–	–	–
Murray Properties, LLC	69,946	8	0.41	–	–	–
Wixie LLC	62,448	9	0.36	46,380	7	0.50
Lincoln HKM	60,024	10	0.35	–	–	–
P-4 Properties LLC	–	–	–	108,126	4	1.17
Bank Mutual	–	–	–	62,788	5	0.68
Park Tool	–	–	–	56,210	6	0.61
Lincoln Square Limited Partnership	–	–	–	42,226	8	0.46
NCSM Wedgewood Village I, LLC	–	–	–	29,004	10	0.31
Total	<u>\$ 1,367,922</u>		<u>7.97 %</u>	<u>\$ 830,478</u>		<u>8.68 %</u>
Total all property	<u>\$ 17,154,425</u>			<u>\$ 9,233,037</u>		

* Data for City of Mahtomedi Only

Source: City of Mahtomedi

INDEPENDENT SCHOOL DISTRICT NO. 832

Property Tax Levies, Collections, and Receivables
Last Ten Fiscal Years

For Taxes Collectible	Original Levy				Collections	
	Local Spread	Fiscal Disparities	Tax Credits and Other	Total Spread	First Year Levy Recognized	
					Amount	Percentage of Levy
2015	\$ 12,509,844	\$ 708,857	\$ -	\$ 13,218,701	\$ 6,524,384	49.4 %
2016	12,695,156	808,092	-	13,503,248	6,617,672	49.0
2017	12,725,536	805,677	5,944	13,537,157	6,680,622	49.4
2018	12,787,931	837,153	(22,135)	13,602,949	7,411,284	54.5
2019	13,868,609	845,448	(14,669)	14,699,388	7,025,185	47.8
2020	13,830,110	961,326	29,172	14,820,608	6,968,829	47.0
2021	14,235,438	917,193	29,519	15,182,150	7,541,385	49.7
2022	15,108,562	987,769	(30,942)	16,065,389	8,406,430	52.3
2023	14,882,553	1,015,056	(34,038)	15,863,571	7,738,272	48.8
2024	15,394,726	822,417	(39,006)	16,178,137	8,063,285	49.8

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

Source: State of Minnesota School Tax Report

Received in Subsequent Years	Total to Date		Uncollected Taxes Receivable as of June 30, 2024			
	Amount	Percentage of Levy	Delinquent		Current	
			Amount	Percentage of Levy	Amount	Percentage of Levy
\$ 6,694,317	\$ 13,218,701	100.0 %	\$ -	- %	\$ -	- %
6,885,576	13,503,248	100.0	-	-	-	-
6,856,535	13,537,157	100.0	-	-	-	-
6,188,654	13,599,938	100.0	3,011	-	-	-
7,674,046	14,699,231	100.0	157	-	-	-
7,849,299	14,818,128	100.0	2,480	-	-	-
7,633,189	15,174,574	100.0	7,576	-	-	-
7,635,357	16,041,787	99.9	23,602	0.1	-	-
7,996,598	15,734,870	99.2	128,701	0.8	-	-
-	8,063,285	49.8	-	-	8,124,188	50.2
			<u>\$ 165,527</u>		<u>\$ 8,124,188</u>	

INDEPENDENT SCHOOL DISTRICT NO. 832

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Premium (Discount) on Bonds	Lease Liabilities	Total Primary Government
2015	\$ 50,740,000	\$ 7,482,052	\$ —	\$ 58,222,052
2016	55,075,000	7,324,999	—	62,399,999
2017	51,850,000	6,539,752	—	58,389,752
2018	48,375,000	5,700,148	—	54,075,148
2019	45,465,000	4,954,793	—	50,419,793
2020	42,470,000	4,208,369	—	46,678,369
2021	39,990,000	3,478,898	—	43,468,898
2022	45,165,000	2,814,676	862,152	48,841,828
2023	45,045,000	2,313,892	1,083,567	48,442,459
2024	41,390,000	1,557,305	720,211	43,667,516

(1) See the Schedule of Demographic and Economic Statistics for personal income and total ISD No. 832 population data.

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

<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
14.2 %	\$ 4,043
14.4	4,414
12.8	4,075
11.3	3,754
9.8	3,361
8.5	3,091
7.9	2,874
8.3	3,202
9.0	3,399
6.9	3,004

INDEPENDENT SCHOOL DISTRICT NO. 832

Ratio of Net General Obligation Bonded Debt
to Market Value and Net General Obligation Bonded Debt
per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Market Value	Percent of Net Debt to Market Value
2015	\$ 58,222,052	\$ 1,947,857	\$ 56,274,195	\$ 1,925,324,900	2.92 %
2016	62,399,999	1,650,722	60,749,277	2,040,219,100	2.98
2017	58,389,752	1,354,620	57,035,132	2,085,503,900	2.73
2018	54,075,148	1,074,777	53,000,371	2,196,603,700	2.41
2019	50,419,793	1,142,489	49,277,304	2,265,402,400	2.18
2020	46,678,369	1,111,621	45,566,748	2,400,602,400	1.90
2021	43,468,898	1,075,530	42,393,368	2,501,549,300	1.69
2022	47,979,676	1,209,404	46,770,272	2,533,106,700	1.85
2023	47,358,892	1,162,776	46,196,116	3,120,566,100	1.48
2024	42,947,305	1,125,628	41,821,677	3,314,732,300	1.26

Source: Annual school district census and U.S. Census

<u>Estimated Population</u>	<u>Net Bonded Debt per Capita</u>
14,402	\$ 3,907
14,138	4,297
14,328	3,981
14,404	3,680
15,000	3,285
15,100	3,018
15,125	2,803
15,254	3,066
14,254	3,241
14,536	2,877

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INDEPENDENT SCHOOL DISTRICT NO. 832

Direct and Overlapping Debt
as of June 30, 2024

Governmental Unit	2023–2024 Taxable Net Tax Capacity	Bonded Debt	Percent Allocable to ISD No. 832	Portion Allocable to ISD No. 832
Independent School District No. 832	\$ 38,273,939	\$ 41,390,000	100.00 %	\$ 41,390,000
Overlapping debt				
Washington County	594,971,543	108,685,000	7.30 %	7,934,005
Dellwood	6,196,073	670,000	100.00 %	670,000
Hugo	33,006,066	16,235,000	7.00 %	1,136,450
Lake Elmo	35,724,938	58,935,000	3.80 %	2,239,530
Mahtomedi	17,212,829	22,305,000	100.00 %	22,305,000
Oakdale	47,195,645	23,195,000	1.20 %	278,340
White Bear Lake	667,933	31,110,000	1.90 %	591,090
Metropolitan Council (Met Council)	594,971,543	1,717,186,171	0.60 %	<u>10,303,117</u>
Total overlapping debt				<u>45,457,532</u>
Total direct and overlapping debt				<u><u>\$ 86,847,532</u></u>

Note 1: The percentage of overlapping debt applicable is estimated using taxable net tax capacity values. Applicable percentages were estimated by determining the portion of the overlapping entity’s taxable net tax capacity value that is within the District’s boundaries and dividing it by the overlapping government’s total taxable net tax capacity value.

Note 2: The Washington County HRA, Metropolitan Council, and Metropolitan Transit District are governmental units with overlapping debt applicable to the District. Overlapping debt information for these units of government applicable to the District was not readily available.

Source: Washington County

INDEPENDENT SCHOOL DISTRICT NO. 832

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Debt limit	\$ 288,798,735	\$ 306,032,865	\$ 312,825,585	\$ 329,490,555
Total net debt applicable to the limit	<u>48,792,143</u>	<u>53,424,278</u>	<u>50,495,380</u>	<u>47,300,223</u>
Legal debt margin	<u>\$ 240,006,592</u>	<u>\$ 252,608,587</u>	<u>\$ 262,330,205</u>	<u>\$ 282,190,332</u>
Total net debt applicable to the limit as a percentage of debt limit	16.89%	17.46%	16.14%	14.36%

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 15 percent of total property market value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: State of Minnesota School Tax Report

2019	2020	2021	2022	2023	2024
\$ 339,810,360	\$ 360,090,360	\$ 375,232,395	\$ 379,966,005	\$ 468,084,915	\$ 497,209,845
44,322,511	41,358,379	38,914,469	43,955,596	43,882,224	40,264,372
<u>\$ 295,487,849</u>	<u>\$ 318,731,981</u>	<u>\$ 336,317,926</u>	<u>\$ 336,010,409</u>	<u>\$ 424,202,691</u>	<u>\$ 456,945,473</u>
13.04%	11.49%	10.37%	11.57%	9.37%	8.10%

Legal Debt Margin Calculation for Fiscal Year 2024

Market value	\$ 3,314,732,300
Debt limit (15% of market value)	497,209,845
Debt applicable to limit	
General obligation bonds	41,390,000
Less amount set aside for repayment of general obligation debt	<u>1,125,628</u>
Total net debt applicable to the limit	<u>40,264,372</u>
Legal debt margin	<u>\$ 456,945,473</u>

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INDEPENDENT SCHOOL DISTRICT NO. 832

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City of Mahtomedi			Total ISD No. 832 Population (3)	School Enrollment (4)	Washington County Unemployment Rate (5)
	Population (1)	Personal Income (1)	Per Capita Personal Income (2)			
2015	8,043	\$ 409,764,260	\$ 50,947	14,402	3,296	3.60 %
2016	7,845	432,978,819	55,192	14,138	3,289	3.20
2017	8,030	456,288,735	56,823	14,328	3,234	3.40
2018	7,964	479,784,470	60,244	14,404	3,273	3.50
2019	8,191	514,860,885	62,857	15,000	3,303	3.60
2020	8,040	546,141,120	67,928	15,100	3,296	3.20
2021	8,021	549,639,025	68,525	15,125	3,193	2.90
2022	8,138	588,157,674	72,273	15,254	3,179	2.90
2023	8,075	535,840,850	66,358	14,254	3,145	1.60
2024	7,938	633,563,532	79,814	14,536	3,171	2.40

N/A – Not Available

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

Sources:

- (1) City of Mahtomedi’s Annual Comprehensive Financial Report
- (2) The per capita personal income used is that of the City of Mahtomedi
- (3) Annual school district census
- (4) The District
- (5) Minnesota Department of Employment and Economic Development

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INDEPENDENT SCHOOL DISTRICT NO. 832

Principal Employers
Current Year and Nine Years Ago

*Employer	Fiscal Year			
	2024		2015	
	Employees	Rank	Employees	Rank
FedEx	1,064	1	680	1
Century College – East Campus	612	2	500	2
ISD No. 832 (Mahtomedi)	433	3	312	3
St. Andrew’s Village	118	4	57	6
St. Andrew’s Lutheran Church and School	97	5	79	4
TLC Electronics	95	6	59	5
St. Jude of the Lake School	38	7	14	9
Encore at Mahtomedi	38	8	–	–
Federal Molding	37	9	12	10
Quinny’s Sports Pub and Grill	24	10	–	–
Coventry Senior Living	–	–	38	7
Jethro’s Char House and Pub	–	–	22	8
Total	<u>2,556</u>		<u>1,773</u>	

* City of Mahtomedi Only

Source: City of Mahtomedi

INDEPENDENT SCHOOL DISTRICT NO. 832

Employees by Classification
Last Ten Fiscal Years

Employees (1)	Fiscal Year			
	2015	2016	2017	2018
District directors/superintendent	5	5	5	5
Principals	6	6	6	6
Teachers	230	241	247	251
Coordinators, supervisors, specialists, and technical support	15	17	17	17
Paraprofessionals	82	78	74	76
Custodians	22	22	22	22
Community education leads and assistants	5	5	5	5
Total	365	374	376	382

(1) This schedule is a headcount based on contract group; if an employee has multiple contract groups, they are reflected multiple times. Full-time and part-time employees count the same.

Source: The District's Human Resources Department

2019	2020	2021	2022	2023	2024
5	5	5	5	6	6
5	6	6	6	6	6
229	226	229	230	224	225
20	19	19	20	37	16
86	84	85	82	76	81
23	21	21	20	22	23
19	20	20	20	20	23
387	381	385	383	391	380

INDEPENDENT SCHOOL DISTRICT NO. 832

Teacher Data
Year Ended June 30, 2024

	Salary Schedule			
	BA	BA +15	BA +30	BA +45
Low range	\$ 45,008	\$ 46,805	\$ 48,609	\$ 49,958
High range	\$ 79,082	\$ 82,236	\$ 85,383	\$ 88,989
Number of teachers	25	12	3	8
Average salary	\$ 73,431			
Average education	MA			
Number of full-time equivalents	230.45			

N/A – Not Applicable

Source: The District’s Human Resources Department

	<u>MA</u>	<u>MA +20</u>	<u>MA +40</u>	<u>Total</u>
\$	51,308	\$ 53,111	\$ 54,906	N/A
\$	92,586	\$ 95,736	\$ 99,339	N/A
	79	16	91	234

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INDEPENDENT SCHOOL DISTRICT NO. 832

Student to Staff Ratios
Last Ten Fiscal Years

Fiscal Year	Minnesota Department of Education Student to Staff Ratio (1)		
	ISD No. 832	Washington County Average	State Average
2015	15.75	14.21	12.56
2016	15.43	14.42	12.69
2017	14.72	13.66	12.49
2018	15.15	N/A	N/A
2019	15.50	N/A	N/A
2020	15.00	N/A	N/A
2021	14.71	N/A	N/A
2022	13.88	N/A	N/A
2023	14.99	N/A	N/A
2024	13.55	N/A	N/A

N/A – Not Available

(1) This data is computed by dividing total students (Minnesota Department of Education enrollment numbers pre-kindergarten through Grade 12) by total certified staff. Certified staff includes classroom teachers, administrators, special education teachers, and all other licensed professionals measured in full-time equivalents.

Source: Minnesota Department of Education

INDEPENDENT SCHOOL DISTRICT NO. 832

Operating Indicators by Function
Standardized Testing and Graduation Rates
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Standardized Tests				
MCA Reading (1)				
Grade 3	73.00 %	66.40 %	69.90 %	64.50 %
Grade 5	86.70	87.00	84.60	82.80
Grade 7	82.10	79.10	82.70	83.20
Grade 10	91.80	85.90	79.20	74.90
MCA Math (1)				
Grade 3	88.10	82.70	87.60	83.50
Grade 5	86.70	79.80	75.10	78.80
Grade 7	82.10	86.90	81.60	82.40
Grade 11	83.00	79.00	73.80	67.80
ACT				
Average composite score	25.40	25.10	25.00	23.40
Graduation data				
ISD No. 832's graduation rate	97.80	96.90	93.90	N/A
State graduation rate	82.00	82.00	82.00	N/A
Post-graduation student survey				
Four-year college/university	81.00	77.00	78.00	71.00
Two-year college	8.00	8.00	8.00	6.00
Vocational/technical college	1.00	2.00	1.00	3.00
Employment	2.00	1.00	2.00	2.00
Military	1.00	1.00	1.00	1.00
No response/undecided	7.00	11.00	10.00	17.00
	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

N/A – Not Available

(1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test (II).

Source: Minnesota Department of Education, the District's Testing Department, the District's Registrar, and ACT Corporation.

2019	2020	2021	2022	2023	2024
62.20 %	N/A	N/A	N/A	N/A	N/A
81.60	N/A	N/A	N/A	N/A	N/A
76.20	N/A	63.40	66.50	66.90	N/A
85.10	N/A	80.90	69.70	67.50	N/A
88.70	N/A	N/A	N/A	N/A	N/A
65.40	N/A	N/A	N/A	N/A	N/A
79.60	N/A	60.00	64.10	70.20	N/A
62.20	N/A	67.90	57.50	55.00	N/A
24.80	N/A	N/A	N/A	N/A	N/A
94.90	98.60	97.20	96.20	97.10	N/A
N/A	N/A	N/A	N/A	N/A	N/A
67.00	N/A	N/A	N/A	N/A	N/A
8.00	N/A	N/A	N/A	N/A	N/A
3.00	N/A	N/A	N/A	N/A	N/A
4.00	N/A	N/A	N/A	N/A	N/A
2.00	N/A	N/A	N/A	N/A	N/A
16.00	N/A	N/A	N/A	N/A	N/A
<u>100.00 %</u>					

INDEPENDENT SCHOOL DISTRICT NO. 832

School Facilities
Year Ended June 30, 2024

<u>Facility</u>	<u>Use</u>	<u>Constructed</u>	<u>Acres</u>	<u>Classrooms</u>	<u>Square Footage</u>
Department of Education Center	Office/School	1930/1992	18.55	10	25,864
O.H. Anderson Elementary	School	1964	24.88	41	69,370
Mahtomedi High School	School	1971	9.98	61	189,781
Mahtomedi Middle School	School	1992	69.29	47	141,885
Wildwood Elementary	School	2013	29.60	43	86,400

(1) Enrollment data from Minnesota Department of Education.

Source: The District's Business Services Department and Facilities Department, and the Minnesota Department of Education School ADM Served Report

<u>Capacity</u>	<u>Enrollment (1)</u>
-	-
650	660
1,270	1,130
927	756
581	625

INDEPENDENT SCHOOL DISTRICT NO. 832

Food Service
School Lunch Program Data
Last Ten Fiscal Years

Fiscal Year	Total Lunches Served	Days	Average Daily Participation	Free Lunch	
				Number Served	Percent of Total
2015	310,348	172	1,804	29,743	9.58 %
2016	291,168	172	1,693	27,984	9.61
2017	252,061	172	1,517	24,890	9.87
2018	257,908	171	1,508	24,152	9.36
2019	265,983	167	1,593	26,408	9.93
2020 (1)	192,057	120	1,600	20,374	10.61
2021 (2)	220,482	171	1,289	188,703	85.59
2022 (2)	279,340	171	1,634	50,974	18.25
2023	265,581	167	1,590	38,954	14.67
2024	330,293	172	1,920	44,498	13.47

N/A – Not Available

- (1) Schools were closed starting in mid-March, due to the COVID-19 pandemic.
- (2) Schools provided free lunches throughout the 2020–2021 and 2021–2022 school years.

Note: The state of Minnesota provided free lunches to students in fiscal 2024.

Source: The District’s Food Service Department

Reduced-Priced Lunch

<u>Number Served</u>	<u>Percent of Total</u>
11,099	3.58 %
11,308	3.88
12,572	4.99
12,367	4.80
10,498	3.95
6,848	3.57
-	-
6,211	2.22
10,150	3.82
10,871	3.29

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INDEPENDENT SCHOOL DISTRICT NO. 832

Student Enrollment
Last Ten Fiscal Years

Average Daily Membership (ADM) (for Students Served or Tuition Paid)

Year Ended June 30,	Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	Total Pupil Units
2015	42.43	159.75	1,132.90	1,961.32	3,296.40	3,634.96
2016	31.27	147.95	1,133.26	1,976.34	3,288.82	3,631.22
2017	42.04	118.21	1,085.54	1,988.31	3,234.10	3,578.19
2018	45.28	155.81	1,332.24	1,739.29	3,272.62	3,620.49
2019	41.71	169.11	1,362.93	1,729.47	3,303.22	3,649.10
2020	44.77	164.88	1,359.58	1,726.45	3,295.68	3,640.99
2021	37.00	158.57	1,294.82	1,702.56	3,192.95	3,533.46
2022	44.99	154.69	1,299.91	1,679.83	3,179.42	3,515.39
2023	51.36	156.47	1,269.89	1,667.55	3,145.27	3,478.79
2024	40.11	184.11	1,307.83	1,639.26	3,171.31	3,499.16

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

	Pre- Kindergarten and Kindergarten	Half-Day Kindergarten	Elementary	Secondary
Fiscal 2015 through 2024	1.000	0.550	1.000	1.200

Source: Minnesota Department of Education student reporting system

INDEPENDENT SCHOOL DISTRICT NO. 832

Expenditures per Student
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Expenditures per student (ADM) (1)				
General Fund				
District and school administration	\$ 493	\$ 533	\$ 532	\$ 582
District support services	495	350	350	460
Regular instruction	5,545	5,865	6,068	6,102
Career and technical instruction	148	161	200	286
Special education	1,733	1,929	2,115	2,138
Instructional support services	490	507	545	504
Pupil support services	752	820	911	967
Sites, buildings, and equipment	1,036	1,070	1,024	1,121
Fiscal and other	33	35	37	38
Total General Fund expenditures per ADM	<u>\$ 10,725</u>	<u>\$ 11,268</u>	<u>\$ 11,781</u>	<u>\$ 12,198</u>
ADM	<u>3,296</u>	<u>3,289</u>	<u>3,234</u>	<u>3,273</u>

(1) Average daily membership (ADM) is a measure of student attendance.

2019	2020	2021	2022	2023	2024
\$ 526	\$ 597	\$ 576	\$ 611	\$ 636	\$ 630
436	406	457	430	545	588
5,955	5,910	6,101	6,870	6,573	7,224
225	258	295	236	313	316
2,223	2,174	2,238	2,407	2,578	2,698
498	525	773	601	834	1,100
1,011	1,053	1,140	1,200	1,406	1,479
1,199	1,293	1,453	1,459	1,532	1,425
39	37	53	129	140	182
<u>\$ 12,111</u>	<u>\$ 12,253</u>	<u>\$ 13,086</u>	<u>\$ 13,943</u>	<u>\$ 14,557</u>	<u>\$ 15,642</u>
<u>3,303</u>	<u>3,296</u>	<u>3,193</u>	<u>3,179</u>	<u>3,145</u>	<u>3,171</u>

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