



2023-24 Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Prepared by the District 191 Business Office
200 W. Burnsville Pkwy.
Burnsville, MN 55337
952-707-2010

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

INDEPENDENT SCHOOL DISTRICT NO. 191 BURNSVILLE, MINNESOTA

For the Year Ended

June 30, 2024

Prepared by

THE BUSINESS OFFICE

Stacey Sovine, Executive Director of Administrative Services

Tyler Dehne, Director of Finance

INDEPENDENT SCHOOL DISTRICT NO. 191
200 W Burnsville Pkwy
Burnsville, Minnesota 55337

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Independent School District No. 191
Board of Education and Administration
June 30, 2024

<u>Board of Education</u>	<u>Position</u>	<u>Term Expires</u>
Eric Miller	Chair	December 31, 2024
Anna Werb	Vice Chair	December 31, 2024
Abigail Alt	Clerk	December 31, 2026
Toni Conner	Treasurer	December 31, 2024
Scott Hume	Director	December 31, 2026
Lelsey Chester	Director	December 31, 2026
Safio Mursal	Director	December 31, 2026

<u>Administration</u>	
Dr. Theresa Battle	Superintendent
Dr. Chris Bellmont	Assistant Superintendent
Stacey Sovine	Executive Director of Administrative Services
Tyler Dehne	Director of Finance

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To: Citizens of ISD No. 191
ISD No. 191 Board of Education
Staff of ISD No. 191

Date: October 23, 2024

INTRODUCTION

The annual comprehensive financial report (ACFR) of Independent School District No. 191, Burnsville, Minnesota (the District) for the fiscal year ended June 30, 2024 is hereby presented for your information and review. The ACFR is intended to fully disclose the financial position of the District and the results of operations for the fiscal year. Every effort has been made to ensure the reliability and integrity of the data contained herein. Although that data was received from many sources, the accuracy and thoroughness of this report rests solely with the District. This report belongs to the citizens of the Burnsville – Eagan – Savage community, for it describes, in financial terms, the position and operating results of the District. Questions and comments are solicited and welcome.

REPORT FORMAT

This ACFR is presented in three main sections: introductory, financial, and statistical. In addition to information contained in this letter, the introductory section includes the District's organizational chart, a list of the District's principal officials, and the Association of School Business Officials Certificate of Excellence in Financial Reporting Award. The financial section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and detailed combining and individual statements and schedules. The statistical section includes selected financial and general information presented on a multi-year comparative basis. Where possible, historical data is presented for a 10-year period.

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

DISTRICT ORGANIZATION

The District was incorporated in 1955 and serves parts of five suburban communities in the Minneapolis/St. Paul area. The District is guided by its mission:

Each Student. Future Ready. Community Strong.

The District enrolled 7,462 students from a population of over 73,006 citizens residing in a 37 square mile area. During fiscal year 2023-24, the District operated 13 buildings: one high school, one alternative high school, two middle school schools, eight elementary schools, and one districtwide building. District buildings were built between 1950 and 1996 with the latest additions in 2016. The District also operated a Virtual Academy for elementary and secondary to receive instruction through a virtual environment. The District is organized by grade level with elementary schools serving students in pre-kindergarten through Grade 5, middle schools serving Grades 6-8, and the high schools serving Grades 9-12.

The District provides general, special education and vocational instruction for Prek-12, a transitional program for students beyond grade 12, and one of the most extensive Community Education programs in the state serving newborns up through senior citizens.

REPORTING ENTITY

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable. Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

FINANCIAL STATEMENTS

The financial statements contained in this report disclose the financial position of the District as of June 30, 2024 and the financial operations for the fiscal year then ended. The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law. The accounting firm of BerganKDV performed the audit for the 2023-24 fiscal year. Their report is included in the financial section of this report. The auditor has given an unmodified opinion on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT

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

ACCOUNTING AND BUDGETING

A major function of the District's accounting system is to provide adequate internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and that the evaluation of the cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

Regarding the legal level of budgetary control; budgetary control is maintained through an annual budget adopted by the School Board for all funds as required by state statutes and School Board policy. The adopted budget, approved by the board by June 30 of the previous year, serves as the authorizing document for all expenditures, although the School Board approves all checks issued on a monthly basis. The superintendent and executive director of administrative services are authorized to make financial commitments within budgetary guidelines for contracts not requiring sealed bids. Additional expenditure controls are maintained by the business office in accordance with state statutes, i.e., the District cannot incur a negative unassigned balance in the General Fund in excess of 2.5% of the preceding year's expenditures. The budget is published annually to inform residents of the District's financial position and operating plan for the fiscal year. The School Board receives Board reports on monthly revenues and expenses. Program managers may receive budget reports via email which indicate the approved budget on a line item basis; the month-to-date and year-to-date revenues, expenditures, and encumbrances assigned to those line items; the budget remaining; and the percent earned or expended to date. The district utilizes the method of bottom-line budgeting and monthly monitoring of revenues and expenditures by the School Board as well as ongoing monitoring by program managers helps to ensure budget integrity and provides an opportunity to detect material budget variances before the end of the fiscal year.

The budget is adopted by the School Board in the spring of each year for the following fiscal year beginning July 1. In the winter, the budget is revised based upon enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenditures. The revised budget is presented to the School Board for approval. To accurately track and report financial activities with a focus on site-based accounting, approximately 11,550 active accounts have been defined in the District's chart of accounts.

SIGNIFICANT EVENTS

The District's finances are largely dependent on student enrollment. Since 2002-2003 the District has experienced a decline in the number of students enrolled in the District's schools. This is a natural occurrence in a fully developed community and is often the result of smaller kindergarten cohorts replacing a larger graduating class. For fiscal year 2022-23, grades K-12 has a range in class size from a low of 452 to a high of 704 students. The District continues to anticipate declining enrollment in the next few years.

Declining enrollment and the lack of funding increase that keep up with inflation from the state have placed the District in the position of a need to reduce expenditures to balance the budget in recent years. Most of the District's operating revenue is directly related to the number of students enrolled in its schools. While revenues decline in direct proportion to the change in enrollment, expenditures decline at a much slower rate because the enrollment change is spread over all 14 schools and 13 grades. As student numbers decline, the number of teachers providing direct services to students can be reduced accordingly and some cost reduction occurs. Other costs, such as facility operations, are not proportionally related to enrollment and cannot be adjusted as readily. The closure of two elementary schools and one middle school is a direct result of the declining enrollment experienced over years. Although costs directly tied to ongoing enrollment shift to other buildings and are not reductions, the costs considered necessary for an additional building to function are reductions.

As needed, the district has taken strong expenditure curtailment measures during the years ended 2006, 2007, 2008, 2012, 2019, 2020, 2022, and 2023 in an effort to ensure a favorable financial result. During the 2023-2024 school year; our strategies for the planned budget included 4 main factors: 1) prioritize investment for instructional priorities, including PK-12 Pathways 2) rightsizing of the FTEs based upon enrollment; 3) use of restricted funds including federal pandemic relief funds before general undesignated funds; and 4) identify efficiencies in utilizing resources. This planning provided a good start toward balancing the budget. The experience of functioning through a post pandemic period saw an increase in expenditures for substitutes for both staff absences and coverage for vacant positions. Contract negotiations brought an increased expenditure that was offset by positions remaining vacant. Wages to attract casual and seasonal employees also experienced an increase with a challenging labor market. As a result, our 2023-2024 expenditures were approximately \$4.3 million dollars less than budgeted while revenues were \$5.4 million more than budgeted. The result was an improvement to the total general fund balance of \$16.3 million.

FINANCIAL PROSPECTS FOR FUTURE YEARS

The District, like many districts within Minnesota experienced a significant drop in fall enrollment from Fall 2019 to Fall 2020. The steep decline in enrollment did not continue between the Fall of 2020 to the Fall of 2021 as the number of students declined less than 120 students. The Fall 2022 numbers were flat compared to the Fall 2021 numbers, which has not been experienced in over a decade. The unexpected flattening in enrollment decline will have lingering effect to levies and state aid formulas for a minimum of two years. The District's enrollment declined by over 200 students throughout the 23-24 school year, therefore, the District is anticipating that the enrollment will continue to decline for the foreseeable future. The State Legislature has increased the general education formula some this past biennium which is appreciated.

FINANCIAL PROSPECTS FOR FUTURE YEARS (CONTINUED)

The District has a long history of maintaining positive fund balances and matching revenues with expenditures. In preparing the 2024-2025 budget, the District planned for a deficit after several years of adding to the fund balance to avoid drastic budget reductions in current and future years. Additionally, federal pandemic relief funds are completely spent and not in the general fund budget for fiscal year ending June 30, 2025.

Continued financial uncertainty is likely to be the major challenge of the next decade. While enrollment, staffing, and expenses can be projected, it is impossible to predict with any certainty the configuration or adequacy of funding formulas to be enacted in the future by the Legislature. The latest legislative session made significant investment in education for 24-25. Nonetheless, the District is committed to maintaining programs and services and to operating within its financial limitations. As the District approaches the 2024-2025 revised budget and the 2025-2026 adopted budget, enrollment projection adjustments and curriculum-based decisions will be at the forefront of the discussion. Closing the achievement gap and increasing student achievement for all students served remains the District's priority. The District will continue to develop a long-range plan to adjust expenditures for a balanced budget in the upcoming years since current federal grants will no longer be available to assist with programming.

ECONOMIC FACTORS

The District is located in Dakota and Scott Counties, both of which are located in the seven-county metro area of Minneapolis/St. Paul. The cities that comprise the District are suburban communities. Residents are typically employed in professional vocations within the metropolitan area. The economic downturn of the past years has had some effect on the community as evidenced by greater mobility and increased participation in the free and reduced-price lunch program. The impact of the pandemic is ever fluctuating and remains to be seen; however, the resulting federal resources that have been made available will be utilized as required.

The taxable market value of property within the District is generally expected to improve. While the District is essentially fully developed residentially, commercial development and redevelopment is clearly evident throughout the community. Overall market improvement is evident in the increased 2024 total market value for the eleventh year in a row.

The state of Minnesota assumes major responsibility for funding public education. In the District, approximately 23% of our revenues in all funds are generated locally from the property tax and 50% of the property tax is the result of voter approved, local initiatives. This includes the referendum that was approved in November 2019.

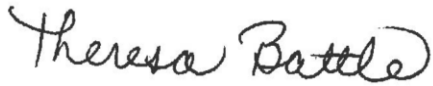
Reliance on the state for the majority of its operating revenues places the District in the position of being dependent on state-wide economic conditions that drive state tax collections. In the 2023-2025 biennium, the Education Finance Bill provided a 4% increase for next year and 2% the year after and ties the funding to inflation. The bill decreases the Special Education Cross Subsidy by 50% over the biennium. There are a number of other increases in state funding, but with those increases comes additional state mandates. The District is working on understanding and implementing the additional mandates. The District continues to strive to be good stewards of all resources and respond to financial challenges by creating a structurally sustainable budget. The budget prioritizes investments for instructional priorities, maintaining current class size parameters, using restricted funds before general unassigned funds whenever possible, keeping abreast and understanding the ebb and flow of revenue streams and expenses and strategically using federal resources.

CERTIFICATE OF EXCELLENCE

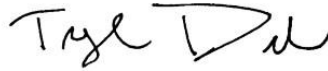
This report will be submitted to the Association of School Business Officials International for consideration for the Certificate of Excellence in Financial Reporting. The District received this award for the past 36 fiscal years and expects to continue to earn the recognition that accompanies the standards of accuracy and thoroughness acknowledged by the Certificate of Excellence program.

ACKNOWLEDGMENTS

The time, effort, and attention that go into the timely preparation of an ACFR require the commitment and cooperation of many people. Special appreciation must be extended to the entire Finance Department staff for their dedication and to the School Board for their encouragement and leadership.



Dr. Theresa Battle
Superintendent



Tyler Dehne
Director of Finance

Independent School District No. 191
ASBO Certificate of Excellence
June 30, 2024



The Certificate of Excellence in Financial Reporting
is presented to

Independent School District #191

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. Stechsulte'.

Ryan S. Stechsulte
President

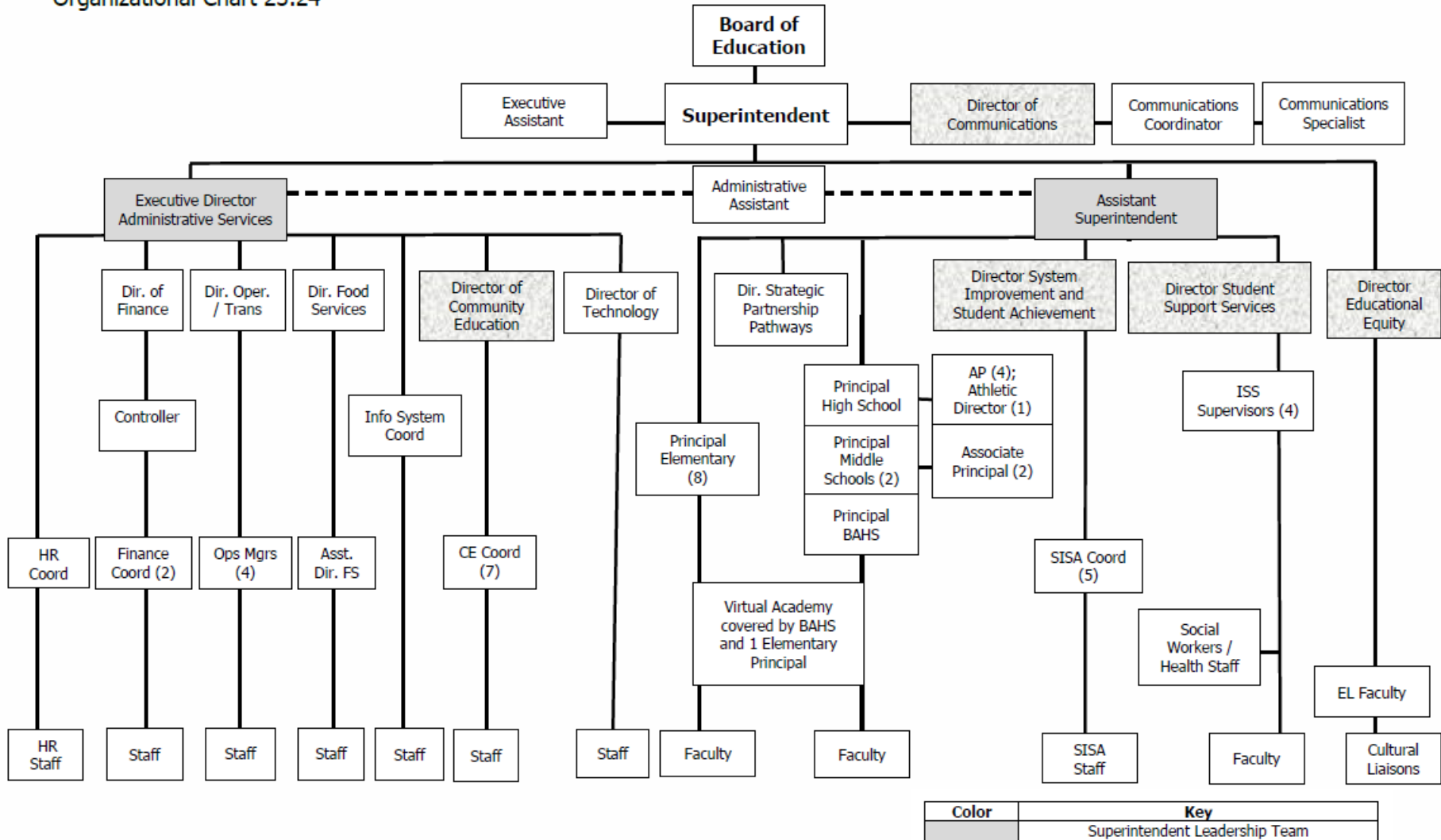
A handwritten signature in black ink, reading 'James M. Rowan'.

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

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**Independent School District No. 191
Organizational Chart
June 30, 2024**

Organizational Chart 23.24



Color	Key
	Superintendent Leadership Team

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Independent Auditor's Report

To the School Board
Independent School District No. 191
Burnsville, Minnesota

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 191, Burnsville, Minnesota, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 191, 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 and the Food Service and Community Service Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Independent School District No. 191 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The management of Independent School District No. 191 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on Summarized Comparative Information

We have previously audited the District's 2023 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information in our report dated October 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year end June 30, 2023, is consistent, in all material respects, with the audited financial statements for which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information 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 Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information 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 Comprehensive Financial 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Bugemkov, Ltd.

St. Cloud, Minnesota
October 23, 2024

**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024**

This section of Independent School District No. 191's annual comprehensive financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this letter.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Government Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued in June 1999.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-24 fiscal year include the following:

- ◆ Government-wide net position, increased by \$35,364,691 or 151.91% better than June 30, 2023, resulting in total net position of \$12,084,396. The increase in net position was primarily due to the fund level increase in fund balance, as well as a significant increase in net position from the net effect of the government-wide conversion entries related to pensions in relation to improvement in the funding of PERA and TRA.
- ◆ Government-wide revenues totaled \$190,934,292 and expenses were \$155,569,601.
- ◆ The total fund balance of the General Fund, as presented in the governmental funds, increased by \$16,308,685 from the prior year.
- ◆ The unassigned fund balance in the General Fund increased by \$14,193,560 from \$22,236,723 to \$36,430,283, which is 24.4% of total General Fund expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts: Independent Auditors' Report, Required Supplementary Information which includes MD&A (this section), the basic financial statements, and supplementary information.

The basic financial statements include several statements that present different views of the District:

- ◆ The **government-wide financial statements**, including the *Statement of Net Position* and the *Statement of Activities*, provide both short-term and long-term information about the District's overall financial status.
- ◆ The remaining statements are **fund financial statements** that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- ◆ **Governmental funds statements** tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- ◆ **Proprietary funds statements** offer short- and long-term financial information about the activities the District operates like businesses.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Statements

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

The two government-wide statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets plus deferred outflows of resources and liabilities plus 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 an indicator of whether its financial position is improving or deteriorating, respectively.
- ◆ To assess the overall health of the District you need to consider 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 shown in one category:

- ◆ *Governmental Activities* - Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds* - focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- ◆ Some funds are required by State law and by bond covenants.
- ◆ The District may establish other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The District has two kinds of funds:

- ◆ *Governmental Funds* - Most of 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 funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer 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 statements, we provide additional information following the governmental funds statements to explain the relationship (or differences) between them.

**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)
Fund Financial Statements (Continued)**

- ◆ *Proprietary Funds* - The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. The District currently has four internal service funds for self-insured health and dental benefits and its severance and postemployment benefits liabilities.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was \$12,084,396 on June 30, 2024. This was an improvement of 151.91% from the prior year (see Table A-1).

Table A-1
Net Position - Governmental Activities

	Year Ended 2024	Year Ended 2023	Percentage Change
Assets			
Current and other assets	\$ 160,753,099	\$ 137,050,691	17.29%
Capital assets	120,503,207	123,952,029	-2.78%
Total assets	<u>281,256,306</u>	<u>261,002,720</u>	<u>7.76%</u>
Deferred Outflows of Resources	<u>20,957,522</u>	<u>29,159,378</u>	<u>-28.13%</u>
Total assets and deferred outflows of resources	<u>\$ 302,213,828</u>	<u>\$ 290,162,098</u>	<u>4.15%</u>
Liabilities			
Other liabilities	\$ 26,542,872	\$ 22,771,587	16.56%
Long-term liabilities	199,938,980	217,496,630	-8.07%
Total liabilities	<u>\$ 226,481,852</u>	<u>\$ 240,268,217</u>	<u>-5.74%</u>
Deferred Inflows of Resources	<u>\$ 63,647,580</u>	<u>\$ 73,174,176</u>	<u>-13.02%</u>
Net Position			
Net investment in capital assets	\$ 23,178,391	\$ 19,119,846	21.23%
Restricted	28,507,956	24,372,515	16.97%
Unrestricted	<u>(39,601,951)</u>	<u>(66,772,656)</u>	<u>40.69%</u>
Total net position	<u>\$ 12,084,396</u>	<u>\$ (23,280,295)</u>	<u>151.91%</u>

**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Net Position (Continued)

The District's financial position is the product of many factors. For example, the determination of the District's net investments in capital assets involves many assumptions and estimates, such as current and accumulated depreciation and amortization amounts. A conservative versus liberal approach to depreciation and amortization estimates, as well as capitalization policies, will produce a significant difference in calculated amounts.

The District's overall financial position increased from fiscal year 2023, as total net position increased \$35,364,691. The District is able to report positive balances in two of three categories of net position. The District's restricted net position represents resources that are subject to external restrictions on how they may be used. This portion of the District's net position increased by \$4,135,441 in the current year.

Another portion of the District's net position is its investment in capital assets (land, buildings, equipment, etc.) less any related debt used to acquire those assets that is still outstanding. This element of net position increased by \$4,058,545 in the current fiscal year, as the completion of some construction projects and payments on related debt exceeded depreciation and amortization of the capital assets. The remaining unrestricted net position is that which may be used to meet the District's ongoing obligations. This portion of net position increased \$27,170,705 in the current fiscal year.

**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position

In Table A-2, Change in Net Position, operations are reported on a governmental-wide basis with no reference to funds.

Table A-2
Change in Net Position

	Year Ended 2024	Year Ended 2023	Percentage Change
Revenues			
Program revenues			
Charges for services	\$ 6,436,919	\$ 6,816,593	-5.57%
Operating grants and contributions	51,510,227	45,053,587	14.33%
Capital grants and contributions	825,099	984,766	-16.21%
General revenues			
Property taxes	49,158,463	41,790,897	17.63%
General grants and aids	79,218,657	69,788,147	13.51%
Investment earnings	3,777,853	2,008,343	88.11%
Other	7,074	16,900	-58.14%
Total revenues	<u>190,934,292</u>	<u>166,459,233</u>	<u>14.70%</u>
Expenses			
Administration	5,216,273	4,576,004	13.99%
District support services	5,569,369	2,503,974	122.42%
Elementary and secondary regular instruction	53,440,089	42,804,488	24.85%
Vocational education instruction	2,015,070	1,777,613	13.36%
Special education instruction	26,290,985	21,955,865	19.74%
Instructional support services	15,130,117	14,855,402	1.85%
Pupil support services	16,260,415	12,180,617	33.49%
Sites and buildings	16,079,494	16,762,838	-4.08%
Fiscal and other fixed cost programs	525,199	437,360	20.08%
Food service	6,377,037	5,318,407	19.91%
Community education and services	5,969,879	6,391,286	-6.59%
Interest and fiscal charges on long-term debt	2,695,674	2,819,947	-4.41%
Total expenses	<u>155,569,601</u>	<u>132,383,801</u>	<u>17.51%</u>
Increase (decrease) in net position	35,364,691	34,075,432	3.78%
Net Position			
Beginning of year	<u>(23,280,295)</u>	<u>(57,355,727)</u>	<u>59.41%</u>
End of year	<u>\$ 12,084,396</u>	<u>\$ (23,280,295)</u>	<u>151.91%</u>

Total revenues were \$190,934,292 while total expenses were \$155,569,601, increasing net position by \$35,364,691.

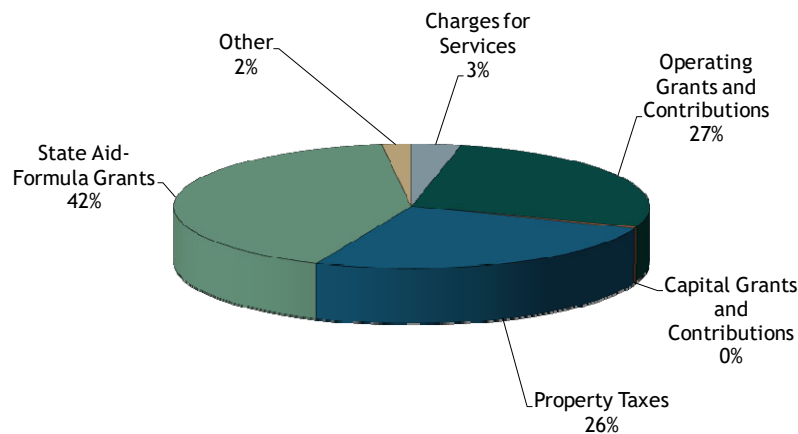
**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

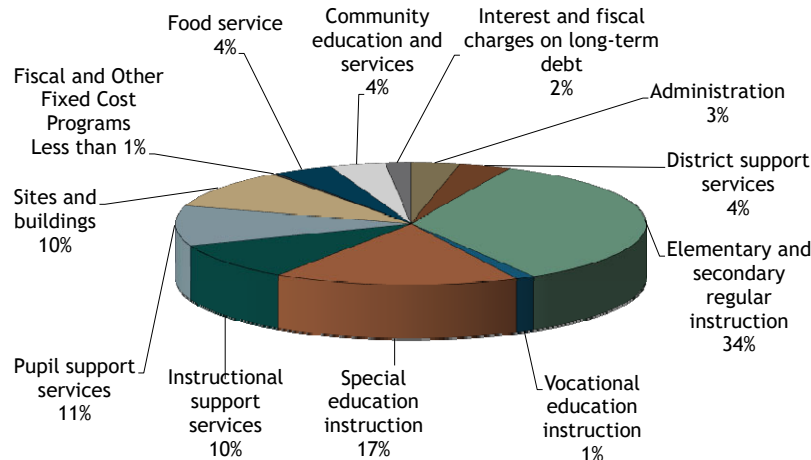
Changes in Net Position (Continued)

- ◆ Some of the cost was paid by the users of the District's programs (Table A-2, Charges for Services, \$6,436,919). The majority of this category, approximately \$2.8 million, comes from community education class tuition. \$2.2 million comes from third party billing revenue.
- ◆ The federal and state governments subsidized certain programs with grants and contributions (Table A-2, Operating and Capital Grants and Contributions, \$52,335,326).
- ◆ Most of the District's costs were paid for with local property taxes, unrestricted state aid, investment earnings, and other general revenues. Governmental activities were paid for with \$49,158,463 in property taxes, \$79,218,657 of unrestricted state aid, as well as investment earnings and other general revenues.

**Figure A-1
Source of Revenues for Fiscal Year 2024**



**Figure A-2
Expenses for Fiscal Year 2024**



**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
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FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

All governmental funds include not only funds received for the general operation of the District but also include resources from the entrepreneurial-type funds of Food Service and Community Education. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance general operation resources.

Table A-3, seen below, presents the cost of twelve major District activities such as, instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and others. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

**Table A-3
Program Expenses and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2024	2023		2024	2023	
Administrative	\$ 5,216,273	\$ 4,576,004	13.99%	\$ 5,205,345	\$ 4,557,975	14.20%
District support services	5,569,369	2,503,974	122.42%	5,550,173	1,695,775	227.29%
Elementary and secondary regular instruction	53,440,089	42,804,488	24.85%	39,875,532	27,509,708	44.95%
Vocational education instruction	2,015,070	1,777,613	13.36%	1,761,443	1,772,184	-0.61%
Special education instruction	26,290,985	21,955,865	19.74%	(2,472,430)	(296,669)	733.40%
Instructional support services	15,130,117	14,855,402	1.85%	12,594,952	12,896,781	-2.34%
Pupil support services	16,260,415	12,180,617	33.49%	16,077,821	11,798,912	36.27%
Sites and buildings	16,079,494	16,762,838	-4.08%	14,986,881	15,488,036	-3.24%
Fiscal and other fixed cost programs	525,199	437,360	20.08%	525,199	437,360	20.08%
Food service	6,377,037	5,318,407	19.91%	(651,482)	(494,568)	31.73%
Community education and services	5,969,879	6,391,286	-6.59%	648,248	1,343,414	-51.75%
Interest and fiscal charges on long-term debt	2,695,674	2,819,947	-4.41%	2,695,674	2,819,947	-4.41%
Total	\$ 155,569,601	\$ 132,383,801	17.51%	\$ 96,797,356	\$ 79,528,855	21.71%

The cost of all governmental activities this year was \$155,569,601, an increase of \$23,185,800 from the prior year. After applying program specific revenue, the net cost of all governmental activities this year was \$96,797,356, or an increase of \$17,268,501 from the prior year.

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. All of the governmental funds with the exception of the debt service fund had more revenue than expenditures in 2024, thereby contributing to the increase in individual fund balance in most funds. At the end of the 2023-24 fiscal year, the District's governmental funds reported combined fund balances of \$67,890,362. This is a 35.16% increase in comparison to the prior year. The increase is largely due to General Fund increases primarily related to revenue exceeding budget expectations. State Special Education Aid, third party billing receipts, and investment earnings significantly exceeded budget expectations. Expenses were also under budget. Additionally, an intense focus on the needs of our students during the pandemic resulted in a greater portion of the actual expenditures being reimbursable through federal pandemic relief funds allocated to our district during FY24.

**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management’s Discussion and Analysis
Year Ended June 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Financial Analysis of the District’s Funds (Continued)

Revenues and other financing sources (excluding transfers in) for the District’s governmental funds were \$190,591,916, while total expenditures other financing uses (excluding transfers out) were \$172,931,659. As a result of this, the District completed the year with a net change in fund balances of \$17,660,257.

General Fund

The General Fund is used to account for all revenues and expenditures of the school 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 legal school district expenditures not specifically designated to be accounted for in any other fund.

Enrollment

Enrollment is a critical factor in determining revenue with approximately 69% of General Fund revenue being determined by enrollment. Like many Minnesota school districts, the District has been facing declining enrollment. During the last five years, the District has averaged a 2.9% decrease in students per year. Enrollment continued to decline from 2023 to 2024 as the District lost approximately 234 students. The following chart reflects that the number of students has decreased over the last 5 years.

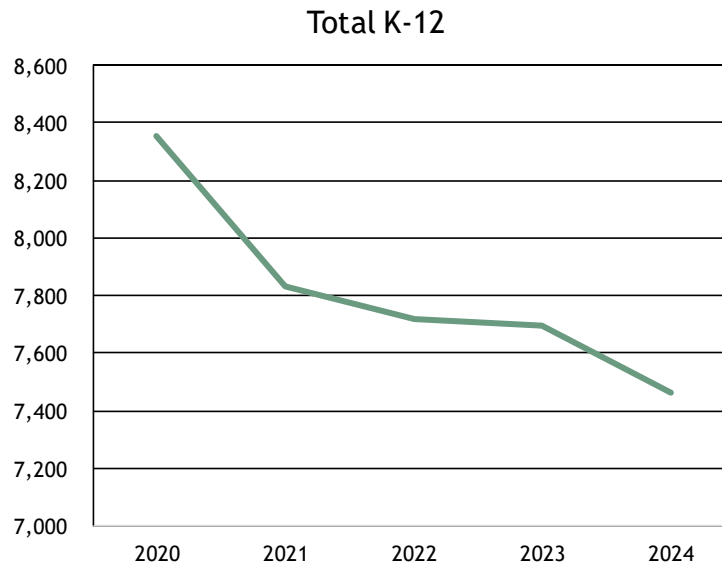
**Table A-4
Student Enrollment
Average Daily Membership (ADM)**

Grade	2020	2021	2022	2023	2024
ECSE	126	101	137	115	129
School Readiness	138	134	126	121	126
Kdgt.	653	617	600	579	577
1-3	1,763	1,715	1,719	1,758	1,661
4-6	1,791	1,619	1,542	1,554	1,573
7-12	3,883	3,645	3,596	3,569	3,395
Total K-12	8,354	7,831	7,720	7,696	7,462
ADM Change	(318)	(523)	(111)	(24)	(234)
Percent Change	-3.6%	-6.3%	-1.4%	-0.3%	-3.0%

**Burnsville-Eagan-Savage Public Schools
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FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Enrollment (Continued)



General Fund Revenues

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

	Year Ended		Change	
	June 30, 2024	June 30, 2023	Increase (Decrease)	Percent Change
Local property taxes	\$ 37,785,291	\$ 29,798,182	\$ 7,987,109	26.8%
Revenue from state sources	107,269,806	91,901,869	15,367,937	16.7%
Revenue from federal sources	13,999,930	14,827,230	(827,300)	-5.6%
Other	6,531,951	5,747,422	784,529	13.7%
Total	\$ 165,586,978	\$ 142,274,703	\$ 23,312,275	16.4%

General Fund revenue increased by \$23,312,275, or 16.4%, from the previous year.

Property taxes increased \$7,987,109 or 26.8% due to increases in the underlying property tax levies.

Other local revenues increased \$784,529, or 13.7%. This was primarily due to increases investment earnings.

**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

General Fund Revenues (Continued)

State Sources increased by \$15,367,937. State aid increased overall after consideration of the following factors. An increase in the general education formula along with a substantial increase in compensatory revenue after the State implemented a pilot program to directly certify more students for educational benefits, resulting in a net increase in general education formula aid of \$8,384,484. There was an increase in state special education revenues in the amount of \$6,366,427 due to an increase in eligible expenditures and an increase to the formula for cross subsidy aid. New state aid categories such as school library aid and student support aid also brought in additional funding for the District.

Federal Revenue is recorded in the year in which the related expenditure is made. Federal Sources decreased by \$827,300 as the District spent the remaining Federal Funding received in response to the COVID-19 pandemic.

General Fund Revenue is received in two major categories as follows:

1. State Education Finance Appropriations
 - A. General Education Aid - The largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program and is enrollment driven.
 - B. Categorical Aids - Categorical revenue formulas are used to meet costs of that program (i.e., special education) or promote certain types of programs (i.e., career and technical aid, staff development, operating capital).
2. Property Tax Levies

The largest share of the levy is from voter-approved levies: specifically, the excess operating referendum which is also enrollment driven.

General Fund Expenditures

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended		Change	
	June 30, 2024	June 30, 2023	Increase (Decrease)	Percent Change
Salaries	\$ 78,144,957	\$ 73,739,152	\$ 4,405,805	6.0%
Employee benefits	32,816,479	30,673,902	2,142,577	7.0%
Purchased services	25,553,956	22,527,878	3,026,078	13.4%
Supplies and materials	4,423,814	5,258,510	(834,696)	-15.9%
Capital expenditures	7,806,132	4,326,481	3,479,651	80.4%
Debt service expenditures	-	158,368	(158,368)	-100.0%
Other expenditures	533,951	664,331	(130,380)	-19.6%
Total	\$ 149,279,289	\$ 137,348,622	\$ 11,930,667	8.7%

**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

General Fund Expenditures (Continued)

Total General Fund expenditures increased \$11,930,667 or 8.7% from the previous year. The increase can be attributed mostly to purchased services as well as personnel and employee salaries and benefits as a result of the annual contractual pay.

Purchased Services consist of expenditures for fees for service, substitutes, utilities, property insurance, maintenance repairs, leases, telephone, tuition, and transportation. These expenditures increased mainly due to the increased need for substitutes and increased transportation costs according to the negotiated contracts.

General Fund Budgetary Highlights

After initial approval of the budget, the District revised the budget based on changes in unbudgeted costs or revenue changes. While the District anticipated, in its final budget, that the net change in fund balance would be an increase of \$6,604,998, total fund balance increased by \$16,308,685, resulting in a fund balance of \$53,791,901 at June 30, 2024.

Revenues were higher than budgeted by \$5,400,727 and expenditures were less than budgeted by \$4,301,960. The District was conservative with revenues given the history of declining enrollment. Where possible, expenditures were curtailed in the District's effort to reduce costs. Staffing changes as a result of changes in enrollment and unfilled positions led to expenditures being less than budgeted even while experiencing inflation and rising transportation and substitute costs.

Food Service Fund

The Food Service Fund revenue for 2023-24 totaled \$7,165,712 and expenditures were \$6,162,393. The June 30, 2024, fund balance is \$4,182,478, an increase of \$1,007,986 from fiscal year 2023. Actual revenues were \$307,972 higher than budget mainly due to more investment earnings and higher meal participation than expected after the switch to Universal Free Meals started in 2024. Actual expenditures were \$7,399 lower than budget. More capital purchases and higher food costs due to the higher meal participation was offset by lower staffing costs from unfilled positions. These variances resulted in fund balance ending the year \$315,038 higher than budgeted.

Community Service Fund

The Community Service Fund revenue for 2023-24 totaled \$7,226,888 and expenditures were \$6,135,359. The June 30, 2024, fund balance is \$5,176,815, an increase of \$1,091,529 from fiscal year 2022-2023. The District's Community Education programming planned significant expenditure adjustments and continued to focus their programming on childcare, early learners, youth, and adult programs.

Capital Projects-Building Construction Fund

There was no activity in the Capital Projects-Building Construction Fund for 2023-24. The June 30, 2024, fund balance is \$0 due to bond proceeds from the 2015A School Building Bonds being spent down as the building projects are completed for Vision One91.

**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Debt Service Fund

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction and improvements, or for initial or refunding bonds. The Debt Service Fund revenue and other financing sources for 2023-24 totaled \$10,606,671, a decrease of \$442,435 from fiscal year 2023 due to a decrease in the tax levy. The District did not have property sales or issue new bonds in fiscal year 2024. The expenditure budget is based on the payment schedule of bond principal and interest on the general obligation bonds, including refunding bonds issued from 2012 through 2021.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2024, the District had invested approximately \$320.5 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation/amortization expense for the year was approximately \$10.4 million.

**Table A-7
Capital Assets**

	Year Ended 2024	Year Ended 2023	Percent Change
Land	\$ 3,102,468	\$ 3,102,468	0.0%
Construction in progress	1,094,471	-	100.0%
Land improvements	22,133,217	20,770,929	6.6%
Buildings and improvements	274,419,744	272,371,309	0.8%
Equipment	19,568,783	17,106,610	14.4%
Leased equipment	229,658	223,184	2.9%
Less accumulated depreciation/amortization	(200,045,134)	(189,622,471)	5.5%
 Total capital assets	 <u>\$ 120,503,207</u>	 <u>\$ 123,952,029</u>	 <u>-2.8%</u>

**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities

At year-end, the District had \$103,539,004 in general obligation bonds, lease liabilities, and obligations under financed purchases payable outstanding as shown in Note 5 to the financial statements. The District also had an estimated total of \$6,281,346 in postemployment severance and health benefits payable at June 30, 2024, and \$89,274,018 in net pension liability.

Total long-term liabilities at June 30, 2024, decreased 8.1% as compared to June 30, 2023, primarily due to the District's proportionate share of the increase of the State run pension (PERA and TRA) programs.

**Table A-8
Long-Term Liabilities**

	Year Ended 2024	Year Ended 2023	Percent Change
General obligation bonds	\$ 99,160,000	\$ 106,710,000	-7.1%
Net bond premium and discount	4,287,615	5,269,366	-18.6%
Finance purchases from direct borrowing	-	82,355	-100.0%
Lease liability	91,389	156,380	N/A
Net pension liability	89,274,018	95,632,596	-6.6%
Total OPEB liability	5,915,668	8,631,776	-31.5%
Severance benefits payable	365,678	237,948	53.7%
Compensated absences payable	844,612	776,209	8.8%
	<u>\$ 199,938,980</u>	<u>\$ 217,496,630</u>	<u>-8.1%</u>
Long-term liabilities			
Due within one year	\$ 9,301,798	\$ 8,587,891	
Due in more than one year	<u>190,637,182</u>	<u>208,908,739</u>	
Total	<u>\$ 199,938,980</u>	<u>\$ 217,496,630</u>	

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 most of its revenue authority. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs and increased costs due to inflation. There is concern if the state special education aid formula changes will be sufficient to end the growing cross subsidy of special education services. In the 2023-2025 biennium, the MN Education Finance Bill provided improvements in funding, including a 4% increase next year and a 2% increase in FY 2025 on the funding formula. Additionally, increases in the Special Education and English Language Learners funding will aid districts in the growing cross subsidy.

**Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024**

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)

The funding formula has been below the current annual rate of inflation for the last 20 years. Accordingly, the District continues to utilize sophisticated enrollment and financial planning tools, along with detailed and conservative budgeting and budget monitoring processes. The District spent all remaining federal ESSER (I, II, III), CARES, Coronavirus Relief Funding and American Rescue Plan allocations in 2024 to meet our student needs and reduce the impact on fund balances. The District will continue to seek all available sources of funding, respond to enrollment decreases, balance revenue to expenditures, and maintain systems that ensure financial stability.

The District will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 191, 200 W. Burnsville Parkway, Burnsville, Minnesota 55337. The telephone number for the District is (952) 707-2010. Financial and other district information is also available on the District's website at isd191.org.

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BASIC FINANCIAL STATEMENTS

Independent School District No. 191
Statement of Net Position
June 30, 2024
(With Summarized Financial Information as of June 30, 2023)

	Governmental Activities	
	2024	2023
Assets		
Cash and investments	\$ 112,177,096	\$ 93,453,931
Current property taxes receivable	26,659,004	25,630,010
Delinquent property taxes receivable	398,910	322,174
Accounts receivable	496,495	656,622
Interest receivable	580,243	214,723
Lease receivable	553,711	259,105
Due from Department of Education	11,079,637	10,034,269
Due from other Minnesota school districts	64,952	92,393
Due from Federal Government through Department of Education	7,789,968	5,271,069
Due from other governmental units	250,288	242,927
Inventory	360,300	269,532
Prepaid items	342,495	603,936
Capital assets, not being depreciated		
Land	3,102,468	3,102,468
Construction in progress	1,094,471	-
Capital assets, net of accumulated depreciation		
Buildings	103,201,163	108,650,069
Improvements other than buildings	6,612,693	6,071,313
Machinery and equipment	6,406,578	5,974,627
Leased assets, net of accumulated amortization		
Leased equipment	85,834	153,552
Total assets	<u>281,256,306</u>	<u>261,002,720</u>
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	19,948,462	27,986,744
Deferred outflows of resources related to OPEB	845,073	972,869
Losses on debt refunding	163,987	199,765
Total deferred outflows of resources	<u>20,957,522</u>	<u>29,159,378</u>
Total assets and deferred outflows of resources	<u>\$ 302,213,828</u>	<u>\$ 290,162,098</u>
Liabilities		
Accounts payable	\$ 8,741,596	\$ 9,093,171
Contracts payable	44,446	-
Salaries and benefits payable	14,714,098	10,508,915
Interest payable	1,474,930	1,596,982
Due to other Minnesota school districts	1,299,709	1,251,919
Due to other governmental units	60,003	55,445
Unearned revenue	208,090	265,155
Bond principal, net of premium		
Payable within one year	7,640,000	7,550,000
Payable after one year	95,807,615	104,429,366
Lease liability		
Payable within one year	70,356	69,041
Payable after one year	21,033	87,339
Finance purchase from direct borrowing		
Payable within one year	-	82,355
Compensated absences payable		
Payable within one year	844,612	776,209
Severance payable		
Payable within one year	43,440	110,286
Payable after one year	322,238	127,662
Total OPEB liability		
Payable within one year	703,390	-
Payable after one year	5,212,278	8,631,776
Net pension liability	<u>89,274,018</u>	<u>95,632,596</u>
Total liabilities	<u>226,481,852</u>	<u>240,268,217</u>
Deferred Inflows of Resources		
Property taxes levied for subsequent year's expenditures	47,479,893	45,495,723
Deferred inflow of resources related to lease receivable	553,710	232,514
Deferred inflows of resources related to pensions	12,389,245	25,861,524
Deferred inflows of resources related to OPEB	2,968,920	1,285,333
Gains on debt refunding	255,812	299,082
Total deferred inflows of resources	<u>63,647,580</u>	<u>73,174,176</u>
Net Position		
Net investment in capital assets	23,178,391	19,119,846
Restricted for		
Debt service	3,327,077	3,964,729
Other purposes	25,180,879	20,407,786
Unrestricted	<u>(39,601,951)</u>	<u>(66,772,656)</u>
Total net position	<u>12,084,396</u>	<u>(23,280,295)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 302,213,828</u>	<u>\$ 290,162,098</u>

See notes to basic financial statements.

Independent School District No. 191
Statement of Activities
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

Functions/Programs	2024				Net (Expense)	2023
	Expenses	Program Revenues			Revenues and	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position	Revenues and Changes in Net Position
				Governmental Activities	Governmental Activities	
Governmental activities						
Administration	\$ 5,216,273	\$ 1,573	\$ 9,355	\$ -	\$ (5,205,345)	\$ (4,557,975)
District support services	5,569,369	2,339	16,857	-	(5,550,173)	(1,695,775)
Elementary and secondary regular instruction	53,440,089	447,534	13,117,023	-	(39,875,532)	(27,509,708)
Vocational education instruction	2,015,070	-	253,627	-	(1,761,443)	(1,772,184)
Special education instruction	26,290,985	2,240,236	26,523,179	-	2,472,430	296,669
Instructional support services	15,130,117	373,963	2,161,202	-	(12,594,952)	(12,896,781)
Pupil support services	16,260,415	92,267	90,327	-	(16,077,821)	(11,798,912)
Sites and buildings	16,072,733	267,514	-	825,099	(14,980,120)	(15,488,036)
Fiscal and other fixed cost programs	525,199	-	-	-	(525,199)	(437,360)
Food service	6,377,037	208,483	6,820,036	-	651,482	494,568
Community education and services	5,969,879	2,803,010	2,518,621	-	(648,248)	(1,343,414)
Interest and fiscal charges on long-term debt	2,702,435	-	-	-	(2,702,435)	(2,819,947)
Total governmental activities	\$ 155,569,601	\$ 6,436,919	\$ 51,510,227	\$ 825,099	(96,797,356)	(79,528,855)
General revenues						
Taxes						
Property taxes, levied for general purposes					37,787,542	29,793,091
Property taxes, levied for community service					1,603,278	1,597,814
Property taxes, levied for debt service					9,767,643	10,399,992
State aid-formula grants					79,218,657	69,788,147
Gain on sale of assets					7,074	16,900
Investment income					3,777,853	2,008,343
Total general revenues					132,162,047	113,604,287
Change in net position					35,364,691	34,075,432
Net position - beginning					(23,280,295)	(57,355,727)
Net position - ending					\$ 12,084,396	\$ (23,280,295)

Independent School District No. 191
Balance Sheet - Governmental Funds
Year Ended June 30, 2024
(With Summarized Financial Information as of June 30, 2023)

	General	Food Service	Community Service	Debt Service
Assets				
Cash and investments	\$ 67,290,745	\$ 2,611,252	\$ 6,320,953	\$ 9,533,213
Current property taxes receivable	20,542,929	-	844,827	5,271,248
Delinquent property taxes receivable	296,687	-	13,781	88,442
Accounts receivable	54,752	-	14,043	-
Interest receivable	537,198	-	-	-
Lease receivable	-	-	-	553,711
Due from Department of Education	10,568,877	277,421	232,179	1,160
Due from Federal Government through Department of Education	6,461,844	1,286,466	41,658	-
Due from other Minnesota school districts	51,702	-	13,250	-
Due from other governmental units	249,880	-	408	-
Due from other funds	429,903	-	-	-
Inventory	-	360,300	-	-
Prepaid items	342,495	-	-	-
Total assets	\$ 106,827,012	\$ 4,535,439	\$ 7,481,099	\$ 15,447,774
Liabilities				
Accounts payable	\$ 1,616,994	161,362	52,600	\$ -
Contracts payable	44,446	-	-	-
Salaries and benefits payable	14,063,234	148,988	501,876	-
Due to other Minnesota school districts	1,281,543	-	18,166	-
Due to other governmental units	60,003	-	-	-
Unearned revenue	295	42,611	104,595	-
Total liabilities	17,066,515	352,961	677,237	-
Deferred Inflows of Resources				
Property taxes levied for subsequent year's expenditures	35,770,368	-	1,617,468	10,092,057
Unavailable revenue - delinquent property taxes	198,228	-	9,579	62,839
Deferred inflow of resources related to lease receivable	-	-	-	553,710
Total deferred inflows of resources	35,968,596	-	1,627,047	10,708,606
Fund Balances				
Nonspendable	342,495	360,300	-	-
Restricted	15,812,007	3,822,178	5,176,815	4,739,168
Committed	1,207,116	-	-	-
Unassigned	36,430,283	-	-	-
Total fund balances	53,791,901	4,182,478	5,176,815	4,739,168
Total liabilities, deferred inflows of resources, and fund balances	\$ 106,827,012	\$ 4,535,439	\$ 7,481,099	\$ 15,447,774

See notes to basic financial statements.

Total Governmental Funds	
2024	2023
\$ 85,756,163	\$ 66,541,526
26,659,004	25,630,010
398,910	322,174
68,795	149,666
537,198	192,544
553,711	259,105
11,079,637	10,034,269
7,789,968	5,271,069
64,952	92,393
250,288	242,927
429,903	529,083
360,300	269,532
342,495	603,936
<u>\$ 134,291,324</u>	<u>\$ 110,138,234</u>
\$ 1,830,956	\$ 1,888,901
44,446	-
14,714,098	10,508,915
1,299,709	1,251,919
60,003	55,445
147,501	193,373
<u>18,096,713</u>	<u>13,898,553</u>
47,479,893	45,495,723
270,646	281,339
553,710	232,514
<u>48,304,249</u>	<u>46,009,576</u>
702,795	873,468
29,550,168	25,614,603
1,207,116	1,505,311
36,430,283	22,236,723
<u>67,890,362</u>	<u>50,230,105</u>
<u>\$ 134,291,324</u>	<u>\$ 110,138,234</u>

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Independent School District No. 191
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2024
(With Summarized Financial Information as of June 30, 2023)

	2024	2023
Total fund balances - governmental funds	\$ 67,890,362	\$ 50,230,105
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.		
Cost of capital assets	320,318,683	313,351,316
Less accumulated depreciation	(199,901,310)	(189,552,839)
Leased assets	229,658	223,184
Less accumulated amortization	(143,824)	(69,632)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Bond principal payable	(99,160,000)	(106,710,000)
Unamortized bond premium and discount	(4,287,615)	(5,269,366)
Deferred charge on refunding (net)	(91,825)	(99,317)
Lease liability	(91,389)	(156,380)
Finance purchase from direct borrowing	-	(82,355)
Compensated absences payable	(844,612)	(776,209)
Total OPEB liability	(5,915,668)	(8,631,776)
Net pension liability	(89,274,018)	(95,632,596)
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.		
Deferred outflows of resources related to pensions	19,948,462	27,986,744
Deferred inflows of resources related to pensions	(12,389,245)	(25,861,524)
Deferred outflows of resources related to OPEB	845,073	972,869
Deferred inflows of resources related to OPEB	(2,968,920)	(1,285,333)
Delinquent property taxes receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.		
	270,646	281,339
The self insured medical and dental internal service funds are used by management to charge the costs of the self-insured plans. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position and interfund activity is removed.		
	19,124,868	19,398,457
Governmental funds do not report a liability for accrued interest on bonds until due and payable.		
	(1,474,930)	(1,596,982)
Total net position - governmental activities	\$ 12,084,396	\$ (23,280,295)

Independent School District No. 191
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	General	Food Service	Community Service	Debt Service
Revenues				
Local property taxes	\$ 37,785,291	\$ -	\$ 1,604,461	\$ 9,779,404
Other local and county revenues	6,481,333	166,834	3,440,115	815,034
Revenue from state sources	107,269,806	1,082,994	1,788,069	12,233
Revenue from federal sources	13,999,930	5,707,401	376,025	-
Sales and other conversion of assets	50,618	208,483	18,218	-
Total revenues	<u>165,586,978</u>	<u>7,165,712</u>	<u>7,226,888</u>	<u>10,606,671</u>
Expenditures				
Current				
Administration	5,630,932	-	-	-
District support services	4,619,344	-	-	-
Elementary and secondary regular instruction	60,457,360	-	-	-
Vocational education instruction	2,234,521	-	-	-
Special education instruction	28,874,464	-	-	-
Instructional support services	10,888,514	-	-	-
Pupil support services	16,650,421	-	-	-
Sites and buildings	11,592,406	-	-	-
Fiscal and other fixed cost programs	525,199	-	-	-
Food service	-	5,882,458	-	-
Community education and services	-	-	6,115,597	-
Capital outlay				
Administration	10,926	-	-	-
District support services	334,144	-	-	-
Elementary and secondary regular instruction	100,914	-	-	-
Vocational education instruction	14,784	-	-	-
Special education instruction	18,469	-	-	-
Instructional support services	1,986,562	-	-	-
Pupil support services	39,931	-	-	-
Sites and buildings	5,143,940	-	-	-
Food service	-	279,935	-	-
Community education and services	-	-	19,762	-
Debt service				
Principal	147,347	-	-	7,550,000
Interest and fiscal charges	9,115	-	-	3,804,614
Total expenditures	<u>149,279,293</u>	<u>6,162,393</u>	<u>6,135,359</u>	<u>11,354,614</u>
Excess of revenues over (under) expenditures	16,307,685	1,003,319	1,091,529	(747,943)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	1,000	4,667	-	-
Lease proceeds	-	-	-	-
Total other financing sources (uses)	<u>1,000</u>	<u>4,667</u>	<u>-</u>	<u>-</u>
Net change in fund balances	16,308,685	1,007,986	1,091,529	(747,943)
Fund Balances				
Beginning of year	<u>37,483,216</u>	<u>3,174,492</u>	<u>4,085,286</u>	<u>5,487,111</u>
End of year	<u>\$ 53,791,901</u>	<u>\$ 4,182,478</u>	<u>\$ 5,176,815</u>	<u>\$ 4,739,168</u>

See notes to basic financial statements.

Total Governmental Funds	
2024	2023
\$ 49,169,156	\$ 41,799,089
10,903,316	9,415,843
110,153,102	93,864,029
20,083,356	19,743,383
277,319	1,190,530
<u>190,586,249</u>	<u>166,012,874</u>
5,630,932	5,291,647
4,619,344	4,591,871
60,457,360	56,761,715
2,234,521	2,168,497
28,874,464	26,717,926
10,888,514	12,435,175
16,650,421	12,688,513
11,592,406	11,735,834
525,199	472,595
5,882,458	5,209,869
6,115,597	5,831,718
10,926	62,697
334,144	80
100,914	94,918
14,784	30,383
18,469	64,563
1,986,562	1,478,105
39,931	763
5,143,940	2,594,972
279,935	17,187
19,762	79,292
7,697,347	7,284,147
3,813,729	4,228,108
<u>172,931,659</u>	<u>159,840,575</u>
17,654,590	6,172,299
5,667	1,807
-	35,235
<u>5,667</u>	<u>37,042</u>
17,660,257	6,209,341
50,230,105	44,020,764
<u>\$ 67,890,362</u>	<u>\$ 50,230,105</u>

Independent School District No. 191
Reconciliation of the Statement of Revenues, Expenditures,
and changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	2024	2023
Net change in fund balances - total governmental funds	\$ 17,660,257	\$ 6,209,341
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Capital outlays	6,973,841	8,244,519
Depreciation expense	(10,348,471)	(11,846,031)
Amortization expense	(74,192)	(68,490)
Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.		
	(68,403)	23,117
Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities.		
	7,697,346	7,284,147
Governmental funds recognize OPEB contributions as expenditures at the time of payment, whereas, the Statement of Activities factors in items related to OPEB on a full accrual perspective.		
	904,725	460,741
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrue, regardless of when it is due.		
	122,052	227,211
Governmental funds report the effects of bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Net premium/deferred charge on new debt issuance and related amortization	989,243	1,180,950
The issuance of long-term debt provides current financial resources to governmental funds and has no effect on net position. These amounts are reported in the governmental funds as a source of financing. These amounts are not shown as revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		
Lease proceeds	-	(35,235)
The self-insured medical and dental internal service funds are used by management to charge the costs of the self insured plans. The increase in net position is reported within the governmental activities in the Statement of Activities.		
	(273,589)	(1,502,534)
Governmental funds recognize pension contributions as expenditures at the time of payment in the funds whereas the Statement of Activities factors in differences between actual and expected contributions and earnings on plan investments as well as changes in proportion.		
	11,792,575	23,905,888
Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.		
	(10,693)	(8,192)
Change in net position - governmental activities	\$ 35,364,691	\$ 34,075,432

Independent School District No. 191
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	\$ 37,737,983	\$ 37,990,707	\$ 37,785,291	\$ (205,416)
Other local and county revenues	2,587,408	3,439,000	6,481,333	3,042,333
Revenue from state sources	102,508,778	104,338,340	107,269,806	2,931,466
Revenue from federal sources	13,420,447	14,357,204	13,999,930	(357,274)
Sales and other conversion of assets	60,000	61,000	50,618	(10,382)
Total revenues	<u>156,314,616</u>	<u>160,186,251</u>	<u>165,586,978</u>	<u>5,400,727</u>
Expenditures				
Current				
Administration	5,594,769	5,784,757	5,630,932	(153,825)
District support services	4,587,153	4,261,879	4,619,344	357,465
Elementary and secondary regular instruction	65,309,589	64,937,744	60,457,360	(4,480,384)
Vocational education instruction	2,341,888	2,406,879	2,234,521	(172,358)
Special education instruction	29,643,896	28,887,125	28,874,464	(12,661)
Instructional support services	12,504,167	11,032,508	10,888,514	(143,994)
Pupil support services	12,920,507	15,578,043	16,650,421	1,072,378
Sites and buildings	12,243,843	12,182,782	11,592,406	(590,376)
Fiscal and other fixed cost programs	530,000	530,000	525,199	(4,801)
Capital outlay				
Administration	68,436	93,280	10,926	(82,354)
District support services	131,060	410,060	334,144	(75,916)
Elementary and secondary regular instruction	86,839	166,016	100,914	(65,102)
Vocational education instruction	10,815	515	14,784	14,269
Special education instruction	31,450	48,950	18,469	(30,481)
Instructional support services	2,423,640	2,495,329	1,986,562	(508,767)
Pupil support services	127,246	127,246	39,931	(87,315)
Sites and buildings	4,781,191	4,476,644	5,143,940	667,296
Debt service				
Principal	153,164	153,164	147,347	(5,817)
Interest and fiscal charges	3,332	8,332	9,115	783
Total expenditures	<u>153,492,985</u>	<u>153,581,253</u>	<u>149,279,293</u>	<u>(4,301,960)</u>
Excess of revenues over expenditures	2,821,631	6,604,998	16,307,685	9,702,687
Other Financing Sources				
Proceeds from sale of capital assets	-	-	1,000	1,000
Net change in fund balance	<u>\$ 2,821,631</u>	<u>\$ 6,604,998</u>	16,308,685	<u>\$ 9,703,687</u>
Fund Balance				
Beginning of year			<u>37,483,216</u>	
End of year			<u>\$ 53,791,901</u>	

See notes to basic financial statements.

Independent School District No. 191
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Food Service Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Other local and county revenues	\$ 10,058	\$ 70,000	\$ 166,834	\$ 96,834
Revenue from state sources	938,105	906,334	1,082,994	176,660
Revenue from federal sources	4,865,950	5,656,406	5,707,401	50,995
Sales and other conversion of assets	225,000	225,000	208,483	(16,517)
Total revenues	<u>6,039,113</u>	<u>6,857,740</u>	<u>7,165,712</u>	<u>307,972</u>
Expenditures				
Current				
Food service	5,927,292	5,954,792	5,882,458	(72,334)
Capital outlay				
Food service	100,000	215,000	279,935	64,935
Total expenditures	<u>6,027,292</u>	<u>6,169,792</u>	<u>6,162,393</u>	<u>(7,399)</u>
Excess of revenues over expenditures	11,821	687,948	1,003,319	315,371
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	2,000	5,000	4,667	(333)
Net change in fund balance	<u>\$ 13,821</u>	<u>\$ 692,948</u>	1,007,986	<u>\$ 315,038</u>
Fund Balance				
Beginning of year			<u>3,174,492</u>	
End of year			<u>\$ 4,182,478</u>	

Independent School District No. 191
Statement of Revenue, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Community Service Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local property taxes	\$ 1,617,454	\$ 1,617,454	\$ 1,604,461	\$ (12,993)
Other local and county revenues	2,733,500	2,997,771	3,440,115	442,344
Revenue from state sources	1,810,012	1,812,212	1,788,069	(24,143)
Revenue from federal sources	224,707	462,237	376,025	(86,212)
Sales and other conversion of assets	10,000	10,500	18,218	7,718
Total revenues	<u>6,395,673</u>	<u>6,900,174</u>	<u>7,226,888</u>	<u>326,714</u>
Expenditures				
Current				
Community education and services	6,315,031	6,441,021	6,115,597	(325,424)
Capital outlay				
Community education and services	50,400	39,400	19,762	(19,638)
Total expenditures	<u>6,365,431</u>	<u>6,480,421</u>	<u>6,135,359</u>	<u>(345,062)</u>
Net change in fund balance	<u>\$ 30,242</u>	<u>\$ 419,753</u>	1,091,529	<u>\$ 671,776</u>
Fund Balance				
Beginning of year			<u>4,085,286</u>	
End of year			<u>\$ 5,176,815</u>	

Independent School District No. 191
Statement of Net Position - Proprietary Funds
Year Ended June 30, 2024
(With Summarized Financial Information as of June 30, 2023)

	Governmental Activities - Internal Service Funds	
	2024	2023
Assets		
Current assets		
Cash and investments	\$ 26,420,933	\$ 26,912,405
Interest receivable	43,045	22,179
Accounts receivable	427,700	506,956
Due from other funds	328,040	313,090
Total assets	27,219,718	27,754,630
Liabilities		
Current liabilities		
Health and dental claims payable	\$ 2,893,482	\$ 2,715,336
Due to plan participants	4,017,158	4,488,934
Severance benefits payable	43,440	110,286
Due to other funds	757,943	842,173
Unearned revenue	60,589	71,782
Total current liabilities	7,772,612	8,228,511
Noncurrent liabilities		
Severance benefits payable	322,238	127,662
Total liabilities	8,094,850	8,356,173
Net Position		
Unrestricted	\$ 19,124,868	\$ 19,398,457

Independent School District No. 191
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
Year Ended June 30, 2024
 (With Summarized Financial Information for Year Ended June 30, 2023)

	Governmental Activities - Internal Service Funds	
	2024	2023
Operating Revenue		
Charges for services	\$ 25,109,506	\$ 22,320,153
Other services	399,822	638,618
Total operating revenue	25,509,328	22,958,771
Operating Expenses		
Health insurance claim payments	25,261,473	23,766,205
Dental insurance claim payments	902,685	845,634
Severance payments	127,730	51,009
OPEB payments	789,184	868,796
Total operating expenses	27,081,072	25,531,644
Operating income (loss)	(1,571,744)	(2,572,873)
Nonoperating Income		
Earnings on investments	1,298,155	1,070,339
Change in net position	(273,589)	(1,502,534)
Net Position		
Beginning of year	19,398,457	20,900,991
End of year	\$ 19,124,868	\$ 19,398,457

Independent School District No. 191
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	Governmental Activities - Internal Service Funds	
	<u>2024</u>	<u>2023</u>
Cash Flows - Operating Activities		
Receipts from interfund services provided	\$ 25,562,441	\$ 22,525,744
Payments for health and dental claims	(26,457,788)	(24,303,348)
Payments to employee OPEB	(873,414)	(802,435)
Payments for severance benefits	-	(495,736)
Net cash flows - operating activities	<u>(1,768,761)</u>	<u>(3,075,775)</u>
Cash Flows - Investment Activities		
Interest received	1,277,289	1,057,854
Net cash flows - investment activities	<u>1,277,289</u>	<u>1,057,854</u>
Net change in cash and cash equivalents	(491,472)	(2,017,921)
Cash and Cash Equivalents		
Beginning of year	<u>26,912,405</u>	<u>28,930,326</u>
End of year	<u>\$ 26,420,933</u>	<u>\$ 26,912,405</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities		
Operating income (loss)	\$ (1,571,744)	\$ (2,572,873)
Adjustments to reconcile operating income (loss) to net cash		
Health and dental claims payable	178,146	(633,617)
Due to plan participants	(471,776)	942,108
Severance payable	127,730	(444,727)
Due to other funds	(84,230)	66,361
Accounts receivable	79,256	(436,263)
Due from other funds	(14,950)	1,168
Unearned revenue	(11,193)	2,068
Total adjustments	<u>(197,017)</u>	<u>(502,902)</u>
Net cash flows - operating activities	<u>\$ (1,768,761)</u>	<u>\$ (3,075,775)</u>

Independent School District No. 191
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District operates under a school board form of government for the purpose of providing educational services to individuals within the District areas. The governing body consists of a seven-member board elected by the voters of the District to serve four-year staggered terms.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

A. Reporting Entity

The basic financial statements present the District and its component units. The District includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the District are financially accountable and are included within the basic financial statements of the District because of the significance of their operational or financial relationships with the District.

The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District.

As a result of applying the component unit definition criteria above, it has been determined the District has no component units.

The student activity accounts of the District are under board control and are reported in the General Fund.

B. Basic Financial Statement Information

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments 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 items not properly included among program revenues are reported instead as general revenues.

Depreciation and amortization expense that can be specifically identified by function is included in the direct expenses of that function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. The effect of interfund activity has been removed from these statements.

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

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to *Minnesota Statutes* and accounting principles generally accepted in the United States of America. *Minnesota Statutes* include state aid funding formulas for specific years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within 60 days.

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. The exceptions to this general rule are that interest and principal expenditures in the Debt Service Fund, compensated absences, and claims and judgments are recognized when payment is due.

The District applies restricted resources first when an expenditure is incurred for a purpose for which both restricted and unrestricted fund balances are available. Further, the District applies unrestricted funds in this order if various levels of fund balances exist: committed, assigned, and unassigned.

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 revenues of the Internal Service Funds are employee and District contributions. Operating expenses for proprietary funds include claims paid and administrative expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Description of Funds:

Major Funds:

General Fund - This fund is the basic operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Food Service Special Revenue Fund - This fund is used to account for food service revenues and expenditures.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Description of Funds: (Continued)

Major Funds: (Continued)

Community Service Special Revenue Fund - This fund is used to account for services provided to residents in the areas of community education, school readiness, early childhood, and family education, or other similar services.

Debt Service Fund - This fund is used to account for the accumulation of resources for, and payment of, general obligation (G.O.) bond and state loan principal, interest, and related costs. The regular debt service account is used for all general obligation bonds except for refunding bond issues, for which a separate refunding bond trust account is established.

Proprietary Funds:

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

D. Deposits and Investments

The District's total deposits and investments are comprised of two major components, each with its own set of legal and contractual provisions as described on the following pages.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments held by investment pools are measured at amortized cost.

Cash and 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 individual funds based on the average of month-end cash and investment balances.

For the purposes of the statement of cash flows, the District considers all demand accounts and savings accounts related to the Internal Service Funds to be cash and cash equivalents. Cash and cash equivalents are included in cash and investments.

Cash and investments at June 30, 2024, were comprised of deposits and investments as outlined in Note 2.

Minnesota Statutes requires all deposits be protected by federal deposit insurance, corporate surety bonds or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments (Continued)

Minnesota Statutes authorizes the District to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days.

In accordance with GASB Statement No. 79, the various MSDLAF and MNTrust securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the MSDLAF. Investments in the MSDLAF MAX must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the State of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24 hour hold on all requests for redemptions. Seven days' notice of redemption is required for withdrawals of investments in the MNTrust Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption.

E. Property Tax Receivable

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represents uncollected taxes for the past six years and is deferred and included in the deferred inflows of resources section of the fund financial statements because they are not available to finance the operations of the District in the current year.

F. Property Taxes Levied for Subsequent Year's Expenditures

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2023, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in fiscal year 2024. The remaining portion of the levy will be recognized when measurable and available.

G. Inventories

Inventories of commodities donated directly by the U.S. Department of Agriculture are recorded at market value. Other inventories are stated at cost as determined on a first-in, first-out (FIFO) basis. Inventories are recorded as expenditures when consumed rather than when purchased.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Property Taxes

The District levies its property tax during the month of December. December 28 is the last day the District can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. Dakota and Scott Counties are the collecting agencies for the levy and remits the collections to the District three times a year. The Tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the basic financial statements.

J. Capital Assets

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements.

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and benefit more than one fiscal year. The capitalization threshold for grouped assets is \$50,000. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at its acquisition value at the date of donation.

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

Capital assets are depreciated or amortized using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation and amortization purposes. Useful lives vary from 20 to 50 years for land improvements and buildings and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

K. Lease Receivable

The District is a lessor for numerous noncancellable leases. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Lease Receivable (Continued)

Key estimates and judgments include how the District determines (1) the discount rate, (2) lease term, and (3) lease receipts.

The District determines the discount rate for leases based on the applicable State and Local Government Securities (SLGS) rate. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District, acting as lessor, leases the premises at 2140 Diffley Road, Eagan, Minnesota under a long-term, non-cancelable lease agreement. The lease expires at June 30, 2026. During the year ended June 30, 2024, the District recognized \$259,105 and \$4,769 in lease revenue and interest revenue, respectively, pursuant to the contract. Remaining amounts due in the year ended June 30, 2024, principal of \$553,711 and interest of \$21,621.

L. Right-to-Use Lease Assets/Lease Liabilities

The District recorded right-to-use lease assets as a result of implementing GASB Statement No. 87, Leases. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Key estimates and judgments related to leases include (1) the discount rate, (2) lease term, (3) lease payments, and (4) amortization.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District determines its estimated borrowing rate based on the applicable State and Local Government Securities rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a re-measurement of the leases and will remeasure the right-to-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category. A deferred charge on refunding, deferred outflows of resources related to pensions, and deferred outflows of resources related to OPEB are reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources related to pensions and OPEB is recorded for various estimate differences that will be amortized and recognized over future years.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Financial Position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has six types of items which qualify for reporting in this category. The first item, 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. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied and is 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. Deferred inflows of resources related to pensions is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years. The fourth, a deferred charge on refunding, results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt is recorded on the government-wide. The fifth, Deferred inflows of resources related to OPEB, is recorded for various estimate differences that will be amortized and recognized over future years. The sixth, deferred inflows of resources related to lease receivable is reported in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet.

N. 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 Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expenditure/expense in the period the bond is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Compensated Absences

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

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Post Employment Severance Benefits

Under the terms of collectively bargained employment contracts, certain district employee groups, including teachers, may become eligible to receive lump sum severance benefits. Eligibility is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of unused, accrued sick leave times a pay rate specified in the employee's collectively bargained contract. Severance benefits based on convertible sick leave are recorded as a liability in the Internal Service Fund as they are earned, and it becomes probable they will vest at some point in the future.

In accordance with *Minnesota Statutes*, no employee can receive severance or retirement incentive benefits that exceed one year's salary.

Q. Pensions

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 Teachers Retirement Association (TRA) and additions to/deductions from PERA's and TRA's fiduciary net position have been determined on the same basis as they are reported by PERA and 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.

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

R. Fund Equity

In the fund financial statements, governmental funds report various levels of spending constraints.

- ◆ **Nonspendable Fund Balances** - These are amounts that cannot be spent because they are either not in spendable form as they are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- ◆ **Restricted Fund Balances** - These amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.
- ◆ **Committed Fund Balances** - These amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the School Board and that remain binding unless removed by the School Board by subsequent formal action. The formal action to commit a fund balance must occur prior to year-end; however, the specific amounts actually committed can be determined in the subsequent year. A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change a constraint so adopted by the board.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Equity (Continued)

- ◆ Assigned Fund Balances - These amounts are comprised of unrestricted funds constrained by the District's intent that they will be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the General Fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the District's intended use of those resources. The action to assign fund balance may be taken after the end of the year. The School board, by majority vote, may assign balances to be used for specific purposes. The board also delegated the power to assign fund balances to the Executive Director of Administrative Services.
- ◆ Unassigned Fund Balances - Residual amount in the General Fund not reported in any other classification, available for expenditure of any purpose. Also, negative unassigned fund balance may be reported in other governmental funds if expenditures exceeded the restricted, committed, or assigned amounts available to those purposes.
- ◆ Minimum Fund Balance - The District will strive to maintain a minimum unassigned General Fund balance of 8% of the General Fund expenditures.

S. Net Position

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investments in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net Position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

T. Use of Estimates

The preparation of basic 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of expenditures/expense during the reporting period. Actual results could differ from those estimates.

U. Budgetary Information

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Budgetary Information (Continued)

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board. Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line-item levels.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with applicable *Minnesota Statutes*, the District maintains deposits at depository banks authorized by the School Board.

Custodial Credit Risk - Deposits: This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy that requires the District's deposits be collateralized as required by *Minnesota Statutes* for an amount exceeding federal deposit coverage. *Minnesota Statutes* require all deposits be protected by federal depository insurance, corporate surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

Certificates of deposit	\$ 6,204,000
Checking accounts	330,728
Petty cash	<u>980</u>
Total deposits	<u><u>\$ 6,535,708</u></u>

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

As of June 30, 2024, the District had the following investments:

	Amount	Weighted Average Maturity (Years)	Credit Rating	Level
Brokered Money Market Accounts	\$ 56,868,282	N/A	AAA	N/A
U.S. Treasury Securities	909,318	2.99	N/A	2
Term Series	33,928,413	1.34	AAm	N/A
Fixed Income ETF	6,465,337	N/A	N/A	2
Domestic Equity ETF	3,201,083	N/A	N/A	2
International Equity ETF	344,916	N/A	N/A	2
Negotiable Certificates of Deposit	3,924,039	1.72	Aa2-Aa1/A-AA	2
 Total Investments	 <u>\$ 105,641,388</u>			

At June 30, 2024, the District has a formal deposit and investment policy in place to address the following risks:

Credit Risk: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* §§ 118A.04 and 118A.05 limit investments based on type. The District's investment policy limits investments to those specified in the above statutes. Investments are rated as indicated above.

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of an investment in a single issuer. The District's investment policy states the District will diversify its investment to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities.

Interest Rate Risk: This is the risk that market value of securities will fall due to the changes in market interest rates. The District's policy states investment maturities should be scheduled to coincide with projected District cash flow needs, taking into account large routine or scheduled expenditures, as well as anticipated receipt dates of anticipated revenues. The policy also indicates investments shall be managed to attain a market rate of return through various economic and budgetary cycles, while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Custodial Credit Risk - Investments: This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy on custodial credit risk states securities will be held in third party safekeeping by an institution designated as custodial agent. The custodial agent shall issue a safe keeping receipt to the District listing pertinent information related to the securities held.

The District has the following recurring fair value measurements as of June 30, 2024:

- ◆ \$14,844,693 of investments are valued using a quoted market price (Level 2 inputs).

C. Deposits and Investments

Summary of cash, deposits, and investments as of June 30, 2024:

District Governmental Funds	
Deposits (Note 2.A.)	\$ 6,535,708
Investments (Note 2.B.)	<u>105,641,388</u>
 Total deposits and investments	 <u><u>\$ 112,177,096</u></u>

Cash, deposits, and investments are presented in the June 30, 2024, basic financial statements as follows:

Statement of Net Position	
Cash and investments	<u><u>\$ 112,177,096</u></u>

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 3 - INTERFUND ACTIVITY

Due To/Due From Other Funds

The District had the following interfund receivables, or payables for the year ended June 30, 2024, due to the interrelationship of the self-insurance funds, the OPEB Revocable Trust, and the General Fund, and the year-end timing of the related payments of premiums and reimbursements for the implicit rate subsidy.

	Due to Other Funds
Due from Other Funds	Internal Service Fund OPEB Revocable Trust
General Fund	\$ 429,903
Internal Service Fund	
Self-Insured Dental	12,014
Self-Insured Health	316,026
Total	\$ 757,943

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 4 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 3,102,468	\$ -	\$ -	\$ 3,102,468
Construction in progress	-	1,094,471	-	1,094,471
Total capital assets not being depreciated	<u>3,102,468</u>	<u>1,094,471</u>	<u>-</u>	<u>4,196,939</u>
Other capital assets				
Buildings	272,371,309	2,048,435	-	274,419,744
Improvements other than buildings	20,770,929	1,362,288	-	22,133,217
Machinery and equipment	17,106,610	2,462,173	-	19,568,783
Leased equipment	223,184	6,474	-	229,658
Total capital assets at historical cost	<u>310,472,032</u>	<u>5,879,370</u>	<u>-</u>	<u>316,351,402</u>
Less accumulated depreciation for				
Buildings	163,721,240	7,497,341	-	171,218,581
Improvements other than buildings	14,699,616	820,908	-	15,520,524
Machinery and equipment	11,131,983	2,030,222	-	13,162,205
Less accumulated amortization for				
Leased equipment	69,632	74,192	-	143,824
Total accumulated depreciation and amortization	<u>189,622,471</u>	<u>10,422,663</u>	<u>-</u>	<u>200,045,134</u>
Total other capital assets, net	<u>120,849,561</u>	<u>(4,543,293)</u>	<u>-</u>	<u>116,306,268</u>
Governmental activities, capital assets, net	<u>\$ 123,952,029</u>	<u>\$ (3,448,822)</u>	<u>\$ -</u>	<u>\$ 120,503,207</u>

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense of \$10,422,663 for the year ended June 30, 2024, was charged to the following governmental functions:

District support services	\$ 914,663
Elementary and secondary regular instruction	50,342
Special education instruction	34,147
Instructional support services	4,663,289
Sites and buildings	4,214,485
Food service	468,378
Community service	77,359
	<u>77,359</u>
Total depreciation expense	<u>\$ 10,422,663</u>

NOTE 5 - LONG-TERM DEBT

A. Components of Long-Term Liabilities

The long-term bond liabilities listed above were issued to finance acquisition and construction of capital facilities or to refinance (refund) previous bond issues. The lease liability was issued to finance instructional equipment.

	Issue Date	Interest Rates	Original Issue	Maturity Date	Principal Outstanding	Due Within One Year
Long-term liabilities						
G.O. Bonds, including						
refunding bonds						
2015A G.O. School Building Bonds	05/07/15	2.0 - 4.0%	\$ 64,485,000	2036	\$ 53,430,000	\$ 1,825,000
2016A G.O. Alt Fac Refunding Bonds	03/15/16	2.0 - 3.0%	36,715,000	2033	22,815,000	2,580,000
2016B G.O. OPEB Refunding Bonds	02/01/17	0.6 - 2.8%	13,990,000	2029	6,470,000	1,235,000
2020A G.O. Alt Fac Refunding Bonds	11/04/20	2.0 - 4.0%	11,485,000	2030	8,500,000	1,210,000
2021A G.O. Alt Fac Refunding Bonds	11/04/21	5.00%	9,680,000	2030	7,945,000	790,000
Plus Unamortized Premium					4,287,615	-
Total G.O. Bonds					103,447,615	7,640,000
Lease liability					91,389	70,356
Severance benefits					365,678	43,440
Compensated absences					844,612	844,612
					<u>\$ 104,749,294</u>	<u>\$ 8,598,408</u>

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

B. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance
Long-term liabilities				
G.O. Bonds	\$ 106,710,000	\$ -	\$ 7,550,000	\$ 99,160,000
Bond premiums	5,269,366	-	981,751	4,287,615
Financed purchase from direct borrowing	82,355	-	82,355	-
Lease liability	156,380	-	64,991	91,389
Severance benefits	237,948	127,730	-	365,678
Compensated absences	776,209	106,035	37,632	844,612
	<u>\$ 113,232,258</u>	<u>\$ 233,765</u>	<u>\$ 8,716,729</u>	<u>\$ 104,749,294</u>

The General Fund typically liquidates the liability related to compensated absences. The Debt Service Funds typically liquidates the liability related to G.O. bonds. The General Fund typically liquidates the liability related to the lease liability. Severance benefits are paid by the Severance Benefits Internal Service Fund.

C. Minimum Debt Payments

Minimum annual principal and interest payments required to retire bond, finance purchase, and lease liabilities:

Year Ending June 30	G.O. Bonds		
	Principal	Interest	Total
2025	\$ 7,640,000	\$ 3,539,833	\$ 11,179,833
2026	7,935,000	3,247,945	11,182,945
2027	8,205,000	2,987,155	11,192,155
2028	8,595,000	2,687,583	11,282,583
2029	8,930,000	2,348,343	11,278,343
2030-2034	40,435,000	7,206,237	47,641,237
2035-2036	17,420,000	853,612	18,273,612
	<u>\$ 99,160,000</u>	<u>\$ 22,870,708</u>	<u>\$ 122,030,708</u>

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

C. Minimum Debt Payments (Continued)

Year Ending June 30	Lease Liability		
	Principal	Interest	Total
2025	\$ 70,356	\$ 2,267	\$ 72,623
2026	6,733	719	7,452
2027	7,008	444	7,452
2028	7,292	159	7,451
Total	<u>\$ 91,389</u>	<u>\$ 3,589</u>	<u>\$ 94,978</u>

D. Lease Liability

The District entered into lease agreements for equipment. The lease agreements include annual principal and interest payments that are shown above. The discount rate for the lease liabilities is 4.0%.

NOTE 6 - FUND BALANCES/NET POSITION

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities or as required by other outside parties.

A. Fund Equity

Fund equity balances are classified as follows to reflect the limitations and restrictions of the respective funds.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 6 - FUND BALANCES/NET POSITION (CONTINUED)

A. Fund Equity (Continued)

	General Fund	Food Service	Community Service	Debt Service	Total
Nonspendable for					
Inventory	\$ -	\$ 360,300	\$ -	\$ -	\$ 360,300
Prepaid items	342,495	-	-	-	342,495
	<u>342,495</u>	<u>360,300</u>	<u>-</u>	<u>-</u>	<u>702,795</u>
Restricted for					
Student Activities	259,689	-	-	-	259,689
Capital Projects Levy	832,955	-	-	-	832,955
American Indian Education	17,957	-	-	-	17,957
Literacy Aid	313,959	-	-	-	313,959
Medical Assistance	3,340,272	-	-	-	3,340,272
Operating Capital	2,049,497	-	-	-	2,049,497
Area Learning Center	8,801,478	-	-	-	8,801,478
Safe Schools	196,200	-	-	-	196,200
Food Service	-	3,822,178	-	-	3,822,178
Community Education	-	-	4,116,125	-	4,116,125
Early Childhood and Family Education	-	-	455,932	-	455,932
School Readiness	-	-	588,915	-	588,915
Community Service	-	-	15,843	-	15,843
Debt Service	-	-	-	4,739,168	4,739,168
	<u>15,812,007</u>	<u>3,822,178</u>	<u>5,176,815</u>	<u>4,739,168</u>	<u>29,550,168</u>
Committed for					
Program Carryover - Noncapital	445,145	-	-	-	445,145
Program Carryover - Facilities Rental	380,587	-	-	-	380,587
Pro Pay Program	381,384	-	-	-	381,384
	<u>1,207,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,207,116</u>
Unassigned for					
General purposes	36,430,283	-	-	-	36,430,283
Total fund balance	<u>\$ 53,791,901</u>	<u>\$ 4,182,478</u>	<u>\$ 5,176,815</u>	<u>\$ 4,739,168</u>	<u>\$ 67,890,362</u>

Nonspendable for Inventory - This balance represents the portion of fund balance that is not available as amounts have already been spent on inventory.

Nonspendable for Prepaid Items - This balance represents the portion of fund balance that is not available as the amounts have already been spent by the District on items for the next year.

Restricted/Reserved for Student Activities - This balance represents available resources to be used for the extracurricular activity funds raised by the students.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 6 - FUND BALANCES/NET POSITION (CONTINUED)

A. Fund Equity (Continued)

Restricted/Reserved for Capital Projects Levy - This balance represents available resources from the capital projects levy to be used for building construction and other projects under *Minnesota Statutes* § 126C.10, subd. 14. All interest income attributable to the capital projects levy must be credited to this account.

Restricted/Reserved for American Indian Education Aid - This balance represents resources remaining in the American Indian Education Funds.

Restricted/Reserved for Literacy Incentive Aid - This balance represents the resources available to support implementation of evidence-based reading instruction.

Restricted for Medical Assistance - This balance represents available resources to be used for medical assistance expenditures (*Minnesota Statutes* § 125A.21, subd. 3).

Restricted/Reserved for Operating Capital - This balance represents available resources in the General Fund to be used to purchase equipment and facilities.

Restricted/Reserved for Area Learning Center - This balance represents amounts restricted for students attending area learning centers. Each district that sends students to an area learning center must restrict an amount equal to the sum of 1) at least 90 and no more than 100% of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to *Minnesota Statutes* § 126C.10, subd. 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved area learning center, plus (2) the amount of basic skills revenue generated by pupils attending the area learning center. The amount restricted may only be spent on program costs associated with the area learning center.

Restricted/Reserved for Safe Schools Revenue - The unspent resources available from the Safe Schools revenue must be restricted in this account for future use.

Restricted for Food Service - This balance represents the accumulation of the activity to provide the food service program.

Restricted/Reserved for Community Education - This balance represents the resources available to provide programming such as: nonvocational, recreational and leisure time activities, programs for adults with disabilities, noncredit summer programs, youth development and youth service programming, early childhood and family education, and extended day programs.

Restricted/Reserved for Early Childhood and Family Education - This balance represents the resources available to provide for services for early childhood and family education programming.

Restricted/Reserved for School Readiness - This balance represents the resources available to provide for services for school readiness programs. Related to Finance Code 344, School Readiness *Minnesota Statutes* § 124D.16.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 6 - FUND BALANCES/NET POSITION (CONTINUED)

A. Fund Equity (Continued)

Restricted for Community Service - This balance represents the positive fund balance of the Community Service Fund.

Restricted for Debt Service - This balance represents the resources available for the payment of G.O. bond principal, interest, and related costs.

Committed for Program Carryover - Noncapital - Represents noncapital amounts allocated to the District's budget units which were unspent during the year.

Committed for Program Carryover - Facilities Rental - Represents facilities rental amounts allocated to the District's budget units which were unspent during the year.

Committed for Pro Pay Program - Represents amounts that are committed for professional development through the District's Q-Comp Program.

B. Net Position

Net Investment in Capital Assets - This amount represents the net book value of the District's capital assets less the balance of outstanding debt used to acquire them.

Restricted for Debt Service - This amount represents resources restricted for future debt service in accordance with bond covenants and other agreements.

Restricted for Other Purpose - This amount represents total positive General Fund restricted fund balances, plus the fund balances in the Community Service and Food Service Funds.

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE

The District participates in various pension plans. Total pension expense for the year ended June 30, 2024, was (\$4,106,782). The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the Liability related to the pensions.

Teachers' Retirement Association

A. Plan Description

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

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

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Teachers' Retirement Association

B. Benefits Provided

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

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

Tier 1 Benefits

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

With these provisions:

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

Or

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

Tier II Benefits

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

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

B. Benefits Provided (Continued)

Tier II Benefits (Continued)

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

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

C. Contribution Rate

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

	June 30, 2022		June 30, 2023		June 30, 2024	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.0 %	12.34 %	11.0 %	12.55 %	11.3 %	12.75 %
Coordinated	7.5	8.34	7.5	8.55	7.8	8.75

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

Employer contributions reported in TRA's ACFR Statement of Changes in Fiduciary Net Position	\$ 508,764
Deduct employer contributions not related to future contribution efforts	(87)
Deduct TRA's contributions not included in allocation	<u>(643)</u>
Total employer contributions	508,034
Total non-employer contributions	<u>35,587</u>
Total contributions reported in <i>Schedule of Employer and Non-Employer Allocations</i>	<u><u>\$ 543,621</u></u>

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

C. Contribution Rate (Continued)

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

D. Actuarial Assumptions

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

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information

Valuation date	July 1, 2023
Measurement date	June 30, 2023
Experience study	June 28, 2019 (demographic and economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% after June 30, 2028.
Projected salary increase	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% after June 30, 2028.
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Mortality Assumptions

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 rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projections uses the MP 2015 scale.
Post-disability	RP 2014 disabled retiree mortality table, without adjustment.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

D. Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	33.5 %	5.10 %
International stocks	16.5	5.30
Fixed income	25.0	0.75
Private markets	<u>25.0</u>	5.90
Total	<u><u>100.0 %</u></u>	

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

Changes in actuarial assumptions since the 2022 valuation:

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

- ◆ The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025.
- ◆ The employee contribution rate will increase from 7.75% to 8.0% on July 1, 2025.
- ◆ The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.

The 2024 Omnibus Pensions and Retirement Bill:

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

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

E. Discount Rate

The discount rate used to measure the total pension liability was 7.0%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2023 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

F. Net Pension Liability

On June 30, 2024, the District reported a liability of \$74,925,233 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. District proportionate share was 0.9075% at the end of the measurement period and 0.9309% for the beginning of the year.

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

District's proportionate share of net pension liability	\$ 74,925,233
State's proportionate share of the net pension liability associated with the District	5,248,574

For the year ended June 30, 2024, the District recognized pension expense of (\$5,776,800). Included in this amount, the District recognized \$739,040 as pension expense for the support provided by direct aid.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

F. Net Pension Liability (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 807,567	\$ 1,118,664
Net difference between projected and actual earnings on plan investment	-	91,808
Changes of assumptions	8,958,035	-
Changes in proportion	327,657	5,837,715
Contributions to TRA subsequent to the measurement date	5,384,824	-
Total	\$ 15,478,083	\$ 7,048,187

The \$5,384,824 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2025	\$ (551,853)
2026	(2,237,142)
2027	7,514,681
2028	(1,231,205)
2029	(449,409)
Total	\$ 3,045,072

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) and 1 percentage point higher (8.0%) than the current rate.

District Proportionate Share of NPL		
1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
\$ 119,500,235	\$ 74,925,233	\$ 38,435,166

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

H. Pension Plan Fiduciary Net Position

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

Public Employees' Retirement Association

A. Plan Description

The District participates in the following cost-sharing multiple-employer defined benefit pension plan administered by PERA. PERA's defined benefit pension plan is established and administered in accordance with *Minnesota Statutes* Chapters 353 and 356. PERA's defined benefit pension plan is tax qualified plan under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

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

B. Benefits Provided

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

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

B. Benefits Provided (Continued)

General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2024, were \$1,560,151. The District's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At June 30, 2024, the District reported a liability of \$14,348,785 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$395,586.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.2566% at the end of the measurement period and 0.2663% for the beginning of the period.

District's proportionate share of net pension liability	\$ 14,348,785
State of Minnesota's proportionate share of the net pension liability associated with the School	<u>395,586</u>
Total	<u><u>\$ 14,744,371</u></u>

For the year ended June 30, 2024, the District recognized pension expense of \$1,670,018 for its proportionate share of the General Employees Plan's pension expense. Included in this amount, the District recognized an additional \$1,778 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At June 30, 2024, the District reported its proportionate share of deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 475,496	\$ 101,847
Changes in actuarial assumptions	2,394,162	3,932,880
Difference between projected and actual investments earnings	-	446,863
Change in proportion	40,570	859,468
Contributions paid to PERA subsequent to the measurement date	<u>1,560,151</u>	<u>-</u>
Total	<u><u>\$ 4,470,379</u></u>	<u><u>\$ 5,341,058</u></u>

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

The \$1,560,151 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 ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2025	\$ (4,361)
2026	(2,327,623)
2027	212,427
2028	(311,273)
Total	\$ (2,430,830)

E. Long-Term Expected Return on Investment

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

Asset Class	Final Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5 %	5.10 %
International stocks	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	100.0 %	

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (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. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.5%. 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 7.5% was deemed to be within that range of reasonableness for financial reporting purposes.

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service.

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

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

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

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

G. Discount Rates

The discount rate used to measure the total pension liability in 2023 was 7.0%. 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 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.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (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 in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
District's proportionate share of the PERA net pension liability	\$ 25,384,152	\$ 14,348,785	\$ 5,271,775

I. Pension Plan Fiduciary Net Position

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

NOTE 8 - POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description

The District provides postemployment insurance benefits to certain eligible employees through its Other Postemployment Benefits Plan, a single-employer defined benefit plan administered by the District. All postemployment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

B. Benefits Provided

Employees that meet certain age and/or length of service requirements are eligible for postretirement healthcare benefits. For teachers hired before July 1, 1989, and certain other employee groups, the District is contractually required to pay health insurance premiums for the period from retirement until eligibility for Medicare. The amount to be paid is equal to the single coverage insurance premium benefit available to full-time employees in the bargaining group.

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, 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.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 8 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

C. Members

As of July 1, 2023, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	55
Active employees	<u>1,068</u>
 Total	 <u><u>1,123</u></u>

D. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation measured as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

20-year municipal bond yield	3.90%, net of investment expense
Discount rate	3.90%
Salary increases	Service graded table
Inflation	2.50%
Healthcare cost trend increases	6.50% in 2023 grading to 5.00% over 6 years and then to 4.00% over the next 48 years.
Dental trend rate	4.00%
Mortality Assumption	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2022 through July 1, 2023.

Changes in actuarial assumptions for the fiscal year ending June 30, 2024:

- ◆ The health care trend rates were changed to better anticipate short term and long-term medical increases.
- ◆ The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- ◆ The percentage of future retirees not eligible for a subsidy who are assumed to continue on the District's medical plan post-employment was reduced from 45% to 25%.
- ◆ The discount rate was changed from 3.80% to 3.90%.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 8 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

E. Discount Rate

The discount rate used to measure the total OPEB liability was 3.90%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F. Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at June 30, 2023	<u>\$ 8,631,776</u>
Changes for the year	
Service cost	279,282
Interest	322,768
Assumption changes	(1,931,858)
Differences between expected and actual economic experience	(544,127)
Benefit payments	<u>(842,173)</u>
Net changes	<u>(2,716,108)</u>
Balances at June 30, 2024	<u><u>\$ 5,915,668</u></u>

G. OPEB Liability Sensitivity

The following presents the District's total OPEB liability calculated using the discount rate of 3.90% as well as the liability measured using 1 percentage point lower and 1 percentage point higher than the current discount rate.

	1% Decrease in Discount Rate (2.90%)	Current Discount Rate (3.90%)	1% Increase in Discount Rate (4.90%)
Total OPEB liability (asset)	\$ 6,174,227	\$ 5,915,668	\$ 5,663,149

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 8 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

G. OPEB Liability Sensitivity (Continued)

The following presents the total 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 and 1 percentage point higher than the current healthcare cost trend rates.

	1% Decrease in Trend Rate (5.50% Decreasing to 3.00%)	Current Trend Rate (6.50% Decreasing to 4.00%)	1% Increase in Trend Rate (7.50% Decreasing to 5.00%)
Total OPEB liability (asset)	\$ 5,563,969	\$ 5,915,668	\$ 6,317,509

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$146,782. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability gains/losses	\$ -	\$ 807,754
Changes of assumptions	87,130	2,161,166
Contributions made subsequent to the measurement date	757,943	-
 Total	 \$ 845,073	 \$ 2,968,920

The \$757,943 reported as deferred outflows of resources related to OPEB resulting from District contributions made subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2025.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 8 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (Continued)**

Other 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,	Total
2025	\$ (748,825)
2026	(582,113)
2027	(625,672)
2028	(512,520)
2029	(412,660)
Total	\$ (2,881,790)

NOTE 9 - RISK MANAGEMENT

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

A. Dental Self-Insurance Plan

The District established an Internal Service Fund to account for and finance its uninsured risk of loss for employee dental insurance plans. Under these plans, the Internal Service Fund provides coverage to participating employees and their dependents for various dental costs as described in the plan. There have been no significant reductions in insurance coverage from the prior year.

The District makes premium payments to the Internal Service Fund on behalf of the program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

District claim liabilities are reported when it is probable that a loss has occurred, and the amount 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.

**Independent School District No. 191
Notes to Basic Financial Statements**

NOTE 9 - RISK MANAGEMENT (CONTINUED)

A. Dental Self-Insurance Plan (Continued)

Changes in the fund's claims liability amounts for the past three years are as listed:

Year	Beginning Balance	Claims Expense and Estimates	Claims Payments	Ending Balance
2022	\$ 51,132	\$ 835,266	\$ 834,825	\$ 51,573
2023	51,573	845,634	858,319	38,888
2024	38,888	848,347	832,531	54,704

B. Health Self-Insurance Plan

The District's health benefits plan is a partially self-insured plan and maintains an Internal Service Fund to account for and finance a program for health benefits. District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for health expenses. There have been no significant reductions in insurance coverage from the prior year.

Participants in the program make premium payments to the fund based on the composite insurance premium. The excess amount received above current year claims is used to establish a reserve for future claims. The District had pre-funded the self-insurance fund with an initial transfer of \$2,600,000 at June 30, 2010. At June 30, 2024, there is a reserve of \$7,763,977 resulting from fund operations.

District 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 such complex factors 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. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

There is a possibility for loss if claims are in excess of the premiums collected up to the amounts covered by the District for single and family coverage. The District held \$13,929,878 in cash and investments at June 30, 2024, for payment of claims and carryover balances.

Changes in the fund's claims liability amounts since inception of the fund are as follows:

Year	Beginning Balance	Claims Expense and Estimates	Claims Payments	Ending Balance
2022	\$ 2,652,208	\$ 22,518,961	\$ 22,252,227	\$ 2,918,942
2023	2,918,942	23,766,205	24,008,699	2,676,448
2024	2,676,448	22,011,393	21,849,063	2,838,778

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REQUIRED SUPPLEMENTARY INFORMATION

Independent School District No. 191
Schedule of Changes in Total OPEB Liability
and Related Ratios

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Total OPEB Liability			
Service cost	\$ 588,543	\$ 606,199	\$ 588,655
Interest	334,217	338,690	338,166
Differences between expected and actual experience	-	-	(848,509)
Changes of assumptions	-	-	(151,810)
Changes in plans	-	-	711,831
Benefit payments	(901,552)	(714,584)	(1,174,779)
Other changes	-	-	-
Net change in total OPEB liability	<u>21,208</u>	<u>230,305</u>	<u>(536,446)</u>
Beginning of year	<u>9,688,366</u>	<u>9,709,574</u>	<u>9,939,879</u>
End of year	<u>\$ 9,709,574</u>	<u>\$ 9,939,879</u>	<u>\$ 9,403,433</u>
Covered-employee payroll	\$ 73,187,817	\$ 75,383,452	\$ 71,912,868
Total OPEB liability as a percentage of covered-employee payroll	13.27%	13.19%	13.08%

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

<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
\$ 669,075	\$ 639,535	\$ 519,720	\$ 279,282
300,786	243,940	197,882	322,768
-	(425,805)	-	(544,127)
261,394	(253,114)	(599,145)	(1,931,858)
70,000	-	-	-
(745,184)	(874,929)	(775,812)	(842,173)
-	-	-	-
<u>556,071</u>	<u>(670,373)</u>	<u>(657,355)</u>	<u>(2,716,108)</u>
<u>9,403,433</u>	<u>9,959,504</u>	<u>9,289,131</u>	<u>8,631,776</u>
<u>\$ 9,959,504</u>	<u>\$ 9,289,131</u>	<u>\$ 8,631,776</u>	<u>\$ 5,915,668</u>
\$ 74,070,254	\$ 70,214,895	\$ 72,321,342	\$ 73,958,345
13.45%	13.23%	11.94%	8.00%

Independent School District No. 191
Schedule of District's and Non-Employer Proportionate Share
(if Applicable) of Net Pension Liability
General Employees Retirement Fund
Last Ten Years

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.3144%	\$ 14,768,937	\$ -	\$ 14,768,937	\$ 16,502,952	89.5%	78.7%
2015	0.3049%	15,801,500	-	15,801,500	17,625,160	89.7%	78.2%
2016	0.2932%	23,806,386	310,890	24,117,276	18,288,267	131.9%	68.9%
2017	0.3073%	19,617,829	246,666	19,864,495	19,893,240	99.9%	75.9%
2018	0.3028%	16,798,103	550,951	17,349,054	20,481,240	84.7%	79.5%
2019	0.2911%	16,094,267	500,224	16,594,491	20,176,920	82.2%	80.2%
2020	0.2833%	16,985,130	523,696	17,508,826	20,203,947	86.7%	79.1%
2021	0.2644%	11,291,065	344,172	11,635,237	19,104,933	60.9%	87.0%
2022	0.2663%	21,091,048	618,310	21,709,358	19,947,693	108.8%	76.7%
2023	0.2566%	14,348,785	395,586	14,744,371	20,408,427	72.2%	83.1%

Schedule of District's and Non-Employer Proportionate Share
(if Applicable) of Net Pension Liability
TRA Retirement Fund
Last Ten Years

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	1.1800%	\$ 54,373,550	\$ 3,825,072	\$ 58,198,622	\$ 30,951,565	175.7%	81.5%
2015	1.1189%	69,215,031	8,489,588	77,704,619	56,788,600	121.9%	76.8%
2016	1.0785%	257,247,983	25,822,002	283,069,985	56,085,280	458.7%	44.9%
2017	1.0605%	211,695,037	20,463,614	232,158,651	36,546,720	579.2%	51.6%
2018	1.0441%	65,576,988	6,161,373	71,738,361	57,861,520	113.3%	78.1%
2019	1.0754%	68,546,222	6,066,291	74,612,513	60,324,630	113.6%	78.2%
2020	1.0079%	74,465,003	6,240,583	80,705,586	58,151,692	128.1%	75.5%
2021	0.9312%	40,752,096	3,436,859	44,188,955	56,610,246	72.0%	86.6%
2022	0.9309%	74,541,548	5,527,758	80,069,306	57,540,036	129.5%	76.2%
2023	0.9075%	74,925,233	5,248,574	80,173,807	57,697,205	129.9%	76.4%

**Independent School District No. 191
Schedule of District Contributions
General Employees Retirement Fund
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,321,887	\$ 1,321,887	\$ -	\$ 17,625,160	7.50%
2016	1,371,620	1,371,620	-	18,288,267	7.50%
2017	1,491,993	1,491,993	-	19,893,240	7.50%
2018	1,536,093	1,536,093	-	20,481,240	7.50%
2019	1,513,269	1,513,269	-	20,176,920	7.50%
2020	1,515,296	1,515,296	-	20,203,947	7.50%
2021	1,432,870	1,432,870	-	19,104,933	7.50%
2022	1,496,077	1,496,077	-	19,947,693	7.50%
2023	1,530,632	1,530,632	-	20,408,427	7.50%
2024	1,560,151	1,560,151	-	20,802,013	7.50%

**Schedule of District Contributions
TRA Retirement Fund
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 4,259,145	\$ 4,259,145	\$ -	\$ 56,788,600	7.50%
2016	4,206,396	4,206,396	-	56,085,280	7.50%
2017	4,295,983	4,295,983	-	57,279,773	7.50%
2018	4,339,614	4,339,614	-	57,861,520	7.50%
2019	4,651,029	4,651,029	-	60,324,630	7.71%
2020	4,605,614	4,605,614	-	58,151,692	7.92%
2021	4,602,413	4,602,413	-	56,610,246	8.13%
2022	4,798,839	4,798,839	-	57,540,036	8.34%
2023	4,933,111	4,933,111	-	57,697,205	8.55%
2024	5,384,824	5,384,824	-	61,540,846	8.75%

Independent School District No. 191
Notes to the Required Supplementary Information

TRA Retirement Fund

2023 Changes

Changes of Benefit Terms

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

- ◆ The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025.
- ◆ The employee contribution rate will increase from 7.75% to 8.0% on July 1, 2025.
- ◆ The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.

The 2024 Omnibus Pensions and Retirement Bill:

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

2022 Changes

Changes in Actuarial Assumptions

- ◆ None

2021 Changes

Changes in Actuarial Assumptions

- ◆ The investment return assumption was changed from 7.5% to 7.0%.

2020 Changes

Changes in Actuarial Assumptions

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

2019 Changes

Changes in Actuarial Assumptions

- ◆ None

2018 Changes

Changes in Actuarial Assumptions

- ◆ The discount rate was increased to 7.5% from 5.12%.
- ◆ The cost-of-living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% 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 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.

Independent School District No. 191
Notes to the Required Supplementary Information

TRA Retirement Fund (Continued)

2018 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- ◆ Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019, and ending July 1, 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 0.0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- ◆ The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 Changes

Changes in Actuarial Assumptions

- ◆ The discount rate was increased to 5.12% from 4.66%.
- ◆ The cost-of-living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- ◆ The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- ◆ Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- ◆ The investment return assumption was changed from 8.0% to 7.5%.
- ◆ The price inflation assumption was lowered from 2.75% to 2.5%.
- ◆ The payroll growth assumption was lowered from 2.5% to 3.0%.
- ◆ The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- ◆ The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

2016 Changes

Changes in Actuarial Assumptions

- ◆ The discount rate was decreased to 4.66% from 8.0%.
- ◆ The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- ◆ The price inflation assumption was lowered from 3% to 2.75%.
- ◆ The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- ◆ Minor changes as some durations for the merit scale of the salary increase assumption.
- ◆ The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- ◆ The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- ◆ The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.

Independent School District No. 191
Notes to the Required Supplementary Information

TRA Retirement Fund (Continued)

2016 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- ◆ Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- ◆ Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- ◆ A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

2015 Changes

Changes of Benefit Terms

- ◆ The DTRFA was merged into TRA on June 30, 2015.

Changes in Actuarial Assumption

- ◆ The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%.

Independent School District No. 191
Notes to the Required Supplementary Information

General Employees Fund

2023 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

- ◆ The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- ◆ The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- ◆ The price inflation assumption was decreased from 2.5% to 2.25%.
- ◆ The payroll growth assumption was decreased from 3.25% to 3.0%.
- ◆ Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- ◆ Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- ◆ Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- ◆ Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- ◆ The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- ◆ The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- ◆ The assumed spouse age difference was changed from two years older for females to one year older.

Independent School District No. 191
Notes to the Required Supplementary Information

General Employees Fund (Continued)

2020 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- ◆ The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- ◆ The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- ◆ The mortality projection scale was changed from MP-2015 to MP-2017.
- ◆ The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

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 4.0% to 3.0%, beginning July 1, 2018.
- ◆ Deferred augmentation was changed to 0.0%, 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 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, 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. This does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- ◆ Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- ◆ The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- ◆ The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Independent School District No. 191
Notes to the Required Supplementary Information

General Employees Fund (Continued)

2017 Changes (Continued)

Changes in Plan Provisions

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

2016 Changes

Changes in Actuarial Assumptions

- ◆ The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- ◆ The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- ◆ Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- ◆ The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- ◆ On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

Independent School District No. 191
Notes to the Required Supplementary Information

Post-Employment Health Care Plan

2024 Changes

Changes in Actuarial Assumptions

- ◆ The health care trend rates and mortality tables were updated.
- ◆ The percentage of future retirees not eligible for a subsidy who are assumed to continue on the District's medical plan post-employment was updated.
- ◆ The discount rate was changed from 3.80% to 3.90%.

2023 Changes

Changes in Actuarial Assumptions

- ◆ The inflation rate was changed from 2.00% to 2.50%.
- ◆ The discount rate was changed from 2.10% to 3.80%.

2022 Changes

Changes in Actuarial Assumptions

- ◆ The inflation rate was changed from 2.50% to 2.00%.
- ◆ The discount rate was changed from 2.40% to 2.10%.
- ◆ The healthcare trend rates, mortality tables, and salary increase rates for non-teachers, termination rates, and percentage of future retirees not eligible for subsidy who are assumed to continue on the District's medical plan post-employment were updated.

2021 Changes

Changes in Actuarial Assumptions

- ◆ The discount rate was changed from 3.10% to 2.40%.

2020 Changes

Changes in Actuarial Assumptions

- ◆ The discount rate was changed from 3.40% to 3.10%.
- ◆ The health care trend rates, mortality tables, and salary increase rates were updated.

2019 Changes

Changes in Actuarial Assumptions

- ◆ None noted.

SUPPLEMENTARY INFORMATION

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
Revenues				
Local property taxes	\$ 37,990,707	\$ 37,785,291	\$ (205,416)	\$ 29,798,182
Other local and county revenues	3,439,000	6,481,333	3,042,333	5,679,931
Revenue from state sources	104,338,340	107,269,806	2,931,466	91,901,869
Revenue from federal sources	14,357,204	13,999,930	(357,274)	14,827,230
Sales and other conversion of assets	61,000	50,618	(10,382)	67,491
Total revenues	<u>160,186,251</u>	<u>165,586,978</u>	<u>5,400,727</u>	<u>142,274,703</u>
Expenditures				
Current				
Administration				
Salaries	4,044,514	3,997,118	(47,396)	3,721,482
Employee benefits	1,488,671	1,456,314	(32,357)	1,324,101
Purchased services	173,743	107,547	(66,196)	76,042
Supplies and materials	94,548	90,358	(4,190)	107,885
Other expenditures	(16,719)	(20,405)	(3,686)	62,137
Total administration	<u>5,784,757</u>	<u>5,630,932</u>	<u>(153,825)</u>	<u>5,291,647</u>
District support services				
Salaries	2,101,197	2,114,776	13,579	1,964,104
Employee benefits	894,999	1,068,380	173,381	1,558,252
Purchased services	825,497	867,275	41,778	643,031
Supplies and materials	731,660	872,890	141,230	394,666
Other expenditures	(291,474)	(303,977)	(12,503)	31,818
Total District support services	<u>4,261,879</u>	<u>4,619,344</u>	<u>357,465</u>	<u>4,591,871</u>
Elementary and secondary regular instruction				
Salaries	41,635,029	38,079,513	(3,555,516)	35,939,690
Employee benefits	17,525,227	16,582,085	(943,142)	15,110,890
Purchased services	3,799,904	3,779,468	(20,436)	3,509,166
Supplies and materials	1,302,431	1,358,347	55,916	1,949,428
Other expenditures	675,153	657,947	(17,206)	252,541
Total elementary and secondary regular instruction	<u>64,937,744</u>	<u>60,457,360</u>	<u>(4,480,384)</u>	<u>56,761,715</u>
Vocational education instruction				
Salaries	1,432,483	1,400,321	(32,162)	1,374,829
Employee benefits	657,011	639,527	(17,484)	599,775
Purchased services	87,150	33,243	(53,907)	69,463
Supplies and materials	91,241	65,073	(26,168)	115,418
Other expenditures	138,994	96,357	(42,637)	9,012
Total vocational education instruction	<u>2,406,879</u>	<u>2,234,521</u>	<u>(172,358)</u>	<u>2,168,497</u>
Special education instruction				
Salaries	17,672,543	17,182,940	(489,603)	16,648,179
Employee benefits	8,098,139	7,769,976	(328,163)	7,280,362
Purchased services	2,742,462	3,515,067	772,605	2,428,946
Supplies and materials	207,981	315,226	107,245	205,609
Other expenditures	166,000	91,255	(74,745)	154,830
Total special education instruction	<u>28,887,125</u>	<u>28,874,464</u>	<u>(12,661)</u>	<u>26,717,926</u>

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	2024		2023	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
Expenditures (Continued)				
Current (Continued)				
Instructional support services				
Salaries	\$ 7,932,583	\$ 7,834,559	\$ (98,024)	\$ 8,453,781
Employee benefits	2,247,821	2,135,023	(112,798)	2,383,927
Purchased services	202,990	226,347	23,357	222,668
Supplies and materials	561,167	634,623	73,456	1,298,894
Other expenditures	87,947	57,962	(29,985)	75,905
Total instructional support services	<u>11,032,508</u>	<u>10,888,514</u>	<u>(143,994)</u>	<u>12,435,175</u>
Pupil support services				
Salaries	3,316,509	3,115,964	(200,545)	1,712,379
Employee benefits	1,365,728	1,387,756	22,028	737,904
Purchased services	10,478,213	11,889,500	1,411,287	9,807,562
Supplies and materials	366,593	192,781	(173,812)	387,241
Other expenditures	51,000	64,420	13,420	43,427
Total pupil support services	<u>15,578,043</u>	<u>16,650,421</u>	<u>1,072,378</u>	<u>12,688,513</u>
Sites and buildings				
Salaries	4,238,430	4,419,765	181,335	3,924,717
Employee benefits	1,877,285	1,766,057	(111,228)	1,666,792
Purchased services	5,149,044	4,610,310	(538,734)	5,285,230
Supplies and materials	743,023	905,882	162,859	811,240
Other expenditures	175,000	(109,608)	(284,608)	47,855
Total sites and buildings	<u>12,182,782</u>	<u>11,592,406</u>	<u>(590,376)</u>	<u>11,735,834</u>
Fiscal and other fixed cost programs				
Purchased services	<u>530,000</u>	<u>525,199</u>	<u>(4,801)</u>	<u>472,595</u>
Capital outlay				
Administration	93,280	10,926	(82,354)	62,697
District support services	410,060	334,144	(75,916)	80
Elementary and secondary regular instruction	166,016	100,914	(65,102)	94,918
Vocational education instruction	515	14,784	14,269	30,383
Special education instruction	48,950	18,469	(30,481)	64,563
Instructional support services	2,495,329	1,986,562	(508,767)	1,478,105
Pupil support services	127,246	39,931	(87,315)	763
Sites and buildings	4,476,644	5,143,940	667,296	2,594,972
Total capital outlay	<u>7,818,040</u>	<u>7,649,670</u>	<u>(168,370)</u>	<u>4,326,481</u>

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2024
 (With Summarized Financial Information for Year Ended June 30, 2023)

	2024		2023	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
Expenditures (Continued)				
Debt service				
Principal	\$ 153,164	\$ 147,347	\$ (5,817)	\$ 144,147
Interest and fiscal charges	8,332	9,115	783	14,221
Total debt service	161,496	156,462	(5,034)	158,368
 Total expenditures	153,581,253	149,279,293	(4,301,960)	137,348,622
 Excess of revenues over expenditures	6,604,998	16,307,685	9,702,687	4,926,081
Other Financing Sources				
Proceeds from sale of capital assets	-	1,000	1,000	-
Lease proceeds	-	-	-	35,235
Total other financing sources	-	1,000	1,000	35,235
 Net change in fund balance	\$ 6,604,998	16,308,685	\$ 9,703,687	4,961,316
Fund Balance				
Beginning of year		37,483,216		32,521,900
End of year		\$ 53,791,901		\$ 37,483,216

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - Food Service Fund
Year Ended June 30, 2024
 (With Summarized Financial Information for Year Ended June 30, 2023)

	2024		Over (Under) Final Budget	2023
	Final Budget	Actual Amounts		Actual Amounts
Revenues				
Other local and county revenues	\$ 70,000	\$ 166,834	\$ 96,834	\$ 97,671
Revenue from state sources	906,334	1,082,994	176,660	215,992
Revenue from federal sources	5,656,406	5,707,401	50,995	4,465,203
Sales and other conversion of assets	225,000	208,483	(16,517)	1,109,413
Total revenues	<u>6,857,740</u>	<u>7,165,712</u>	<u>307,972</u>	<u>5,888,279</u>
Expenditures				
Current				
Food service				
Salaries	2,223,199	1,917,544	(305,655)	2,046,067
Employee benefits	671,015	642,965	(28,050)	588,358
Purchased services	193,603	122,153	(71,450)	141,333
Supplies and materials	2,859,250	2,927,307	68,057	2,426,294
Other expenditures	7,725	272,489	264,764	7,817
Capital outlay				
Food service	215,000	279,935	64,935	17,187
Total expenditures	<u>6,169,792</u>	<u>6,162,393</u>	<u>(7,399)</u>	<u>5,227,056</u>
Excess of revenues over (under) expenditures	687,948	1,003,319	315,371	661,223
Other Financing Sources				
Proceeds from sale of capital assets	5,000	4,667	(333)	1,807
Net change in fund balance	<u>\$ 692,948</u>	<u>1,007,986</u>	<u>\$ 315,038</u>	<u>663,030</u>
Fund Balance				
Beginning of year		<u>3,174,492</u>		<u>2,511,462</u>
End of year		<u>\$ 4,182,478</u>		<u>\$ 3,174,492</u>

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - Community Service Fund
Year Ended June 30, 2024
 (With Summarized Financial Information for Year Ended June 30, 2023)

	2024		Over (Under) Final Budget	2023
	Final Budget	Actual Amounts		Actual Amounts
Revenues				
Local property taxes	\$ 1,617,454	\$ 1,604,461	\$ (12,993)	\$ 1,598,162
Other local and county revenues	2,997,771	3,440,115	442,344	3,077,009
Revenue from state sources	1,812,212	1,788,069	(24,143)	1,661,039
Revenue from federal sources	462,237	376,025	(86,212)	450,950
Sales and other conversion of assets	10,500	18,218	7,718	13,626
Total revenues	<u>6,900,174</u>	<u>7,226,888</u>	<u>326,714</u>	<u>6,800,786</u>
Expenditures				
Current				
Community education and services				
Salaries	3,904,297	3,632,960	(271,337)	3,540,309
Employee benefits	1,270,746	1,241,509	(29,237)	1,137,009
Purchased services	789,150	792,308	3,158	673,036
Supplies and materials	449,156	425,999	(23,157)	460,277
Other expenditures	27,672	22,821	(4,851)	21,087
Capital outlay				
Community education and services	<u>39,400</u>	<u>19,762</u>	<u>(19,638)</u>	<u>79,292</u>
Total expenditures	<u>6,480,421</u>	<u>6,135,359</u>	<u>(345,062)</u>	<u>5,911,010</u>
Net change in fund balance	<u>\$ 419,753</u>	1,091,529	<u>\$ 671,776</u>	889,776
Fund Balance				
Beginning of year		<u>4,085,286</u>		<u>3,195,510</u>
End of year		<u>\$ 5,176,815</u>		<u>\$ 4,085,286</u>

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Debt Service Fund
Year Ended June 30, 2024
 (With Summarized Financial Information for Year Ended June 30, 2023)

	2024		Over (Under) Final Budget	2023
	Final Budget	Actual Amounts		Actual Amounts
Revenues				
Local property taxes	\$ 9,862,494	\$ 9,779,404	\$ (83,090)	\$ 10,402,745
Other local and county revenues	340,914	815,034	474,120	561,232
Revenue from state sources	11,592	12,233	641	85,129
Total revenues	<u>10,215,000</u>	<u>10,606,671</u>	<u>391,671</u>	<u>11,049,106</u>
Expenditures				
Debt service				
Principal	7,550,000	7,550,000	-	7,140,000
Interest and fiscal charges	3,805,153	3,804,614	(539)	4,213,887
Total expenditures	<u>11,355,153</u>	<u>11,354,614</u>	<u>(539)</u>	<u>11,353,887</u>
Excess of revenues over (under) expenditures	<u>\$ (1,140,153)</u>	(747,943)	<u>\$ 392,210</u>	(304,781)
Fund Balance				
Beginning of year		<u>5,487,111</u>		<u>5,791,892</u>
End of year		<u>\$ 4,739,168</u>		<u>\$ 5,487,111</u>

Independent School District No. 191
Combining Statement of
Net Position - Internal Service Funds
Year Ended June 30, 2024
(With Summarized Financial Information as of June 30, 2023)

	Self-Insured Dental	Self-Insured Health	Severance Benefits	OPEB Revocable Trust
Assets				
Current assets				
Cash and investments	\$ 564,481	\$ 13,802,148	\$ 365,678	\$ 11,688,626
Interest receivable	-	-	-	43,045
Accounts receivable	-	427,700	-	-
Due from other funds	12,014	316,026	-	-
Total assets	<u>576,495</u>	<u>14,545,874</u>	<u>365,678</u>	<u>11,731,671</u>
Liabilities				
Current liabilities				
Health and dental claims payable	54,704	2,838,778	-	-
Due to plan participants	-	4,017,158	-	-
Severance benefits payable	-	-	43,440	-
Due to other funds	-	-	-	757,943
Unearned revenue	6,898	53,691	-	-
Total current liabilities	<u>61,602</u>	<u>6,909,627</u>	<u>43,440</u>	<u>757,943</u>
Noncurrent liabilities				
Severance benefits payable	-	-	322,238	-
Total liabilities	<u>61,602</u>	<u>6,909,627</u>	<u>365,678</u>	<u>757,943</u>
Net Position				
Unrestricted	<u>\$ 514,893</u>	<u>\$ 7,636,247</u>	<u>\$ -</u>	<u>\$ 10,973,728</u>

Totals

2024	2023
\$ 26,420,933	\$ 26,912,405
43,045	22,179
427,700	506,956
328,040	313,090
27,219,718	27,754,630
2,893,482	2,715,336
4,017,158	4,488,934
43,440	110,286
757,943	842,173
60,589	71,782
7,772,612	8,228,511
322,238	127,662
8,094,850	8,356,173
\$ 19,124,868	\$ 19,398,457

Independent School District No. 191
Combining Statement of Revenues, Expenses, and Changes
in Fund Net Position - Internal Service Funds
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	Self-Insured Dental	Self-Insured Health	Severance Benefits	OPEB Revocable Trust
Operating Revenues				
Charges for services	\$ 843,376	\$ 24,266,130	\$ -	\$ -
Other services	20,537	379,285	-	-
Total operating revenues	<u>863,913</u>	<u>24,645,415</u>	<u>-</u>	<u>-</u>
Operating Expenses				
Health insurance claim payments	-	25,261,473	-	-
Dental insurance claim payments	902,685	-	-	-
Severance payments	-	-	127,730	-
OPEB payments	-	-	-	789,184
Total operating expenses	<u>902,685</u>	<u>25,261,473</u>	<u>127,730</u>	<u>789,184</u>
Operating income	(38,772)	(616,058)	(127,730)	(789,184)
Nonoperating Income				
Earnings on investments	<u>27,782</u>	<u>172,169</u>	<u>-</u>	<u>1,098,204</u>
Income before transfers	(10,990)	(443,889)	(127,730)	309,020
Transfers in	-	2,644,085	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(2,644,085)</u>	<u>-</u>
Change in net position	(10,990)	2,200,196	(2,771,815)	309,020
Net Position				
Beginning of year	<u>525,883</u>	<u>5,436,051</u>	<u>2,771,815</u>	<u>10,664,708</u>
End of year	<u>\$ 514,893</u>	<u>\$ 7,636,247</u>	<u>\$ -</u>	<u>\$ 10,973,728</u>

Totals	
2024	2023
\$ 25,109,506	\$ 22,320,153
399,822	638,618
<u>25,509,328</u>	<u>22,958,771</u>
25,261,473	23,766,205
902,685	845,634
127,730	51,009
789,184	868,796
<u>27,081,072</u>	<u>25,531,644</u>
(1,571,744)	(2,572,873)
<u>1,298,155</u>	<u>1,070,339</u>
(273,589)	(1,502,534)
2,644,085	-
<u>(2,644,085)</u>	<u>-</u>
(273,589)	(1,502,534)
<u>19,398,457</u>	<u>20,900,991</u>
<u>\$ 19,124,868</u>	<u>\$ 19,398,457</u>

Independent School District No. 191
Combining Statement of Cash Flows -
Internal Service Funds
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	Self-Insured Dental	Self-Insured Health	Severance Benefits	OPEB Revocable Trust
Cash Flows - Operating Activities				
Receipts from interfund services provided	\$ 862,617	\$ 24,699,824	\$ -	\$ -
Payments for health and dental claims	(886,869)	(25,570,919)	-	-
Payments to employee OPEB	-	-	-	(873,414)
Payments for severance benefits	-	-	-	-
Net cash flows - operating activities	<u>(24,252)</u>	<u>(871,095)</u>	-	<u>(873,414)</u>
Cash Flows - Noncapital				
Transfer from other funds	-	2,644,085	(2,644,085)	-
Net Cash Flows - Noncapital				
Financing Activities	-	2,644,085	(2,644,085)	-
Cash Flows - Investment Activities				
Interest received	27,782	172,169	-	1,077,338
Net cash flows - investment activities	<u>27,782</u>	<u>172,169</u>	-	<u>1,077,338</u>
Net change in cash and cash equivalents	3,530	1,945,159	(2,644,085)	203,924
Cash and Cash Equivalents				
Beginning of year	<u>560,951</u>	<u>11,856,989</u>	<u>3,009,763</u>	<u>11,484,702</u>
End of year	<u>\$ 564,481</u>	<u>\$ 13,802,148</u>	<u>\$ 365,678</u>	<u>\$ 11,688,626</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities				
Operating income (loss)	\$ (38,772)	\$ (616,058)	\$ (127,730)	\$ (789,184)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Health and dental claims payable	15,816	162,330	-	-
Due to plan participants	-	(471,776)	-	-
Severance payable	-	-	127,730	-
Due to other funds	-	-	-	(84,230)
Accounts receivable	-	79,256	-	-
Due from other funds	329	(15,279)	-	-
Unearned revenue	(1,625)	(9,568)	-	-
Net adjustments	<u>14,520</u>	<u>(255,037)</u>	<u>127,730</u>	<u>(84,230)</u>
Net cash flows - operating activities	<u>\$ (24,252)</u>	<u>\$ (871,095)</u>	<u>\$ -</u>	<u>\$ (873,414)</u>

Totals	
2024	2023
\$ 25,562,441	\$ 22,525,744
(26,457,788)	(24,303,348)
(873,414)	(802,435)
-	(495,736)
<u>(1,768,761)</u>	<u>(3,075,775)</u>
-	-
-	-
<u>1,277,289</u>	<u>1,057,854</u>
1,277,289	1,057,854
(491,472)	(2,017,921)
<u>26,912,405</u>	<u>28,930,326</u>
<u>\$ 26,420,933</u>	<u>\$ 26,912,405</u>
\$ (1,571,744)	\$ (2,572,873)
178,146	(633,617)
(471,776)	942,108
127,730	(444,727)
(84,230)	66,361
79,256	(436,263)
(14,950)	1,168
(11,193)	2,068
<u>(197,017)</u>	<u>(502,902)</u>
<u>\$ (1,768,761)</u>	<u>\$ (3,075,775)</u>

Independent School District No. 191
Uniform Financial Accounting and Reporting Standards
Compliance Table
Year Ended June 30, 2024

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION FUND			
Total revenue	\$ 165,586,978	\$ 165,586,981	\$ (3)	Total revenue	\$ -	\$ -	\$ -
Total expenditures	149,279,293	149,279,289	4	Total expenditures	-	-	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable fund balance	342,495	342,496	(1)	460 Nonspendable fund balance	-	-	-
<i>Restricted/reserved:</i>				<i>Restricted/reserved:</i>			
401 Student Activities	259,689	259,689	-	407 Capital Projects Levy	-	-	-
402 Scholarships	-	-	-	413 Building Projects Funded by COP	-	-	-
403 Staff Development	-	-	-	467 Long-term Facilities Maintenance	-	-	-
407 Capital Projects Levy	832,955	832,955	-	<i>Restricted:</i>			
408 Cooperative Programs	-	-	-	464 Restricted fund balance	-	-	-
409 Alternative Facility Program	-	-	-	<i>Unassigned:</i>			
412 Literacy Incentive Aid	313,959	313,959	-	463 Unassigned fund balance	-	-	-
414 Operating Debt	-	-	-				
416 Levy Reduction	-	-	-	07 DEBT SERVICE FUND			
417 Taconite Building Maintenance	-	-	-	Total revenue	\$ 9,151,353	\$ 9,151,353	\$ -
420 American Indian Ed Aid	17,957	17,957	-	Total expenditures	9,949,461	9,949,463	(2)
424 Operating Capital	2,049,497	2,049,497	-	<i>Nonspendable:</i>			
426 \$25 Taconite	-	-	-	460 Nonspendable fund balance	-	-	-
427 Disabled Accessibility	-	-	-	<i>Restricted/reserved:</i>			
428 Learning and Development	-	-	-	425 Bond refundings	-	-	-
434 Area Learning Center	8,801,478	8,801,478	-	433 Maximum effort loan aid	-	-	-
435 Contracted Alternative Programs	-	-	-	451 QZAB payments	-	-	-
436 State Approved Alternative Program	-	-	-	467 LTFM	-	-	-
438 Gifted and Talented	-	-	-	<i>Restricted:</i>			
439 English Learner	-	-	-	464 Restricted fund balance	4,366,962	4,366,961	1
440 Teacher Development and Evaluation	-	-	-	<i>Unassigned:</i>			
441 Basic Skills Programs	-	-	-	463 Unassigned fund balance	-	-	-
443 School Library Aid	-	-	-				
445 Career Technical Programs	-	-	-	08 TRUST FUND			
448 Achievement of Integration Revenue	-	-	-	Total revenue	\$ -	\$ -	\$ -
449 Safe Schools Revenue	196,200	196,200	-	Total expenditures	-	-	-
451 QZAB payments	-	-	-	<i>Unassigned:</i>			
452 OPEB Liabilities not Held in Trust	-	-	-	401 Student Activities	-	-	-
453 Unfunded Severance and Retirement Levy	-	-	-	402 Scholarships	-	-	-
459 Basic Skills Extended Time	-	-	-	422 Net position	-	-	-
467 Long-term Facilities Maintenance	(264,191)	(264,189)	(2)				
471 Student Support Personnel Aid	-	-	-	18 CUSTODIAL FUND			
<i>Restricted:</i>				Total revenue	\$ -	\$ -	\$ -
472 Medical Assistance	3,340,272	3,340,272	-	Total expenditures	-	-	-
464 Restricted fund balance	-	-	-	<i>Restricted/Reserved</i>			
475 Title VII - Impact Aid	-	-	-	401 Student Activities	-	-	-
476 Payments in Lieu of Taxes	-	-	-	402 Scholarships	-	-	-
<i>Committed:</i>				448 Achievement and Integration	-	-	-
461 Committed fund balance	1,207,116	1,207,116	-	464 Restricted	-	-	-
418 Committed for separation	-	-	-				
<i>Assigned:</i>				20 INTERNAL SERVICE FUND			
462 Assigned fund balance	-	-	-	Total revenue	\$ 25,709,279	\$ 25,709,278	\$ 1
<i>Unassigned:</i>				Total expenditures	26,291,888	26,291,888	-
422 Unassigned fund balance	36,694,474	36,694,478	(4)	<i>Unassigned:</i>			
				422 Net position	8,151,140	8,151,140	-
02 FOOD SERVICES FUND							
Total revenue	\$ 7,165,712	\$ 7,165,711	\$ 1	25 OPEB REVOCABLE TRUST			
Total expenditures	6,162,393	6,162,396	(3)	Total revenue	\$ 1,098,204	\$ 1,098,204	\$ -
<i>Nonspendable:</i>				Total expenditures	789,184	789,184	-
460 Nonspendable fund balance	360,300	360,300	-	<i>Unassigned:</i>			
<i>Restricted/reserved:</i>				422 Net position	10,973,728	10,973,728	-
452 OPEB Liabilities not Held in Trust	-	-	-				
<i>Restricted:</i>				45 OPEB IRREVOCABLE TRUST			
464 Restricted fund balance	3,822,178	3,822,175	3	Total revenue	\$ -	\$ -	\$ -
<i>Unassigned:</i>				Total expenditures	-	-	-
463 Unassigned fund balance	-	-	-	<i>Unassigned:</i>			
				422 Net position	-	-	-
04 COMMUNITY SERVICE FUND							
Total revenue	\$ 7,226,888	\$ 7,226,889	\$ (1)	47 OPEB DEBT SERVICE			
Total expenditures	6,135,359	6,135,358	1	Total revenue	\$ 1,455,318	\$ 1,455,317	\$ 1
<i>Nonspendable:</i>				Total expenditures	1,405,153	1,405,153	-
460 Nonspendable fund balance	-	-	-	<i>Nonspendable:</i>			
<i>Restricted/reserved:</i>				460 Nonspendable fund balance	-	-	-
426 \$25 Taconite	-	-	-	<i>Restricted:</i>			
431 Community Education	4,116,125	4,116,125	-	425 Bond refundings	-	-	-
432 ECFE	455,932	455,932	-	464 Restricted fund balance	372,206	372,206	-
444 School Readiness	588,915	588,915	-	<i>Unassigned:</i>			
447 Adult Basic Education	-	-	-	463 Unassigned fund balance	-	-	-
452 OPEB Liabilities not Held in Trust	-	-	-				
<i>Restricted:</i>							
464 Restricted fund balance	15,843	15,844	(1)				
<i>Unassigned:</i>							
463 Unassigned fund balance	-	-	-				

STATISTICAL SECTION

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**Independent School District No. 191
Statistical Section (Unaudited)**

This part of the Independent School District No. 191's annual comprehensive financial report presents detailed information as a context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
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.	114
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	122
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.	130
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.	136
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	139

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

Independent School District No. 191
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)
(unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Governmental Activities				
Net investment in capital assets	\$ 27,062,458	\$ 22,196,478	\$ 17,935,621	\$ 21,465,486
Restricted	7,527,306	6,488,027	6,015,244	5,821,544
Unrestricted	(58,671,372)	(51,635,923)	(82,095,271)	(132,084,628)
 Total governmental activities net positions	 \$ (24,081,608)	 \$ (22,951,418)	 \$ (58,144,406)	 \$ (104,797,598)

Table 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 17,556,925	\$ 18,169,748	\$ 18,451,265	\$ 15,754,751	\$ 19,119,846	\$ 23,178,391
7,213,277	10,055,184	12,222,610	15,559,970	24,372,515	28,507,956
<u>(102,679,715)</u>	<u>(104,737,977)</u>	<u>(99,949,434)</u>	<u>(88,670,448)</u>	<u>(66,772,656)</u>	<u>(39,601,951)</u>
<u>\$ (77,909,513)</u>	<u>\$ (76,513,045)</u>	<u>\$ (69,275,559)</u>	<u>\$ (57,355,727)</u>	<u>\$ (23,280,295)</u>	<u>\$ 12,084,396</u>

Independent School District No. 191
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)
(unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities				
Administration	\$ 5,495,447	\$ 5,372,409	\$ 7,177,258	\$ 7,064,664
District support services	3,719,700	2,732,153	4,591,300	5,416,849
Elementary and secondary regular instruction	52,233,831	51,786,010	84,957,113	84,580,748
Vocational education instruction	1,376,740	1,399,185	2,662,664	2,727,220
Special education instruction	24,497,781	23,575,099	32,487,928	31,733,029
Instructional support services	10,962,774	10,534,435	15,404,303	15,039,975
Pupil support services	10,621,468	9,691,454	12,265,084	12,947,885
Sites and buildings	16,747,542	19,295,728	9,334,739	10,134,372
Fiscal and other fixed cost programs	378,575	398,068	353,822	313,683
Food service	5,059,060	5,535,377	5,989,896	5,952,121
Community education and services	6,151,189	6,580,796	7,763,673	8,255,773
Interest and fiscal charges on long-term debt	6,948,424	6,781,498	7,150,741	5,109,211
Total governmental activities expenses	<u>144,192,531</u>	<u>143,682,212</u>	<u>190,138,521</u>	<u>189,275,530</u>
Program Revenues				
Governmental activities				
Charges for services				
Administration	194,914	210,784	226,224	222,431
District support services	-	-	-	4,349
Elementary and secondary regular instruction	716,947	800,869	640,147	541,823
Vocational education instruction	-	-	-	420
Special education instruction	351,834	381,559	363,885	531,289
Instructional support services	262	112	-	15
Pupil support services	164,802	64,797	79,865	88,931
Sites and buildings	273,804	223,790	278,415	276,796
Food service	1,688,935	1,621,218	1,653,583	1,679,706
Community education and services	3,457,191	3,390,724	3,266,333	3,495,283
Operating grants and contributions	29,737,748	29,394,748	32,886,488	30,630,308
Capital grants and contributions	1,398,776	1,236,991	1,153,072	1,417,759
Total governmental activities program revenues	<u>37,985,213</u>	<u>37,325,592</u>	<u>40,548,012</u>	<u>38,889,110</u>
Net expense	(106,207,318)	(106,356,620)	(149,590,509)	(150,386,420)
General Revenues				
Governmental activities				
Taxes				
Property taxes, levied for general purposes	21,784,467	22,877,675	25,712,820	26,224,210
Property taxes, levied for capital projects	-	1,200,000	-	-
Property taxes, levied for community service	1,077,297	1,238,633	1,545,989	1,554,844
Property taxes, levied for debt service	10,125,067	9,742,800	11,915,513	10,476,105
General grants and aids	68,576,907	70,513,775	72,447,212	72,254,897
Gain on sale of capital assets	-	-	-	-
Other general revenues	728,393	1,071,088	1,259,886	843,809
Investment earnings	322,603	842,839	1,516,101	1,603,649
Total governmental activities	<u>102,614,734</u>	<u>107,486,810</u>	<u>114,397,521</u>	<u>112,957,514</u>
Change in net position	<u>\$ (3,592,584)</u>	<u>\$ 1,130,190</u>	<u>\$ (35,192,988)</u>	<u>\$ (37,428,906)</u>

Table 2

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	4,498,702	\$	6,283,726	\$	5,166,623	\$	5,146,405	\$	4,576,004	\$	5,216,273
	3,580,259		4,499,129		4,169,348		4,541,713		2,503,974		5,569,369
	46,871,276		67,088,099		64,783,060		63,294,480		42,804,488		53,440,089
	1,425,163		2,291,553		2,236,379		2,107,317		1,777,613		2,015,070
	17,808,445		26,266,898		26,088,835		24,494,292		21,955,865		26,290,985
	11,229,401		13,321,257		15,008,017		13,021,759		14,855,402		15,130,117
	10,957,678		12,442,456		9,996,462		11,406,634		12,180,617		16,260,415
	11,424,974		7,998,838		9,705,716		11,129,335		16,762,838		16,079,494
	336,761		393,852		391,943		426,427		437,360		525,199
	5,940,220		5,603,072		4,397,704		4,955,498		5,318,407		6,377,037
	6,684,160		6,232,992		5,246,669		4,995,800		6,391,286		5,969,879
	4,401,719		4,254,002		3,968,235		2,951,742		2,819,947		2,695,674
	<u>125,158,758</u>		<u>156,675,874</u>		<u>151,158,991</u>		<u>148,471,402</u>		<u>132,383,801</u>		<u>155,569,601</u>
	190,346		212,676		217,776		272,600		4,167		1,573
	5,225		11,610		3,040		4,207		1,345		2,339
	560,837		303,228		203,657		307,145		516,575		447,534
	490		560		-		-		-		-
	384,019		381,426		568,522		784,954		2,107,749		2,240,236
	534		12,818		1,102		17,383		9,379		373,963
	87,135		61,562		22,230		67,427		182,824		92,267
	307,817		310,907		315,763		336,262		289,291		267,514
	1,578,052		1,118,791		-		47,741		1,109,413		208,483
	3,630,543		3,011,600		2,021,666		2,608,216		2,595,850		2,803,010
	27,140,691		33,011,399		37,491,428		42,182,191		45,053,587		51,510,227
	1,464,809		1,353,380		1,085,774		1,948,280		984,766		825,099
	<u>35,350,498</u>		<u>39,789,957</u>		<u>41,930,958</u>		<u>48,576,406</u>		<u>52,854,946</u>		<u>58,772,245</u>
	(89,808,260)		(116,885,917)		(109,228,033)		(99,894,996)		(79,528,855)		(96,797,356)
	30,350,044		30,536,476		31,931,034		30,967,231		29,793,091		37,787,542
	-		-		-		-		-		-
	1,403,837		1,536,763		1,807,827		1,636,161		1,597,814		1,603,278
	10,401,754		11,720,386		10,931,280		11,779,084		10,399,992		9,767,643
	72,209,515		71,259,679		68,832,548		66,786,109		69,788,147		79,218,657
	-		-		-		-		16,900		7,074
	571,326		1,729,530		1,357,592		1,538,853		-		-
	1,759,869		1,404,935		1,605,238		(892,610)		2,008,343		3,777,853
	<u>116,696,345</u>		<u>118,187,769</u>		<u>116,465,519</u>		<u>111,814,828</u>		<u>113,604,287</u>		<u>132,162,047</u>
\$	<u>26,888,085</u>	\$	<u>1,301,852</u>	\$	<u>7,237,486</u>	\$	<u>11,919,832</u>	\$	<u>34,075,432</u>	\$	<u>35,364,691</u>

Independent School District No. 191
Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(unaudited)

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 647,352	\$ -	\$ 328,969	\$ 374,535
Restricted	3,831,642	4,196,553	4,027,713	4,158,407
Committed	1,393,434	1,176,269	1,293,948	1,257,804
Assigned	-	-	-	-
Unassigned	14,805,438	15,748,008	14,466,101	10,024,458
Total general fund	<u>\$ 20,677,866</u>	<u>\$ 21,120,830</u>	<u>\$ 20,116,731</u>	<u>\$ 15,815,204</u>
All Other Governmental Funds				
Nonspendable	\$ 67,157	\$ 122,264	\$ 177,574	\$ 190,617
Restricted	<u>77,192,716</u>	<u>74,776,954</u>	<u>40,759,460</u>	<u>8,370,219</u>
Total all other governmental funds	<u>\$ 77,259,873</u>	<u>\$ 74,899,218</u>	<u>\$ 40,937,034</u>	<u>\$ 8,560,836</u>
Total all funds	<u>\$ 97,937,739</u>	<u>\$ 96,020,048</u>	<u>\$ 61,053,765</u>	<u>\$ 24,376,040</u>

Table 3

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 469,392	\$ 435,457	\$ 382,338	\$ 254,436	\$ 603,936	\$ 342,495
5,847,738	7,878,828	9,020,782	9,841,888	13,137,246	15,812,007
1,550,194	1,735,209	1,849,490	1,837,017	1,505,311	1,207,116
-	-	5,081,823	1,810,980	-	-
7,417,075	10,276,533	13,187,447	18,777,579	22,236,723	36,430,283
<u>\$ 15,284,399</u>	<u>\$ 20,326,027</u>	<u>\$ 29,521,880</u>	<u>\$ 32,521,900</u>	<u>\$ 37,483,216</u>	<u>\$ 53,791,901</u>
\$ 2,452,384	\$ 244,230	\$ 182,267	\$ 253,940	\$ 269,532	\$ 360,300
5,147,420	8,312,697	8,790,900	11,244,924	12,477,357	13,738,161
<u>\$ 7,599,804</u>	<u>\$ 8,556,927</u>	<u>\$ 8,973,167</u>	<u>\$ 11,498,864</u>	<u>\$ 12,746,889</u>	<u>\$ 14,098,461</u>
<u>\$ 22,884,203</u>	<u>\$ 28,882,954</u>	<u>\$ 38,495,047</u>	<u>\$ 44,020,764</u>	<u>\$ 50,230,105</u>	<u>\$ 67,890,362</u>

Independent School District No. 191
Changes in Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Local sources				
Taxes	\$ 33,212,333	\$ 35,053,016	\$ 39,094,623	\$ 38,097,535
Investment earnings	68,245	454,848	540,031	653,809
Other	8,026,353	8,191,071	8,484,173	8,609,002
State sources	91,607,137	92,498,905	93,346,633	95,558,484
Federal sources	7,654,305	7,860,618	8,631,725	7,806,378
Total revenues	<u>140,568,373</u>	<u>144,058,458</u>	<u>150,097,185</u>	<u>150,725,208</u>
Expenditures				
Current				
Administration	5,381,925	5,536,309	5,519,388	5,680,528
District support services	3,683,322	3,531,663	4,185,606	5,027,862
Elementary and secondary				
regular instruction	53,893,564	54,043,785	54,976,422	55,398,654
Vocational education instruction	1,363,572	1,452,112	1,876,990	2,150,295
Special education instruction	24,169,675	24,455,459	24,027,079	24,767,930
Instructional support services	10,702,294	10,819,656	10,862,353	10,888,211
Pupil support services	10,576,978	9,766,662	11,000,503	11,877,743
Sites and buildings	9,415,493	9,573,137	9,302,350	9,535,036
Fiscal and other fixed cost programs	378,575	398,068	353,822	313,683
Food service	5,016,679	5,546,232	5,733,255	5,829,895
Community service	6,069,954	6,615,805	6,875,455	7,443,701
Capital outlay	5,597,264	42,659,773	28,169,017	6,718,409
Debt service				
Principal	6,037,478	6,133,104	6,726,213	6,037,595
Interest and fiscal charges	5,753,097	6,263,031	7,520,641	6,444,307
Total expenditures	<u>148,039,870</u>	<u>186,794,796</u>	<u>177,129,094</u>	<u>158,113,849</u>
Excess of revenues over (under) expenditures	(7,471,497)	(42,736,338)	(27,031,909)	(7,388,641)
Other financing sources (uses)				
Bonds issued	68,450,000	36,715,000	13,990,000	-
Premium on bonds issued	2,609,184	3,913,835	-	-
Payments to refunded bond escrow agent	(4,015,000)	-	(22,620,346)	(29,330,000)
Capital lease/certificates of participation	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Lease issuance	503,645	318,585	187,105	40,916
Proceeds from insurance recovery	4,818	359,861	-	-
Transfer in	-	-	27,082	-
Transfer out	-	-	(27,082)	-
Total other financing sources (uses)	<u>67,552,647</u>	<u>41,307,281</u>	<u>(8,443,241)</u>	<u>(29,289,084)</u>
Net change in fund balances	<u>\$ 60,081,150</u>	<u>\$ (1,429,057)</u>	<u>\$ (35,475,150)</u>	<u>\$ (36,677,725)</u>
Debt services as a percentage of noncapital expenditures	<u>8.28%</u>	<u>8.45%</u>	<u>9.42%</u>	<u>8.12%</u>

Table 4

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 42,385,297	\$ 43,831,187	\$ 44,624,245	\$ 44,363,003	\$ 41,799,089	\$ 49,169,156
911,976	735,602	110,430	(53,201)	2,008,343	3,777,853
7,919,917	7,905,510	5,144,941	6,427,812	8,598,030	7,402,782
96,762,424	95,745,693	93,225,958	88,876,351	93,864,029	110,153,102
7,985,785	9,050,890	13,536,886	21,278,337	19,743,383	20,083,356
<u>155,965,399</u>	<u>157,268,882</u>	<u>156,642,460</u>	<u>160,892,302</u>	<u>166,012,874</u>	<u>190,586,249</u>
5,774,945	5,933,083	5,002,830	5,429,133	5,291,647	5,630,932
3,396,407	4,170,798	4,090,450	4,491,751	4,591,871	4,619,344
55,816,055	53,440,674	51,987,520	56,035,263	56,761,715	60,457,360
2,036,313	2,138,054	2,088,358	2,216,393	2,168,497	2,234,521
25,398,748	24,625,186	24,311,718	26,046,717	26,718,001	28,874,464
12,205,567	11,014,880	13,513,379	12,953,823	12,435,175	10,888,514
11,884,787	12,120,045	9,835,715	11,696,713	12,688,513	16,650,421
10,138,616	9,787,117	10,097,808	10,668,520	11,735,834	11,592,406
336,761	393,852	391,943	426,427	472,595	525,199
5,902,901	5,536,006	4,345,690	4,913,797	5,209,869	5,882,458
7,324,705	6,050,923	5,184,290	5,258,859	5,831,718	6,115,597
5,699,115	4,060,380	4,319,224	5,127,286	4,422,885	7,949,367
6,720,495	7,409,689	7,335,430	7,169,637	7,284,147	7,697,347
4,828,185	4,691,853	4,703,396	4,404,624	4,228,108	3,813,729
<u>157,463,600</u>	<u>151,372,540</u>	<u>147,207,751</u>	<u>156,838,943</u>	<u>159,840,575</u>	<u>172,931,659</u>
(1,498,201)	5,896,342	9,434,709	4,053,359	6,172,299	17,654,590
-	-	11,485,000	9,680,000	-	-
-	-	1,477,046	2,143,678	-	-
-	-	(12,785,000)	(11,705,000)	-	-
-	-	-	187,949	-	-
-	7,793	338	1,165,731	1,807	5,667
6,364	-	-	-	35,235	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,364</u>	<u>7,793</u>	<u>177,384</u>	<u>1,472,358</u>	<u>37,042</u>	<u>5,667</u>
<u>\$ (1,491,837)</u>	<u>\$ 5,904,135</u>	<u>\$ 9,612,093</u>	<u>\$ 5,525,717</u>	<u>\$ 6,209,341</u>	<u>\$ 17,660,257</u>
<u>7.44%</u>	<u>8.22%</u>	<u>8.37%</u>	<u>7.60%</u>	<u>7.59%</u>	<u>6.94%</u>

Independent School District No. 191
 General Governmental Tax Revenues by Source and Levy Type
 Last Ten Years

Table 5

Fiscal Year	Property Tax				Total
	General Fund	Community Service	Capital Projects - Building Construction Fund	Debt Service	
2015	\$ 21,933,388	\$ 1,084,662	\$ -	\$ 10,194,283	\$ 25,795,703
2016	22,874,885	1,237,759	1,200,000	9,740,372	33,212,333
2017	25,663,259	1,542,386	-	11,888,978	35,053,016
2018	26,115,668	1,548,150	-	10,433,697	38,097,515
2019	30,501,787	1,413,236	-	10,470,273	42,385,296
2020	30,562,242	1,538,149	-	11,730,795	43,831,186
2021	31,896,091	1,805,658	-	10,922,497	44,624,246
2022	30,955,773	1,635,122	-	11,772,107	44,363,002
2023	29,798,182	1,598,162	-	10,402,745	41,799,089
2024	37,785,291	1,604,461	-	9,779,404	49,169,156

Independent School District No. 191
Tax Capacities and Market Value
Last Ten Years

Table 6

For Taxes Collectible	Tax Capacity Valuation						Taxable Market Value	Tax Capacity as a Percentage of Market Value
	Agricultural	Non-Agricultural	Fiscal Disparities		Tax Increment	Total Taxable		
			Contribution	Distribution				
Dakota County								
2015	\$ -	\$ 56,421,607	\$ (8,676,317)	\$ 5,954,015	\$ (1,832,040)	\$ 51,867,265	\$ 4,692,482,625	1.11
2016	-	58,689,449	(9,336,149)	6,108,398	(3,169,684)	52,292,014	4,865,451,265	1.07
2017	-	59,771,813	(9,204,390)	6,571,222	(3,378,035)	54,661,226	5,003,279,610	1.09
2018	-	65,136,255	(9,024,255)	6,931,010	(3,902,924)	60,088,642	5,447,134,772	1.10
2019	-	70,058,732	(9,590,323)	7,349,467	(4,413,182)	64,337,435	5,840,024,400	1.10
2020	-	75,835,267	(10,407,209)	7,943,503	(3,891,891)	70,881,145	6,276,544,125	1.13
2021	-	79,720,661	(11,208,648)	8,293,216	(3,836,225)	74,366,311	6,562,525,800	1.13
2022	-	84,184,980	(12,005,956)	9,055,616	(4,097,927)	78,023,994	6,905,405,825	1.13
2023	-	95,650,885	(11,972,075)	9,205,170	(4,621,448)	89,199,988	7,871,121,243	1.13
2024	-	103,398,669	(12,582,178)	9,697,164	(5,551,906)	95,857,330	8,386,233,135	1.14
Scott County								
2015	\$ 43,898	\$ 17,077,271	\$ (2,698,085)	\$ 1,416,364	\$ -	\$ 15,839,448	\$ 1,430,354,300	1.11
2016	76,637	18,097,758	(3,064,523)	1,523,727	(81,937)	16,551,662	1,505,076,100	1.10
2017	37,415	19,869,873	(3,175,091)	1,709,580	(138,187)	18,729,804	1,618,071,200	1.16
2018	29,841	21,039,808	(3,770,912)	1,782,864	(159,437)	19,467,664	1,704,789,900	1.14
2019	20,259	22,823,684	(3,868,467)	1,871,118	(166,937)	21,231,291	1,844,550,200	1.15
2020	3,959	24,655,629	(4,053,563)	2,031,820	(188,073)	23,059,234	1,988,017,400	1.16
2021	4,110	27,223,848	(4,506,916)	2,175,584	(218,881)	25,313,649	2,155,452,700	1.17
2022	4,012	28,767,419	(5,226,294)	2,372,103	(234,595)	26,494,935	2,288,792,997	1.16
2023	28,590	33,673,632	(5,443,134)	2,264,207	(275,727)	30,682,064	2,667,771,400	1.15
2024	813	36,915,657	(5,873,164)	2,353,968	(356,125)	33,458,959	2,813,700,000	1.19

Independent School District No. 191
Direct and Overlapping Tax Capacity Rates
Last Ten Years

Rate	Tax Collection Year	ISD No. 191	Overlapping Rates				
			Municipalities				
			Apple Valley	Burnsville	Eagan	Savage	Shakopee
Tax Capacity Rate	2015	24.554%	45.274%	44.790%	36.525%	51.742%	37.862%
Market Value Rate	2015	0.26015%	0.02036%	--	0.00016%	0.01482%	0.00536%
Tax Capacity Rate	2016	31.065%	44.721%	46.525%	37.097%	49.905%	37.902%
Market Value Rate	2016	0.24692%	0.01994%	--	0.01490%	0.01410%	0.00605%
Tax Capacity Rate	2017	27.529%	44.473%	46.557%	37.385%	47.841%	38.522%
Market Value Rate	2017	0.23336%	0.23336%	--	0.01451%	0.01344%	--
Tax Capacity Rate	2018	25.759%	42.475%	46.670%	36.378%	47.117%	37.212%
Market Value Rate	2018	0.29246%	0.01798%	--	0.01359%	0.01100%	--
Tax Capacity Rate	2019	26.202%	39.603%	43.595%	35.227%	44.474%	34.943%
Market Value Rate	2019	0.24409%	0.01719%	--	0.01235%	0.01000%	--
Tax Capacity Rate	2020	23.765%	38.782%	43.148%	35.262%	42.357%	33.965%
Market Value Rate	2020	0.23263%	0.01646%	--	0.01159%	0.00900%	--
Tax Capacity Rate	2021	23.699%	38.192%	42.853%	36.333%	42.254%	32.105%
Market Value Rate	2021	0.20745%	0.01622%	--	--	0.00600%	--
Tax Capacity Rate	2022	20.273%	38.182%	43.054%	36.119%	40.326%	32.111%
Market Value Rate	2022	0.19053%	0.01591%	--	--	--	--
Tax Capacity Rate	2023	19.403%	35.273%	42.274%	33.566%	35.986%	28.585%
Market Value Rate	2023	0.22396%	0.01424%	--	--	--	--
Tax Capacity Rate	2024	17.021%	36.789%	42.503%	33.585%	37.606%	27.402%
Market Value Rate	2024	0.23321%	0.01397%	--	--	--	--

Table 7

Overlapping Rates					
Counties		Special Taxing Jurisdictions		Total*	
Dakota County	Scott County	Dakota County	Scott County	Burnsville Resident	Savage Resident
29.633%	36.638%	4.567%	5.169%	103.544%	118.103%
--	--	--	--	0.26015%	0.27497%
28.570%	36.175%	4.614%	5.130%	110.774%	122.275%
--	--	--	--	0.24692%	0.26102%
28.004%	35.896%	4.458%	4.979%	106.548%	116.245%
--	--	--	--	0.23336%	0.24680%
26.580%	35.114%	3.878%	5.090%	102.887%	113.080%
--	--	--	--	0.29246%	0.30346%
25.386%	33.841%	3.824%	4.891%	99.007%	109.408%
--	--	--	--	0.24409%	0.25409%
24.133%	32.718%	3.767%	4.583%	94.813%	103.423%
--	--	--	--	0.23263%	0.24163%
22.716%	31.025%	4.342%	4.768%	93.610%	101.746%
--	--	--	--	0.20745%	0.21345%
21.630%	30.492%	4.252%	5.026%	89.209%	96.117%
--	--	--	--	0.19053%	0.19053%
18.816%	26.578%	3.906%	6.294%	84.399%	88.261%
--	--	--	--	0.22396%	0.22396%
18.323%	26.228%	4.075%	2.525%	81.922%	83.380%
--	--	--	--	0.23321%	0.23321%

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Independent School District No. 191
Principal Property Taxpapers

Table 8

Taxpayer	2024			2015		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Xcel Energy	\$ 3,217,126	1	2.27%	\$ 2,853,786	1	3.82%
Paragon Outlets Eagan	1,699,250	2	1.20%	463,362	3	0.62%
Southwest Logistics Center, LLC	944,250	3	0.67%			
Individual	733,569	4	0.52%	350,569	5	0.47%
Flats at Cedar Grove LLC	682,311	5	0.48%			
Rosemount Inc.	658,104	6	0.46%			
FLT Summit Park Apartments LLC	628,610	7	0.44%			
PRCP-Minnesota Stone LLC	613,970	8	0.43%			
ASB MN Shakopee LLC	605,760	9	0.43%			
GEP X West Park LLC	591,611	10	0.42%			
Minnegasco, Inc.				484,290	2	0.65%
Kraus Anderson, Inc.				359,306	4	0.48%
Rosemount Aerospace Inc.				343,334	6	0.46%
Cargill Inc.				322,775	7	0.43%
Aurora Investments LLC				309,564	8	0.41%
Kraemer Mining & Materials Inc.				297,946	9	0.40%
Hudson Redwood Raven Hill LLC				297,089	10	0.40%
Total	\$ 10,374,561		7.32%	\$ 6,082,021		8.14%

Independent School District No. 191
Property Tax Levies, Collections, and Receivables
Last Ten Years

For Taxes Collectible	Original Levy			Collections	
	Local Spread	Fiscal Disparities	Total Spread	First Year Levy Recognized Amount	Percentage of Levy
2015	\$ 31,025,345	\$ 3,839,822	\$ 34,865,167	\$ 16,303,858	46.8
2016	35,119,563	3,851,095	38,970,658	18,419,963	47.3
2017	33,374,272	4,659,195	38,033,467	17,616,603	46.3
2018	37,936,271	4,466,731	42,403,002	19,671,004	46.4
2019	38,771,436	4,929,600	43,701,036	20,547,965	47.0
2020	39,179,819	5,063,180	44,242,999	20,222,791	45.7
2021	39,226,223	4,884,931	44,111,154	21,109,293	47.9
2022	36,389,401	5,008,766	41,398,167	19,506,403	47.1
2023	44,640,414	4,430,239	49,070,653	23,440,645	47.8
2024	46,078,514	4,961,573	51,040,087	24,381,084	47.8

Note 1: A portion of the total spread levy is paid through various property tax credits which are paid through state aids and have been included in collections.

Note 2: 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.

Note 3: Only a portion of the taxes levied for the most recent fiscal year is collected by June 30.

Table 9

Received in Subsequent Years	Collections		Uncollected Taxes Receivable as of June 30, 2024			
	Total to Date		Delinquent		Current	
	Amount	Percentage of Levy	Amount	Percent	Amount	Percent
\$ 18,561,309	\$ 34,865,167	100.0	\$ -	-	\$ -	-
20,550,695	38,970,658	100.0	-	-	-	-
20,416,864	38,033,467	100.0	-	-	-	-
22,694,382	42,365,386	99.9	37,616	0.1	-	-
23,141,592	43,689,557	100.0	11,479	0.0	-	-
24,003,057	44,225,848	100.0	17,151	0.0	-	-
22,971,405	44,080,698	99.9	30,456	0.1	-	-
21,834,634	41,341,037	99.9	57,130	0.1	-	-
25,384,931	48,825,576	99.5	245,078	0.5	-	-
-	24,381,084	47.8	-	-	26,659,004	52.2
			<u>\$ 398,910</u>		<u>\$ 26,659,004</u>	

**Independent School District No. 191
Ratios of Outstanding Debt By Type**

Table 10

Fiscal Year	Governmental Activities			Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Lease Liability and Financed Purchases	Total Primary Government		
2015	\$ 162,490,000	\$ 2,691,255	\$ 165,181,255	5.49 %	\$ 2,452
2016	193,640,000	2,447,817	196,087,817	6.27	2,911
2017	186,029,667	1,871,605	187,901,272	5.83	2,789
2018	150,839,845	1,270,148	152,109,993	4.19	2,258
2019	144,096,605	884,653	144,981,258	3.82	2,152
2020	136,683,365	479,964	137,163,329	3.52	2,009
2021	129,054,114	234,534	129,288,648	3.10	1,894
2022	120,292,825	160,460	120,453,285	2.74	1,765
2023	111,979,366	238,735	112,218,101	2.49	1,441
2024	103,447,615	91,389	103,539,004	2.29	1,418

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

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

Independent School District No. 191
Ratio of Net General Obligation Bonded Debt to Tax Capacity and Net Obligation Bonded Debt Per Capita
Last Ten Years

Table 11

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand (1)	Net Bonded Debt	Tax Capacity	Percent Net Debt to Tax Capacity	Percent of Estimated Actual Market Value of Property (2)	Estimated Population	Net Bonded Debt per Capita
2015	\$ 162,490,000	\$ 3,168,468	\$ 159,321,532	\$ 67,706,713	235.31 %	2.53 %	67,370	\$ 2,365
2016	193,640,000	42,042,331	151,597,669	68,843,676	220.21	2.38	67,370	2,250
2017	186,029,667	32,620,732	153,408,935	73,391,030	209.03	2.32	67,370	2,277
2018	150,839,845	3,161,989	147,677,856	79,556,306	185.63	2.06	67,370	2,192
2019	144,096,605	3,331,940	140,764,665	85,568,726	164.50	1.83	67,370	2,089
2020	136,683,365	4,297,210	132,386,155	93,940,379	140.93	1.60	68,261	1,939
2021	129,054,114	4,123,715	124,930,399	99,679,960	125.33	1.43	68,261	1,830
2022	120,292,825	5,753,099	114,539,726	104,518,929	109.59	1.25	68,261	1,678
2023	111,979,366	5,487,111	106,492,255	119,882,052	88.83	1.01	77,881	1,367
2024	103,447,615	4,739,168	98,708,447	129,316,289	76.33	0.88	73,006	1,352

(1) - Debt service monies available include amounts restricted in the debt service funds repaying the related debt.

(2) - See the Schedule of Tax Capacities and Market Value for information on the market value of the District's property.

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**Independent School District No. 191
Direct and Overlapping Debt
June 30, 2024**

Table 12

Governmental Unit	2023/24 Taxable Net Tax Capacity	Bonded Debt ¹	Percent Allocable to ISD No. 191	Portion Allocable to ISD No. 191
Independent School District No. 191	\$ 129,316,289	\$ 103,447,615	100.000 %	\$ 103,447,615
Overlapping Debt				
Dakota County	753,201,059	-	10.6206%	-
Scott County	318,207,331	92,810,000	4.6364%	43,031
City of Apple Valley	81,682,603	48,050,000	0.7424%	3,567
City of Burnsville	104,195,731	40,665,000	63.8417%	259,612
City of Eagan	135,202,173	52,010,000	9.5177%	49,501
City of Savage	60,949,883	28,825,000	21.9762%	63,346
City of Shakopee	92,617,135	45,920,000	1.4673%	6,738
Metropolitan Council	6,313,906,529	191,435,000 ²	1.5006%	28,727
Total Overlapping Debt				<u>454,523</u>
Total Direct and Overlapping Debt				<u><u>\$ 103,902,138</u></u>

- 1) Does not include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt,
- 2) The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in Overlapping Debt.

**Independent School District No. 191
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year			
	2015	2016	2017	2018
Debt Limit	\$ 951,986,716	\$ 1,011,131,704	\$ 1,067,125,043	\$ 1,150,340,516
Total Net Debt Applicable to Limit	<u>143,240,787</u>	<u>142,090,806</u>	<u>153,878,208</u>	<u>131,225,000</u>
Legal Debt Margin	<u>\$ 740,653,914</u>	<u>\$ 808,745,929</u>	<u>\$ 869,040,898</u>	<u>\$ 913,246,835</u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 15.05%	 14.05%	 14.42%	 11.41%

Legal Debt Margin Calculation for Fiscal Year 2023

Economic Market Value
Debt Limit (15% of Market Value)

Debt Applicable to Limit
General Obligation Bonds
Annual Appropriation Debt
Less: Amount Set Aside for Repayment of
General Obligation Debt
Total Net Debt Applicable to Limit

Legal Debt Margin

(1) Economic Market Value - Assessment Year 2023
for taxes payable in 2024

Table 13

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 1,239,580,812	\$ 1,249,694,940	\$ 1,384,802,766	\$ 1,389,585,525	\$ 1,391,697,690	\$ 1,762,356,323
126,015,000	107,540,180	116,293,249	119,603,099	90,025,000	92,690,000
<u>\$ 1,019,115,516</u>	<u>\$ 1,113,565,812</u>	<u>\$ 1,142,154,760</u>	<u>\$ 1,269,982,426</u>	<u>\$ 1,301,672,690</u>	<u>\$ 1,669,666,323</u>
10.17%	8.61%	8.40%	8.61%	6.47%	5.26%
					\$11,749,042,151 ⁽¹⁾
					1,762,356,323
					92,690,000
					-
					(4,739,168)
					<u>87,950,832</u>
					<u>\$ 1,674,405,491</u>

**Independent School District No. 191
Demographic and Economic Statistics
Last Ten Years**

Table 14

Calendar Year	City of Burnsville Population (1)	Estimated Personal Income (1)	Per Capita Personal Income (1)	Total ISD No. 191 Population (3)	School Enrollment (4)	City of Burnsville Unemployment Rate (1)
2014	61,747	\$ 3,007,758,117	\$ 48,711	67,370	9,213	3.8
2015	61,908	3,128,892,228	50,541	67,370	8,989	3.5
2016	61,849	3,223,384,333	52,117	67,370	8,914	3.5
2017	62,239	3,628,844,895	58,305	67,370	8,563	3.1
2018	62,657	3,793,192,123	60,539	67,370	8,874	2.7
2019	62,785	3,891,225,945	61,977	67,370	8,603	3.2
2020	64,317	4,164,397,116	64,748	71,881	8,010	7.3
2021	64,627	4,389,918,229	67,927	71,945	7,744	3.6
2022	64,522	4,515,507,648	69,984	71,621	7,721	2.4
2023	64,522	4,515,507,648	69,984	73,006	7,696	2.6

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

Note 2: Annual average unemployment rates compiled by the Minnesota Department of Employment and Economic Development.

Sources:

- (1) *City of Burnsville Annual Comprehensive Financial Report for the year ended December 31, 2023.*
- (2) *Estimated personal income is calculated by multiplying the per capital personal income by the City of Burnsville population.*
- (3) *Annual school district census, U.S. census, and National Center for Education Statistics.*
- (4) *ISD No. 191 - average daily membership (for students served or tuition paid).*

**Independent School District No. 191
Principal Employers**

Table 15

Employer	2024		2015	
	Employees	Rank	Employees	Rank
UTC Aerospace Systems	1,800	1	1,200	2
Independent School District No. 191	1,109	2	1,507	1
Pepsi Bottling Group	500	3	500	4
Ames Construction	400	4	400	5
Northern Tool & Equipment	300	5	300	6
Target Stores	300	6	300	8
Telex Communications	300	7	300	9
YRC Freight	300	8	300	7
City of Burnsville	290	9	520	3
Fabcon Precast	275	10	275	10
Total	5,574		5,602	

Note: Information regarding the percentage of total employment for each employer was not available.

**Independent School District No. 191
Employees by Classification
Last Ten Years**

Table 16

Employees	Fiscal Years									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administrators/Principals	60	43	51	49	50	50	48	47	47	49
Confidential/ Support Specialist*	-	24	43	47	48	51	49	43	57	53
Teachers	779	732	730	741	721	680	649	612	615	611
Clerical	66	63	64	65	58	59	51	47	47	52
Paraprofessionals	211	211	214	213	214	221	190	163	179	167
Nurses	18	16	15	14	14	11	10	13	15	15
Operations/Maintenance										
Supervisors	3	3	3	3	3	2	2	3	3	4
Technical Specialists	5	10	10	10	11	12	14	13	13	14
Community Education	36	39	51	60	61	56	59	55	60	81
Cafeteria	74	78	76	73	79	88	68	47	56	57
Custodians	73	74	82	80	77	78	73	66	70	75
Total	1,325	1,293	1,339	1,355	1,336	1,308	1,213	1,109	1,162	1,178

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

* New Category effective for 2016

**Independent School District No. 191
Student to Staff Ratios
Last Ten Years**

Table 17

Fiscal Year	ISD No. 191 Student to Teacher Ratios (1)	Minnesota Department of Education Student to Staff Ratio (2)		
		ISD No. 191	Dakota County Average	State Average
2014	14.92	12.57	14.33	13.17
2015	14.37	11.95	13.89	12.92
2016	14.83	12.43	14.04	12.84
2017	15.27	12.41	13.82	12.72
2018	15.00	12.00	13.36	13.00
2019	15.00	12.00	13.40	13.00
2020	16.00	13.00	13.45	13.00
2021	15.00	12.00	13.00	12.00
2022	16.00	12.00	13.55	11.73
2023	15.50	12.33	13.00	11.65

Note 1: Information is not yet available for 2024

Sources: Minnesota Department of Education

(1) This data is computed using only full-time equivalent licensed classroom teaching staff.

(2) This data is computed by dividing total students (MDE enrollment numbers 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.

Independent School District No. 191
Operating Indicators by Function - Standardized Testing
Last Ten Years

Table 18

	Fiscal Years									
	2015	2016	2017	2018	2019	2020 (2)	2021 (3)	2022	2023	2024 (4)
Standardized Tests										
MCA Reading (See Note 1)										
Grade 3	53.2 %	45.9 %	43.7 %	48.7 %	45.4 %		34.4 %	36.7 %	33.0 %	30.9%
Grade 5	58.3	67.7	62.0	55.0	52.9		49.9	52.9	49.7	45.4
Grade 7	45.4	56.6	53.1	51.0	47.6		40.3	32.8	33.4	36.2
Grade 10	51.8	58.9	38.3	54.5	55.4		50.9	45.9	40.2	42.3
MCA Math (See Note 1)										
Grade 3	63.6	69.4	54.0	58.4	56.6		44.1	45.3	48.8	38.1
Grade 5	59.7	58.8	49.9	45.0	41.5		31.1	33.3	33.2	33.7
Grade 7	44.3	56.2	48.4	40.1	39.1		18.4	27.0	27.0	24.1
Grade 11	39.6	47.1	35.3	39.1	38.1		26.1	21.6	17.2	16.3
ACT										
Independent School District No. 191										
Average Composite Score	23.0	21.3	21.2	20.3	20.4	20.0	19.9	19.9	19.3	18.8
State Average Composite Score (1)	22.7	21.1	21.5	21.3	21.4	21.3	21.6	21.6	20.8	

Note 1: Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test

Note 2: Due to COVID-19 Pandemic, student participation in the MCA was only 50% district wide

(1) - Per ESSA School districts must offer a college and career readiness assessment, however the state no longer mandates ACT Average Composite Scores are available through MN Office of Higher Education

(2) - Due to COVID-19 Pandemic, MCA and ACT testing did not occur in the 2019-2020 school year. Tests were administered fall of 2020 for the class of of 2020

(3) - Due to COVID-19 Pandemic, student participation in the MCA was only 50% district wide

(4) The State Average Composite Score for the ACT Test was not yet available for FY24

**Independent School District No. 191
School Facilities**

Table 19

Facility	Use	Constructed	Acres	Classrooms	Square Footage	Capacity	Enrollment (1)
Gideon Pond Elementary	School	1965/1971/1995	13.00	17	75,700	488	381
Edward Neill Elementary	School	1968/1976/1995 1950/1954/1957	10.00	19	68,550	488	386
Vista View Elementary	School	1963/1971/1995	16.50	18	80,069	488	313
Williams Byrne Elementary	School	1967/1971/1995/2016	10.50	24	79,856	650	554
Rahn Elementary	School	1969/1995	16.00	18	67,448	488	366
Sky Oaks Elementary	School	1975	11.00	24	85,850	650	437
Hidden Valley Elementary	School	1989	16.00	24	89,525	650	462
Harriet Bishop Elementary	School	1996	17.36	25	78,107	650	570
Eagle Ridge Junior High	School	1996	31.00	45	132,000	950	553
Nicollet Junior High	School	1970/1995 1955/1958/1962	35.00	50	188,772	1,100	688
Burnsville Senior High	School	1971/1976/1977 1980/1993/1998/2016	63.50	112	524,283	2,750	2,051
Cedar School-Burnsville Alt HS	School	1961/1971	10.00	12	60,952	300	209
Diamondhead Education-Ready to Learn, Early Education, BES Transition Program	Office/ School/ Programs	1971	11.50	16	140,000	430	147
WH/Maintenance		1958/1962/1980	Part of BHS Acreage	N/A	20,780	N/A	N/A

(1) Source: 2022-23 MN Department of Education School ADM Served Report.

**Independent School District No. 191
School Lunch Program Data
Last Ten Years**

Table 20

Fiscal Year	Average Daily Attendance (1)	Total Lunches Served	Days	Average Daily Participation	Participation as a Percent of Average Daily Attendance	Free Lunch		Reduced Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2015	8,792	1,074,200	169	6,356	72.30	533,864	49.70	102,744	9.56
2016	8,752	1,067,859	170	6,282	71.77	545,887	51.12	97,590	9.14
2017	8,693	1,082,421	174	6,221	71.56	545,677	50.41	110,524	10.21
2018	8,563	1,040,408	174	5,979	69.83	512,908	49.30	115,231	11.08
2019	8,336	1,030,144	169	6,096	73.12	475,065	46.12	134,711	13.08
2020 (2)	8,086	697,480	116	6,013	74.36	322,177	46.19	100,312	14.38
2021 (3)	-	-	-	-	-	-	-	-	-
2022 (4)	-	-	-	-	-	-	-	-	-
2023	7,096	821,143	165	4,977	70.14	485,216	59.09	89,394	10.89
2024	6,837	898,967	169	5,319	77.81	712,780	79.28	259	0.03

- (1) Based on State Food and Nutrition Department guidelines, attendance is deemed to be 94% of enrollment.
- (2) Due to COVID-19 Pandemic, School Lunch Program Data is through March 13th, 2020, at which time ISD191 went fully virtual learning and meal service
- (3) Due to COVID-19 Pandemic, ISD 191 utilized Summer Food Program, which allowed students to receive free meals throughout the school year. Summer Food numbers - 395,527 breakfasts, 465,531 lunches in 2020-21
- (4) Due to COVID-19 Pandemic, ISD 191 utilized Summer Food Program, which allowed students to receive free meals throughout the school year. Summer Food numbers - 550,409 breakfasts, 816,238 lunches, and 27,813 snacks in 2021-22

**Independent School District No. 191
Schedule of Insurance Coverage**

Table 21

Type of Coverage	Amount of Coverage
Property Coverage	
Real and Personal Property (Blanketed)	\$ 400,000,000
Unscheduled Locations	None
Valuable Papers and Records	5,000,000
Accounts Receivable - On Premises	1,000,000
Boiler and Machinery Coverage	
Property Damage	Included in Property Limit
Crime Coverage	
Employee Dishonesty	500,000
Forgery or Alteration	500,000
Computer Fraud	500,000
Theft of Money and Securities - Inside the Premises	135,000
Theft of Money and Securities - Outside the Premises	270,000
General Liability Coverages	
General	
Each Occurrence	1,000,000
General Aggregate Limit	3,000,000
Medical Expense Limit - Any One Person	10,000
Damage to Premises Rented to You	1,000,000
Products/Completed Operations Aggregate	3,000,000
Personal & Advertising Injury	1,000,000
Umbrella Liability	
Each Occurrence	4,000,000
Aggregate	4,000,000
Self-Insured Retention	-
Business Automobile Liability Coverage	
Bodily Injury and Property Damage	1,000,000
Personal Injury Protection	Basic
Uninsured Motorists	1,000,000
Underinsured Motorists	1,000,000
Collision	1,000
Comprehensive	500
Educators Legal Liability (Professional)/Employment Practices Liability	
Each Wrongful Act	1,000,000
Aggregate	3,000,000
Educators Legal Liability Deductible	25,000
Employment Practices Liability Decuctible	25,000
Storage Tank Environmental Impairment Liability	
Per Pollution Condition	1,000,000
Aggregate	1,000,000
Self-Insured Retention	50,000
Cyber Risk Liability	
Policy Aggregate Limit of Liability	1,000,000

**Independent School District No. 191
Student Enrollment
Last Ten Years**

Table 22

Year Ended June 30,	Early Childhood and Voluntary Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	Total Pupil Units
2014	191	730	4,323	4,224	9,468	10,864
2015	192	670	4,319	4,122	9,303	10,127
2016	209	600	4,253	4,059	9,121	9,933
2017	180	642	4,174	4,113	9,109	9,932
2018	251	657	3,918	4,015	8,841	9,644
2019	268	646	3,784	3,976	8,674	9,468
2020	264	653	3,555	3,883	8,355	9,131
2021	235	618	3,334	3,644	7,831	8,560
2022	263	600	3,261	3,596	7,720	8,439
2023	236	579	3,313	3,569	7,697	8,410
2024	256	577	3,235	3,395	7,463	8,141

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

Note 2: Beginning in fiscal 2004, ADM is limited to 1.0 ADM per student.

Note 3: ADM is weighted as follows in computing pupil units:

	Pre-Kindergarten	Handicapped Kindergarten	Kindergarten	Elementary 1-3	Elementary 4-6	Secondary
Fiscal 2009 through 2014	1.250	1.000	0.612	1.115	1.060	1.300
Fiscal 2015 through 2024	1.000	1.000	1.00	1.00	1.00	1.20

**Independent School District No. 191
Expenditures per Student**

Table 23

	State Average 2023	ISD No. 191 2023
Expenditures Per Student (ADM) (1)		
General Fund		
District Level Administration	\$ 790	\$ 676
School Level Administration	578	666
Regular Instruction	6,181	6,776
Career and Technical Instruction	207	272
Special Education	2,919	3,349
Student Activities/Athletics	422	332
Instructional Support Services	829	1,460
Pupil Support Services	560	407
Operations, Maintenance, and Other	1,189	1,381
Student Transportation	1,004	1,188
Capital Expenditures	1,053	713
Total General Fund Expenditures	\$ 15,732	\$ 17,220
ADM Used Per Profile Model Format		7,919

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

Note: School District Profiles Report not available for June 30, 2024