



INDEPENDENT SCHOOL DISTRICT NO. 200 HASTINGS, MINNESOTA

**Annual Comprehensive
Financial Report for the Fiscal
Year Ended June 30, 2025**

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INDEPENDENT SCHOOL DISTRICT NO. 200
HASTINGS, MINNESOTA

Annual Comprehensive Financial Report

Year Ended
June 30, 2025

Prepared by
Business Office

Jennifer Seubert – Director of Finance and Operations

Cindy Westlund – Finance Supervisor

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INDEPENDENT SCHOOL DISTRICT NO. 200

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INTRODUCTORY SECTION

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BRIDGE TO SUCCESS

Hastings Public Schools

INDEPENDENT SCHOOL DISTRICT 200

1000 11TH STREET WEST

HASTINGS, MN 55033-2597

Phone (651) 480-7000

Fax (651) 480-7004

November 4, 2025

To: Board of Education
Citizens of Hastings Public Schools
Employees of the School District

INTRODUCTION

The Annual Comprehensive Financial Report (ACFR) for Independent School District No. 200, Hastings Public Schools (the District) is hereby submitted for the fiscal year ended June 30, 2025. The District's management assumes full responsibility for the completeness and accuracy of the information presented herein and believes it fairly represents the District's financial position and results of operation.

The financial statements contained in this report disclose the financial position of the District as of June 30, 2025, and the financial operation for the fiscal year then ended. The District's financial records and reports are maintained and prepared in accordance with the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and in accordance with accounting principles generally accepted in the United States of America (GAAP).

The District financial statements have been audited by LB Carlson, LLP, Certified Public Accountants. The independent auditors report is included in the financial section of this report. The auditors have given this report an unmodified ("clean") opinion, meaning that the financial statements fairly present the District's financial position on June 30, 2025, and the changes in financial position for the year then ended. The independent auditor's report is located at the beginning of the financial section of this ACFR.

In addition to the independent audit of the District's financial statements, the District is required to undergo an annual federal 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 internal controls and legal requirements involving the administration of federal awards.

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

REPORT FORMAT

The ACFR is presented in three sections:

- **Introductory Section** – The introductory section includes this letter of transmittal, an organizational chart, a list of School Board members and administration personnel, and a map of the District.
- **Financial Section** – The financial section includes the independent auditor’s report, MD&A, basic financial statements, required supplementary information, and supplementary information, which includes the combining and individual fund statements and schedules.
- **Statistical Section** – The statistical section includes selected financial and demographic information, generally presented on a multi-year comparative basis.

REPORTING ENTITY AND ITS SERVICES

The legal name of the District is Independent School District No. 200 and is commonly referred to as Hastings Public Schools. The financial reporting entity includes all funds of the District. Component units are legally separate entities for which the District is financially accountable. There are no organizations considered to be component units of the District.

The District provides a full range of public education services appropriate to grade levels ranging from pre-Kindergarten through Grade 12+. These include regular and enriched academic programs, special education programs, and career and technical education. Food service and transportation are provided as supporting programs. The District’s community education program includes early childhood and extended day programs, along with classes for lifelong learning experiences for children and adults.

The District serves the cities of Hampton, Hastings, Miesville, New Trier, and Vermillion and portions of Denmark, Douglas, Hampton, Marshan, Nininger, Ravenna, and Vermillion townships. While most of the District is in Dakota County, parts of the District are in Washington and Goodhue Counties. The District encompasses over 170 square miles, with a resident population of 22,477.

With almost 600 total staff, the District is one of the major employers in the area. During the 2024–2025 school year, the District operated 6 buildings, including 1 high school (with an alternative learning program and an online high school), 1 middle school/district service center, 3 elementary schools, and an early childhood/senior center. The average age of the District’s buildings is approximately 35 years.

The District is required to adopt an initial budget for the fiscal year no later than June 30th preceding the beginning of the fiscal year on July 1st. This annual budget serves as the foundation for the District’s financial planning and controls.

LOCAL ECONOMIC CONDITION AND OUTLOOK

The District is located within Dakota County, part of the Minneapolis-St. Paul metropolitan area. The per capita personal income for the City of Hastings was \$88,047, and the unemployment rate was 2.2 percent—both indicators that reflect economic stability and a favorable labor market.

The taxable market value of property within the District continues to increase. Referendum market values increased by about 2.2 percent for taxes payable 2024 to taxes payable 2025, reflecting an increase of roughly \$103 million.

The District maintains a strong Aa3 bond rating, signifying high quality with very low credit risk based on its fiscally responsible management and healthy tax base.

For the year ended June 30, 2025, the District reported a total adjusted average daily membership of 3,985 students. The District is experiencing declining enrollment. According to data from the U.S. Census Bureau's Small Area Income and Poverty Estimates Program, Hastings had the seventh-largest decrease in resident population ages 5 to 17 in Minnesota between 2020 to 2023. The District has continued to adjust its operations to align with the ongoing decline in enrollment.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The District is committed to responsible financial management and long-range planning that aligns resources with its mission and strategic priorities. As of June 30, 2025, the District's General Fund unrestricted fund balance was 27.2 percent, well above the School Board's minimum policy target of 16.7 percent, ensuring the District's continued financial strength and stability. The District receives \$1,669.55 per pupil through voter-approved operating referendum and local optional revenue.

In November 2023, voters approved a \$2 million technology levy to provide funds for district technology, including the acquisition, installation, replacement, support, maintenance of software, software licenses, computers, technology infrastructure and equipment, technology systems related to security and operations, and to pay the costs of technology-related personnel and training.

With the exception of voter-approved operating referendum, the District is dependent on the state of Minnesota for its revenue authority. Recent experience demonstrates that legislated revenue has not been sufficient to meet instructional program needs and increased costs due to inflation. The District will continue to monitor its operations to ensure that revenues are sufficient to meet expenditures and to maintain a reasonable amount in reserve to cover any unforeseen expenditures.

The Superintendent and Director of Finance & Operations have a shared goal for 2025 to refine the long-term financial plan and provide ongoing communication with stakeholders. Through this process resources will be aligned to strategic priorities, quarterly budget reviews will occur with budget managers, and all budget managers will be a part of creating the long-term financial plan.

In June 2025, the School Board approved the 2025–2027 Strategic Plan that outlines the District's mission, vision, core values, and core pillars & strategic anchors. They are as follows:

The District's mission – We Care, We Empower, We Achieve – guides its daily work, with students at the heart of all decisions. This plan ensures that financial and operational strategies are aligned with the District's core purpose, values, and vision to be a safe, welcoming, student-centered home focused on academics, growth, engagement, and excellence.

The District's vision – Hastings Public Schools is a safe, welcoming, student-centered home for families. We are focused on academics, growth, engagement, and excellence to develop lifelong learners who are college and career-ready.

Core Values:

- Compassion and Respect
- Innovation
- Voice and Choice
- Partnership
- Equity

Core Pillars & Strategic Anchors:

- Academic Excellence
- Equity and Belonging
- Safe, Supportive, and Engaging Environments
- Staff Empowerment and Retention
- Effective and Responsive Operations

FINANCIAL AND BUDGETARY CONTROL

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and with Minnesota Uniform Financial Accounting and Reporting Standards. The internal control framework is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management. The District has established a system of internal controls that provides reasonable assurance that assets are safeguarded from misuse or losses. We believe that the District's internal accounting controls adequately safeguard assets and provides reasonable assurance for proper recording of financial transactions.

Budgetary control is maintained at the fund level through an annual budget adopted by the School Board for all funds as required by state statutes and School Board policy. The adopted budget serves as the authorizing document for all expenditures, although the School Board approves all checks issued on a monthly basis. The Superintendent and Director of Finance & Operations are authorized to make financial commitments within budgetary guidelines.

Encumbrances, or open purchase orders, are used as a budgetary control tool and are charged against line item budgets when issued. Specific expenditure, revenue, and detail transaction reports are available for individuals with budget responsibilities. Ongoing budget 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 process includes estimates of revenues and expenditures based upon agreed assumptions. The staffing allocation formulas are determined based on School Board approved ratios and available resources to accomplish the District's goals. The budget is adopted in June of each year and revised once (at a minimum) during the fiscal year of its implementation.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

RELEVANT FINANCIAL POLICIES

The District has adopted comprehensive financial policies that ensure fiscal stability and guide sound decision-making. These policies have ensured the financial stability of the District as well as provided guidance for current and future financial decisions.

The District has a number of financial policies that align with state statutes.

One of the District's most important finance policies is the District's Fund Balance Policy. This policy not only ensures the District maintains sufficient funds but assists in important financial decisions. The District's Fund Balance Policy currently states:

The District will strive to maintain a minimum fund balance of:

- A. General Fund Unassigned Fund Balance – 2 months operating expenditures
- B. Food Service Fund \$100,000
- C. Community Service Fund \$100,000

CERTIFICATE OF EXCELLENCE

This report will be submitted to the Association of School Business Officials (ASBO) International for consideration for the Certificate of Excellence in Financial Reporting.

The District is aspiring to earn the recognition that accompanies the standards of accuracy and thoroughness of the Certificate of Excellence Program.

ACKNOWLEDGEMENTS

The preparation of this ACFR reflects the dedication of the District's Finance Department and collaboration across several other departments. We extend our appreciation to the School Board for its leadership and to the many departments who contributed their time and expertise to this process.

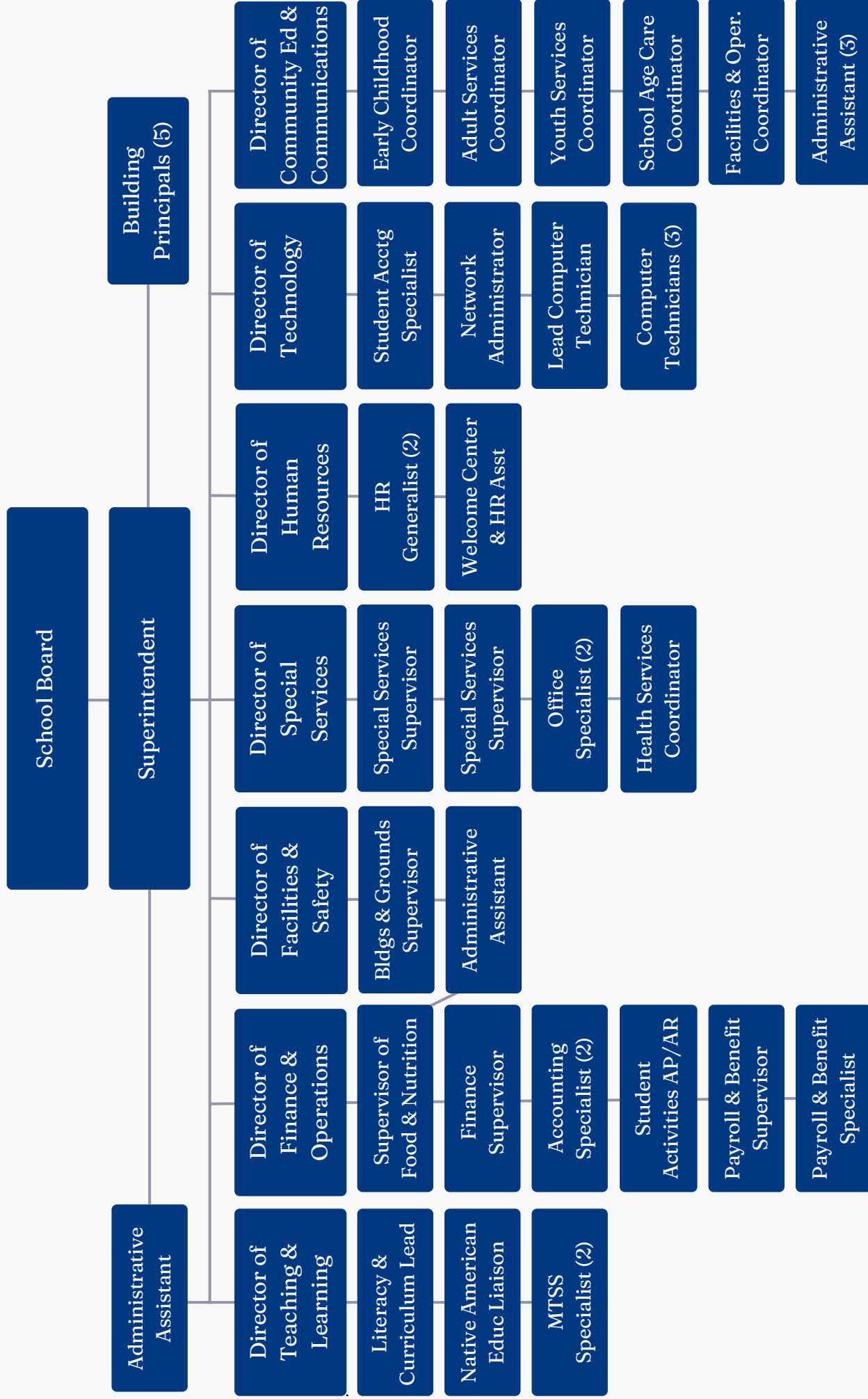
Sincerely,

Jennifer Seubert

Jennifer Seubert
Director of Finance and Operations



Organizational Chart



INDEPENDENT SCHOOL DISTRICT NO. 200

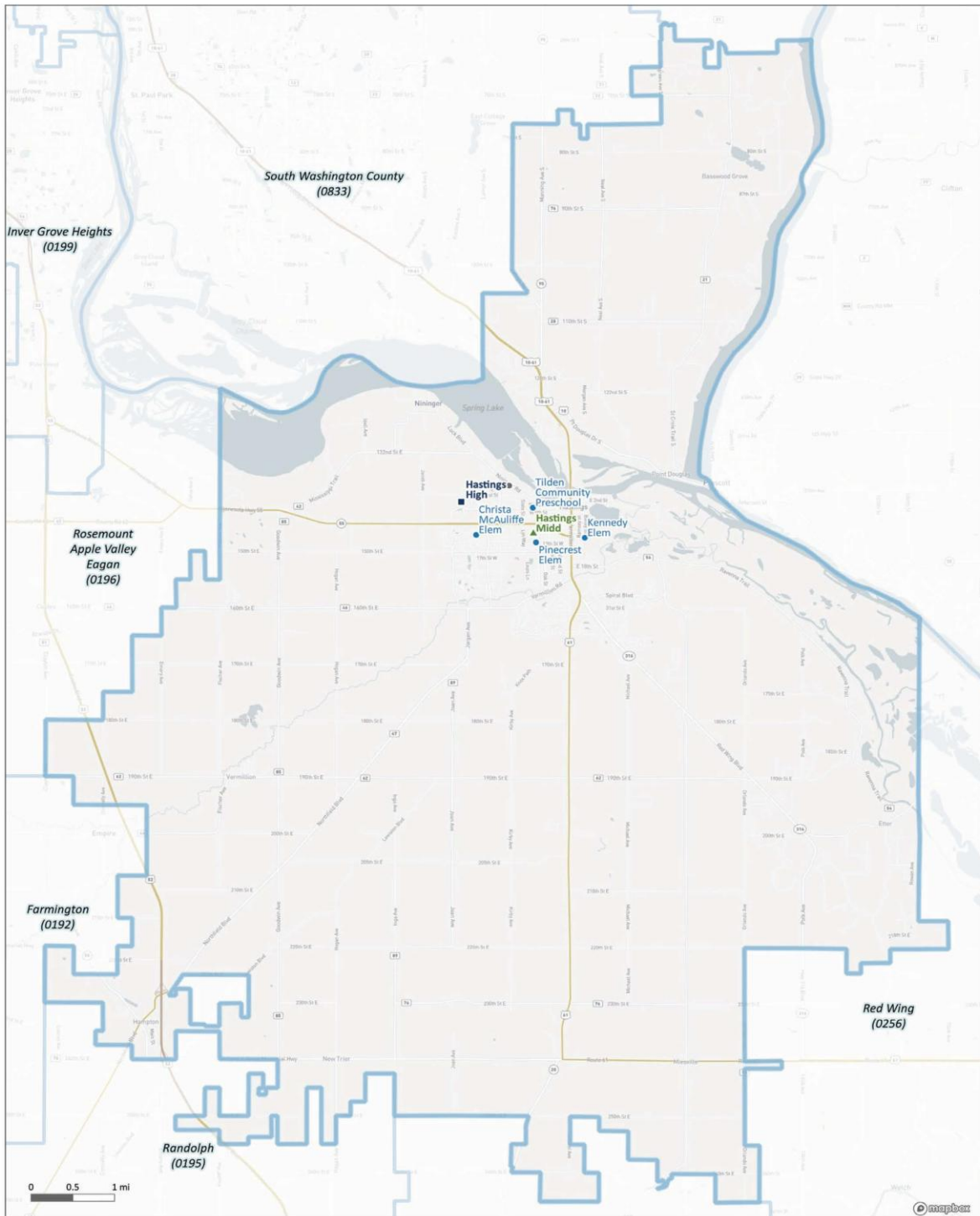
School Board and Administration
Year Ended June 30, 2025

SCHOOL BOARD

	<u>Board Position</u>
Carrie Tate	Chairperson
Jessica Dressely	Vice Chairperson
Melissa Millner	Clerk
Mark Zuzek	Treasurer
Philip Biermaier	Director
Matt Bruns	Director
Elaine Mikel-Mulder	Director

ADMINISTRATION

Tammy Champa	Superintendent
Andrew Hodges	Director of Teaching and Learning
Jennifer Seubert	Director of Finance and Operations
Scott Stockdale	Director of Facilities and Safety
Jill Petersen	Director of Special Services
Cathy Moen	Director of Human Resources
Missy Williams	Director of Technology
Kari Gorr	Director of Community Education and Communications



Hastings Public School District (0200-01)

District Boundaries and Program Locations

For a listing of public school programs within this school district, go to page 3. See page 2 for an additional map of specific attendance areas.

This map is intended to display a single public school district and the pertinent public school locations. School locations are labeled if they are classified as elementary, middle, or high schools. The school district boundary appearing on the map does not necessarily represent the legal boundary of the district. It is a generalization of the boundary maintained by the Department of Education, based on land parcel information from Minnesota counties. Please contact your county auditor or assessor to obtain an accurate legal description of the boundary.

Liability Statement

The Minnesota Department of Education (MDE) does not warranty the results you may obtain by using this map. It is provided without express or implied warranties, including warranties of merchantability and fitness. In no event will MDE be liable for any consequential, incidental, or special damages, including any lost profits or lost savings, even if an MDE representative has been advised of the possibility of such damages or any other claim by any third party.

Created using QGIS Geographic Information System by the Open Source Geospatial Foundation Project.
Basemap Credits: © Mapbox, © OpenStreetMap.

For assistance with this map, contact:
Mike Dolbow : mike.dolbow@state.mn.us
Jake Stark : jake.stark@state.mn.us

MN Department of Education
400 NE Stinson Blvd.
Minneapolis, MN, 55413
Last updated: 2024-12-04

Map Information

Public School Programs

- Elementary
- ▲ Middle and Junior High
- Secondary
- Other



FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 200
Hastings, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 200 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 of the notes to basic financial statements, in fiscal 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

PRIOR YEAR COMPARATIVE INFORMATION

Malloy, Montague, Karnowski, Radosevich & Co., P.A. previously audited the District's 2024 financial statements and expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in their report dated November 12, 2024. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in dark ink that reads "LB Carlson, LLP". The signature is written in a cursive, flowing style.

LB CARLSON, LLP
Minneapolis, Minnesota

November 4, 2025

INDEPENDENT SCHOOL DISTRICT NO. 200

Management's Discussion and Analysis Year Ended June 30, 2025

This section of Independent School District No. 200's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the other components of the District's annual financial statements.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources on June 30, 2025, by \$38,018,643 (net position). The District's total net position decreased by \$2,181,641 compared to the prior year, which includes a decrease for a change in accounting principle discussed below.
- Government-wide revenues totaled \$84,621,766 and were \$8,423,476 more than expenses of \$76,198,290.
- The District adopted new accounting guidance for compensated absences in the current year, which decreased beginning net position by \$10,605,117. This change is further described in Note 1 of the notes to basic financial statements.
- The General Fund's total fund balance (under the governmental fund presentation) increased by \$3,771,291 from the prior year, compared to a decrease of \$320,086 planned in the final budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the ACFR consists of the following parts:

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The District maintains the following types of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1 Summary Statement of Net Position as of June 30, 2025 and 2024		
	2025	2024
Assets		
Current and other assets	\$ 73,712,000	\$ 86,603,962
Capital assets, net of depreciation/amortization	90,214,686	90,361,067
Total assets	<u>\$ 163,926,686</u>	<u>\$ 176,965,029</u>
Deferred outflows of resources		
Pension plan deferments	\$ 7,459,698	\$ 8,316,424
OPEB plan deferments	232,856	322,204
Total deferred outflows of resources	<u>\$ 7,692,554</u>	<u>\$ 8,638,628</u>
Liabilities		
Current and other liabilities	\$ 7,366,311	\$ 7,432,051
Long-term liabilities, including due within one year	93,865,753	112,067,516
Total liabilities	<u>\$ 101,232,064</u>	<u>\$ 119,499,567</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 20,268,668	\$ 20,417,922
Lease revenue for subsequent year	213,386	224,112
Pension plan deferments	10,099,178	3,473,099
OPEB plan deferments	1,787,301	1,788,673
Total deferred inflows of resources	<u>\$ 32,368,533</u>	<u>\$ 25,903,806</u>
Net position		
Net investment in capital assets	\$ 35,952,459	\$ 19,805,036
Restricted	15,783,918	30,492,504
Unrestricted	(13,717,734)	(10,097,256)
Total net position	<u>\$ 38,018,643</u>	<u>\$ 40,200,284</u>

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

The District's increase in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being added, depreciated/amortized, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The decrease in net position restricted for debt service was the primary factor to the change in this portion of net position. The change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position. Positive operations in the General Fund and internal service funds partially offset the decrease in unrestricted net position that was largely due to the change in accounting principle for compensated absences.

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

Table 2 Summary Statement of Activities for the Years Ended June 30, 2025 and 2024		
	2025	2024
Revenues		
Program revenues		
Charges for services	\$ 3,472,487	\$ 3,435,259
Operating grants and contributions	24,061,833	21,200,969
Capital grants and contributions	418,446	527,604
General revenues		
Property taxes	21,065,225	18,981,941
General grants and aids	31,772,256	31,581,664
Other	3,831,519	3,861,427
Total revenues	<u>84,621,766</u>	<u>79,588,864</u>
Expenses		
Administration	2,180,639	1,987,183
District support services	2,980,748	2,617,221
Elementary and secondary regular instruction	27,337,365	26,073,735
Vocational education instruction	858,498	833,802
Special education instruction	12,112,370	11,101,301
Instructional support services	3,340,031	2,850,983
Pupil support services	8,814,234	8,338,309
Sites and buildings	9,817,512	9,529,306
Fiscal and other fixed cost programs	556,299	523,435
Food service	3,252,291	3,197,235
Community service	2,838,639	2,809,560
Interest and fiscal charges	2,109,664	2,274,970
Total expenses	<u>76,198,290</u>	<u>72,137,040</u>
Change in net position	8,423,476	7,451,824
Net position – beginning, as previously reported	40,200,284	32,748,460
Change in accounting principle	(10,605,117)	–
Net position – beginning, restated	<u>29,595,167</u>	<u>32,748,460</u>
Net position – ending	<u>\$ 38,018,643</u>	<u>\$ 40,200,284</u>

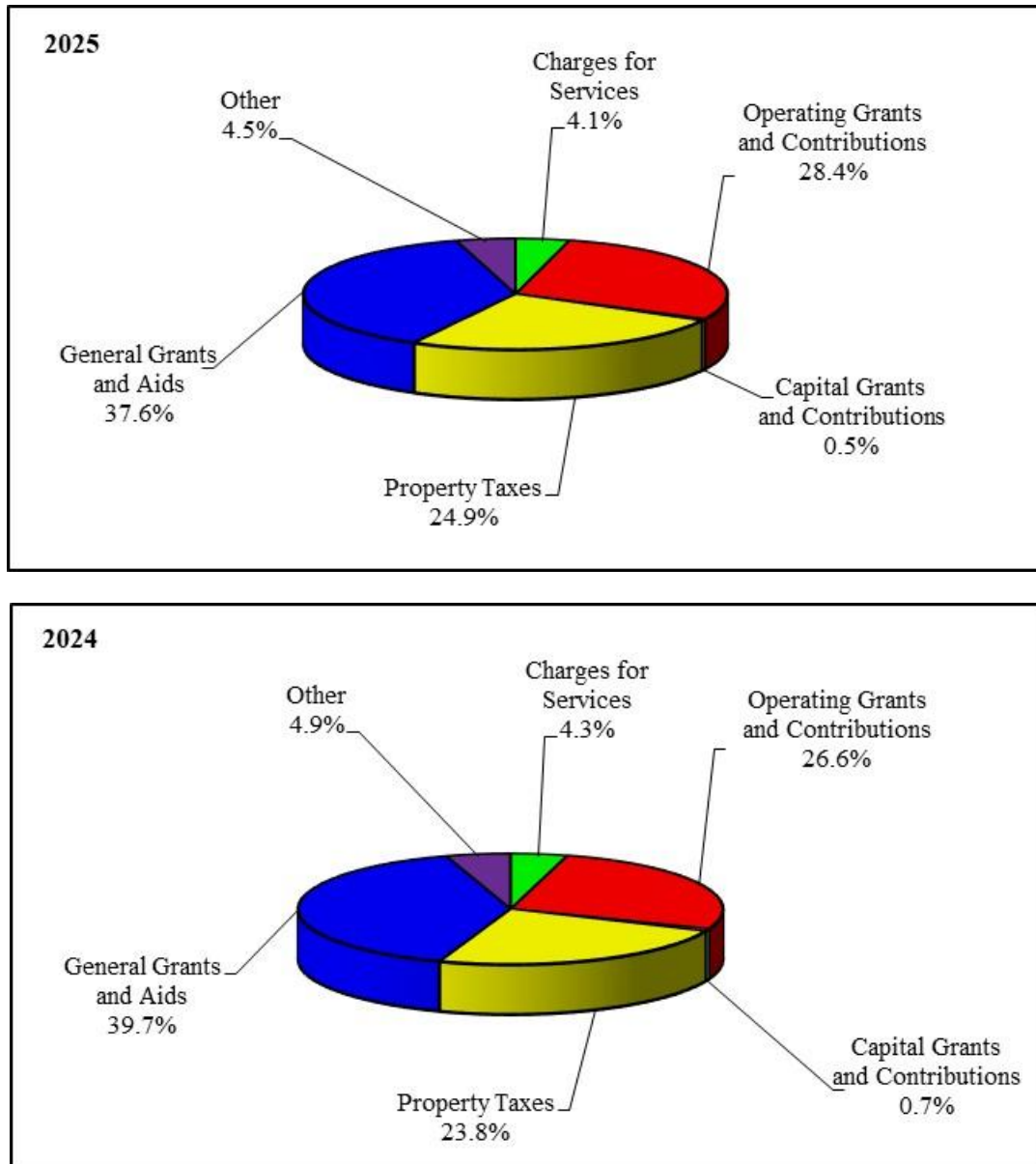
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Revenues increased by \$5,032,902, in the current year. The District recognized more state funding for special education, contributing to the increase in operating grants and contributions. The increase in the approved levy, including a new levy for technology, contributed to the change in property taxes.

Expenses were up, due primarily to changes in state-wide pension plans and natural inflationary increases.

Figure A shows further analysis of these revenue sources:

Figure A – Sources of Revenues for Fiscal Years 2025 and 2024

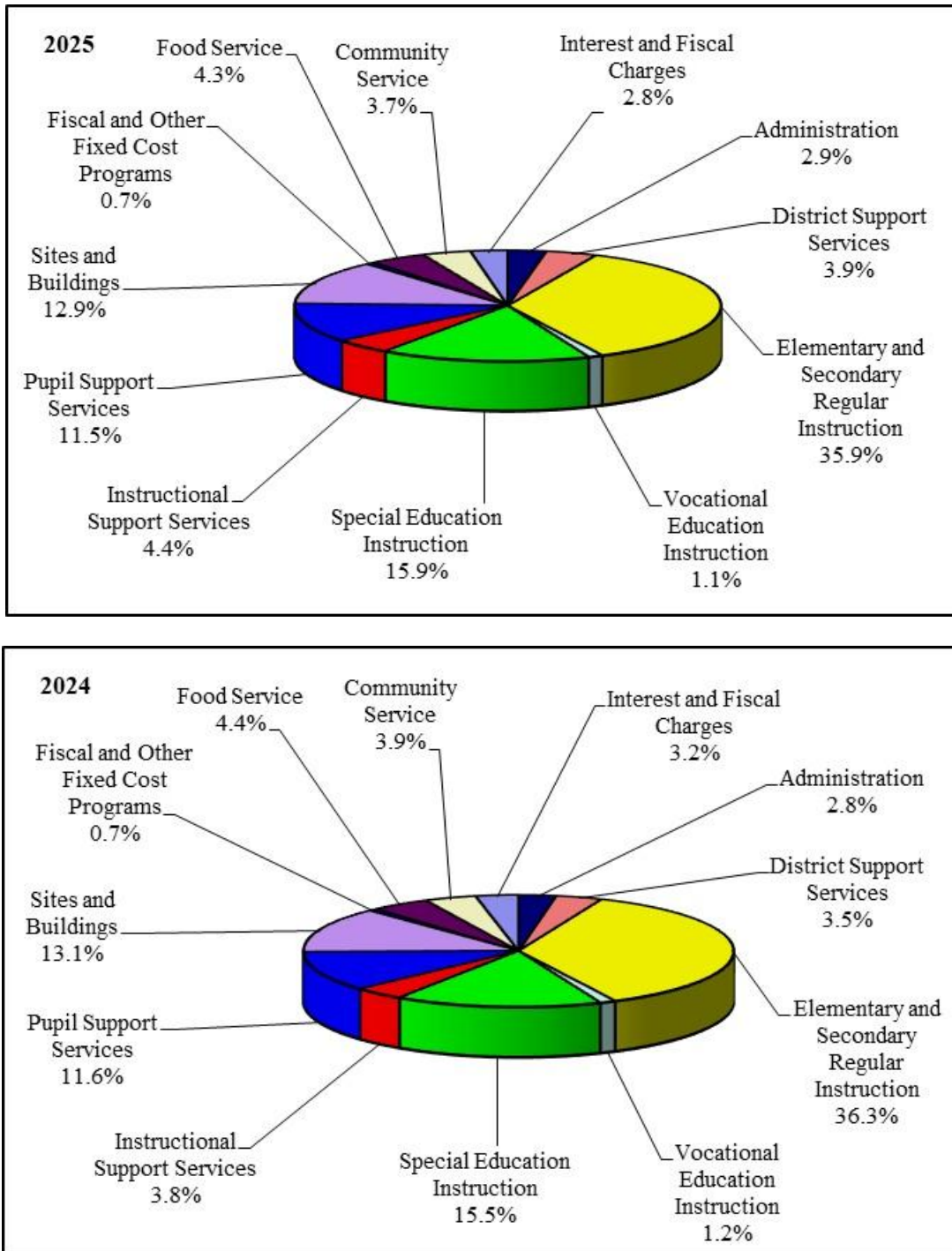


The largest share of the District's revenue is received from the state, included within the general grants and aids and most of the operating grants and contributions.

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

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2025 and 2024



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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3 Governmental Fund Balances as of June 30, 2025 and 2024			
	<u>2025</u>	<u>2024</u>	<u>Change</u>
Major funds			
General	\$ 36,293,874	\$ 32,522,583	\$ 3,771,291
Capital Projects – Building Construction	548,602	2,649,440	(2,100,838)
Debt Service	1,475,015	16,580,309	(15,105,294)
Nonmajor funds			
Food Service Special Revenue	673,753	945,365	(271,612)
Community Service Special Revenue	<u>219,856</u>	<u>331,936</u>	<u>(112,080)</u>
Total governmental funds	<u>\$ 39,211,100</u>	<u>\$ 53,029,633</u>	<u>\$ (13,818,533)</u>

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

On June 30, 2025, the District's governmental funds reported combined fund balances of \$39,211,100, a decrease of \$13,818,533 in comparison with the prior year. Approximately 47.0 percent of this amount (\$18,435,192) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$785,342), 2) restricted for particular purposes (\$15,998,164), 3) committed for particular purposes (\$757,083), or 4) assigned for particular purpose (\$3,235,319).

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

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

Table 4 General Fund Budget				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenues	<u>\$ 67,311,857</u>	<u>\$ 68,517,899</u>	<u>\$ 1,206,042</u>	<u>1.8%</u>
Expenditures	<u>\$ 69,260,898</u>	<u>\$ 68,837,985</u>	<u>\$ (422,913)</u>	<u>(0.6%)</u>

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

Table 5 summarizes the operating results of the General Fund:

Table 5 General Fund Operating Results					
	<u>2025 Actual</u>	<u>Over (Under)</u> <u>Final Budget</u>		<u>Over (Under)</u> <u>Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue	\$ 71,921,792	\$ 3,403,893	5.0%	\$ 4,421,166	6.5%
Expenditures	<u>68,150,942</u>	<u>(687,043)</u>	(1.0%)	<u>3,804,295</u>	5.9%
Excess of revenue over expenditures	3,770,850	4,090,936		616,871	
Net other financing sources (uses)	<u>441</u>	<u>441</u>		<u>(138,778)</u>	
Net change in fund balances	<u>\$ 3,771,291</u>	<u>\$ 4,091,377</u>		<u>\$ 478,093</u>	

The fund balance of the General Fund increased \$3,771,291, compared to a decrease of \$320,086 approved in the final budget.

The favorable variance in revenues was largely due to conservative budgeting in each major revenue source in the General Fund. State sources reported the largest favorable variance and the primary funding sources, which was largely in special education funding improvements. The increase in total revenue was primarily in property taxes and state sources. A new technology levy and improved funding for special education increased revenues over the prior year. Federal funding was down, with the expiration of certain pandemic-related grants.

Total General Fund expenditures for 2025 were under budget as presented in Table 5. Salaries and employee benefits were less than projected, due to open positions and conservative budgeting practices. Timing for capital improvements and facilities maintenance resulted in actual spending coming in more than anticipated in the budget. Spending was up, largely as anticipated for inflationary increases and contractually approved salary and benefit improvements.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund ended the year with \$548,602 of fund balance restricted for building construction. District taxpayers previously approved the issuance of school building bonds, to be used to finance the acquisition and betterment of school sites and facilities within the District. Capital outlay spending in this fund totaled \$2,159,223 for the current year.

Debt Service Fund

Debt Service Fund expenditures exceeded revenue by \$15,105,294 in the current year, compared to a \$15,607,747 fund balance decrease anticipated in the budget. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The remaining fund balance of \$1,475,015 on June 30, 2025, is available for meeting future debt service obligations.

Other Governmental Funds

The Food Service Special Revenue Fund ended the year with expenditures exceeding revenues, reducing fund balance by \$271,612, compared to a planned fund balance reduction of \$445,230. Revenue totals were similar to the prior year, while expenditures were up with increases in salaries and benefits.

The Community Service Special Revenue Fund ended the year with expenditures exceeding revenues and transfers in, decreasing fund balance by \$112,080, compared to a planned fund balance reduction of \$33,382. Revenues were similar to the prior year and close to budget, while expenditures were more than prior year and budgeted amounts. The largest increases were in employee benefits and purchased services, while the variance was spread across each major spending component.

Internal Service Funds

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

Operating revenues for the internal service funds for fiscal 2025 totaled \$10,462,308. This is an increase from the fiscal year 2024 operating revenue level of \$9,775,243. Nonoperating revenues totaled \$266,599, which is a decrease from the fiscal year 2024 nonoperating revenue of \$310,502. Operating expenses in fiscal year 2025 totaled \$9,986,259, which represents a reduction from fiscal year 2024 operating expenditures of \$10,150,822.

The net position for all internal service funds as of June 30, 2025, was \$6,281,544, which represents an increase of \$742,648 from the prior year.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation/amortization expense for fiscal years ended June 30, 2025, and 2024:

<p>Table 6 Capital Assets</p>			
	2025	2024	Change
Land	\$ 4,140,377	\$ 4,140,377	\$ —
Construction in progress	332,672	528,761	(196,089)
Improvements	23,360,202	22,023,636	1,336,566
Buildings	135,383,028	134,173,628	1,209,400
Furniture and equipment	19,524,602	16,105,592	3,419,010
Furniture and equipment – leased	100,824	100,824	—
Less accumulated depreciation/amortization	(92,627,019)	(86,711,751)	(5,915,268)
Total	<u>\$ 90,214,686</u>	<u>\$ 90,361,067</u>	<u>\$ (146,381)</u>
Depreciation/amortization expense	<u>\$ 6,405,646</u>	<u>\$ 6,145,962</u>	<u>\$ 259,684</u>

By the end of 2025, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2025, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page. Capital spending in the General Fund for facilities maintenance also increased capital assets in the current year.

Annual depreciation and amortization surpassed the amount of capital additions in the current year.

The District defines capital assets as those with an initial, individual cost of \$10,000 or more, which benefit more than one fiscal year. Groups of similar assets purchased totaling \$50,000 or more are also recorded as capital assets.

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

Long-Term Liabilities

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

Table 7 Outstanding Long-Term Liabilities			
	2025	2024	Change
General obligation bonds payable	\$ 71,440,000	\$ 91,705,000	\$ (20,265,000)
Unamortized premium/discount	(16,694,239)	(18,582,862)	1,888,623
Lease liability	65,068	83,333	(18,265)
Net/total pension liability	28,324,243	37,571,810	(9,247,567)
Net OPEB liability	—	623,143	(623,143)
Compensated absences payable	10,730,681	667,092	10,063,589
Total	<u>\$ 93,865,753</u>	<u>\$ 112,067,516</u>	<u>\$ (18,201,763)</u>

The changes in general obligation bonds payable, unamortized premium/discount, and lease liability in the table above are primarily due to principal payments and amortization during fiscal year 2025 as planned in the approved repayment schedules.

The difference in the net/total pension liability reflects the change in the District's proportionate share of the state-wide pension obligations for the PERA and the TRA. The change in net OPEB liability was due, in part, to assumption changes used to calculate this obligation and improved financial position in the District's Post-Employment Benefits Trust Fund. Compensated absences payable increased with a change in accounting principle implemented in the current year.

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

Table 8 Limitations on Debt	
District's market value	\$ 4,847,395,700
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 727,109,355</u>

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added \$200, or 2.75 percent, per pupil to the formula for fiscal year 2026.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office, Independent School District No. 200, 1000 – 11th Street West, Hastings, Minnesota 55033.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Net Position
as of June 30, 2025
(With Partial Comparative Information as of June 30, 2024)

	Governmental Activities	
	2025	2024
Assets		
Cash and temporary investments	\$ 53,784,190	\$ 52,436,000
Receivables		
Current taxes	11,361,286	11,219,095
Delinquent taxes	249,843	189,521
Accounts and interest	380,573	1,139,590
Due from other governmental units	6,528,371	4,680,369
Due from post-employment benefits trust	1,578	1,203
Lease revenue	213,386	224,112
Inventory	59,965	53,308
Prepaid items	725,377	1,233,609
Deposits	170,000	170,000
Net OPEB asset	237,431	—
Restricted assets – temporarily restricted		
Cash and investments for debt service	—	15,257,155
Capital assets		
Not depreciated/amortized	4,473,049	4,669,138
Depreciated, net of accumulated depreciation/amortization	85,741,637	85,691,929
Total capital assets, net of accumulated depreciation/amortization	<u>90,214,686</u>	<u>90,361,067</u>
Total assets	163,926,686	176,965,029
Deferred outflows of resources		
Pension plan deferments	7,459,698	8,316,424
OPEB plan deferments	232,856	322,204
Total deferred outflows of resources	<u>7,692,554</u>	<u>8,638,628</u>
Total assets and deferred outflows of resources	<u>\$ 171,619,240</u>	<u>\$ 185,603,657</u>
Liabilities		
Salaries payable	\$ 2,337,461	\$ 2,160,545
Accounts and contracts payable	3,042,120	2,825,048
Accrued interest payable	6,333	147,125
Due to other governmental units	97,061	122,624
Unearned revenue	1,353,535	1,331,284
Severance benefits payable	45,624	100,459
Claims incurred, but not reported	484,177	744,966
Long-term liabilities		
Due within one year	5,904,987	20,583,084
Due in more than one year	87,960,766	91,484,432
Total long-term liabilities	<u>93,865,753</u>	<u>112,067,516</u>
Total liabilities	101,232,064	119,499,567
Deferred inflows of resources		
Property taxes levied for subsequent year	20,268,668	20,417,922
Lease revenue for subsequent years	213,386	224,112
Pension plan deferments	10,099,178	3,473,099
OPEB plan deferments	1,787,301	1,788,673
Total deferred inflows of resources	<u>32,368,533</u>	<u>25,903,806</u>
Net position		
Net investment in capital assets	35,952,459	19,805,036
Restricted for		
Capital asset acquisition	9,361,728	9,869,320
Debt service	1,500,197	16,459,445
Food service	673,753	945,365
Community service	347,710	334,717
Other purposes (state and other funding restrictions)	3,900,530	2,883,657
Unrestricted	(13,717,734)	(10,097,256)
Total net position	<u>38,018,643</u>	<u>40,200,284</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 171,619,240</u>	<u>\$ 185,603,657</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Activities
Year Ended June 30, 2025
(With Partial Comparative Information for the Year Ended June 30, 2024)

Functions/Programs	2025				2024
	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Administration	\$ 2,180,639	\$ —	\$ —	\$ —	\$ (2,180,639)
District support services	2,980,748	—	4,000	—	(2,976,748)
Elementary and secondary regular instruction	27,337,365	808,022	5,559,504	473	(20,969,366)
Vocational education instruction	858,498	—	10,505	—	(847,993)
Special education instruction	12,112,370	315,834	13,353,304	—	1,556,768
Instructional support services	3,340,031	—	682,984	—	(2,657,047)
Pupil support services	8,814,234	44,933	233,848	9,420	(8,526,033)
Sites and buildings	9,817,512	117,700	866,907	408,553	(8,424,352)
Fiscal and other fixed cost programs	556,299	—	—	—	(556,299)
Food service	3,252,291	322,140	2,866,386	—	(63,765)
Community service	2,838,639	1,863,858	484,395	—	(490,386)
Interest and fiscal charges	2,109,664	—	—	—	(2,109,664)
Total governmental activities	<u>\$ 76,198,290</u>	<u>\$ 3,472,487</u>	<u>\$ 24,061,833</u>	<u>\$ 418,446</u>	(48,245,524)
General revenues					
Taxes					
Property taxes, for general purposes					16,256,860
Property taxes, for community service					445,377
Property taxes, for debt service					4,362,988
General grants and aids					31,772,256
Other general revenues					859,449
Investment earnings					2,972,070
Total general revenues					<u>56,669,000</u>
Change in net position					8,423,476
Net position – beginning, as previously reported					40,200,284
Change in accounting principle					(10,605,117)
Net position – beginning, as restated					<u>29,595,167</u>
Net position – ending					<u>\$ 38,018,643</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Balance Sheet
Governmental Funds
as of June 30, 2025
(With Partial Comparative Information as of June 30, 2024)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds
Assets				
Cash and temporary investments	\$ 40,825,614	\$ 699,590	\$ 3,387,390	\$ 1,266,523
Cash and investments held by trustee	–	–	–	–
Receivables				
Current taxes	8,570,743	–	2,553,173	237,370
Delinquent taxes	189,082	–	55,022	5,739
Accounts and interest	220,772	–	–	26,941
Due from other governmental units	6,375,598	–	29,961	122,812
Due from other funds	1,578	–	–	–
Lease revenue	213,386	–	–	–
Inventory	–	–	–	59,965
Prepaid items	716,905	–	–	8,472
Total assets	<u>\$ 57,113,678</u>	<u>\$ 699,590</u>	<u>\$ 6,025,546</u>	<u>\$ 1,727,822</u>
Liabilities				
Salaries payable	\$ 2,177,668	\$ –	\$ –	\$ 159,793
Accounts and contracts payable	2,859,704	150,988	–	31,428
Due to other governmental units	97,061	–	–	–
Unearned revenue	15,067	–	–	196,256
Severance benefits payable	45,624	–	–	–
Total liabilities	<u>5,195,124</u>	<u>150,988</u>	<u>–</u>	<u>387,477</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	15,306,222	–	4,519,016	443,430
Lease revenue for subsequent years	213,386	–	–	–
Unavailable revenue – delinquent taxes	105,072	–	31,515	3,306
Total deferred inflows of resources	<u>15,624,680</u>	<u>–</u>	<u>4,550,531</u>	<u>446,736</u>
Fund balances				
Nonspendable	716,905	–	–	68,437
Restricted	13,024,827	548,602	1,475,015	949,720
Committed	757,083	–	–	–
Assigned	3,235,319	–	–	–
Unassigned	18,559,740	–	–	(124,548)
Total fund balances	<u>36,293,874</u>	<u>548,602</u>	<u>1,475,015</u>	<u>893,609</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 57,113,678</u>	<u>\$ 699,590</u>	<u>\$ 6,025,546</u>	<u>\$ 1,727,822</u>

Total Governmental Funds	
2025	2024
\$ 46,179,117	\$ 45,995,905
—	15,257,155
11,361,286	11,219,095
249,843	189,521
247,713	338,628
6,528,371	4,680,369
1,578	6,648
213,386	224,112
59,965	53,308
725,377	1,233,609
<u>\$ 65,566,636</u>	<u>\$ 79,198,350</u>
\$ 2,337,461	\$ 2,160,545
3,042,120	2,825,048
97,061	122,624
211,323	209,534
45,624	100,459
<u>5,733,589</u>	<u>5,418,210</u>
20,268,668	20,417,922
213,386	224,112
139,893	108,473
<u>20,621,947</u>	<u>20,750,507</u>
785,342	1,286,917
15,998,164	33,201,527
757,083	997,510
3,235,319	1,636,865
18,435,192	15,906,814
<u>39,211,100</u>	<u>53,029,633</u>
<u>\$ 65,566,636</u>	<u>\$ 79,198,350</u>

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INDEPENDENT SCHOOL DISTRICT NO. 200

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2025
(With Partial Comparative Information as of June 30, 2024)

	<u>2025</u>	<u>2024</u>
Total fund balances – governmental funds	\$ 39,211,100	\$ 53,029,633
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	182,841,705	177,072,818
Accumulated depreciation/amortization	(92,627,019)	(86,711,751)
The net OPEB asset reported in the Statement of Net Position does not require the use of current financial resources and is not reported in governmental funds.		
	237,431	–
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
General obligation bonds payable	(71,440,000)	(91,705,000)
Unamortized premium/discount	16,694,239	18,582,862
Lease liability	(65,068)	(83,333)
Net/total pension liability	(28,324,243)	(37,571,810)
Net OPEB liability	–	(623,143)
Compensated absences payable	(10,730,681)	(667,092)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.		
	(6,333)	(147,125)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
	6,281,544	5,538,896
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	7,459,698	8,316,424
Deferred outflows of resources – OPEB plan deferments	232,856	322,204
Deferred inflows of resources – pension plan deferments	(10,099,178)	(3,473,099)
Deferred inflows of resources – OPEB plan deferments	(1,787,301)	(1,788,673)
Deferred inflows of resources – unavailable revenue – delinquent taxes	139,893	108,473
Total net position – governmental activities	<u>\$ 38,018,643</u>	<u>\$ 40,200,284</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025
(With Partial Comparative Information for the Year Ended June 30, 2024)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds
Revenue				
Local sources				
Property taxes	\$ 16,231,219	\$ –	\$ 4,357,734	\$ 444,852
Investment earnings	1,732,180	58,385	857,807	57,099
Other	2,135,407	–	–	2,185,998
State sources	50,104,634	–	299,615	2,133,818
Federal sources	1,718,352	–	–	1,216,963
Total revenue	71,921,792	58,385	5,515,156	6,038,730
Expenditures				
Current				
Administration	2,200,195	–	–	–
District support services	3,137,744	–	–	–
Elementary and secondary regular instruction	28,717,399	–	–	–
Vocational education instruction	925,084	–	–	–
Special education instruction	12,425,178	–	–	–
Instructional support services	3,436,880	–	–	–
Pupil support services	8,785,611	–	–	–
Sites and buildings	7,909,716	–	–	–
Fiscal and other fixed cost programs	556,299	–	–	–
Food service	–	–	–	3,292,080
Community service	32,188	–	–	2,940,467
Capital outlay	–	2,159,223	–	199,965
Debt service				
Principal	18,265	–	20,265,000	–
Interest and fiscal charges	6,383	–	355,450	–
Total expenditures	68,150,942	2,159,223	20,620,450	6,432,512
Excess (deficiency) of revenue over expenditures	3,770,850	(2,100,838)	(15,105,294)	(393,782)
Other financing sources (uses)				
Debt issued	–	–	–	–
Sale of capital assets	–	–	–	–
Insurance recovery	10,531	–	–	–
Transfer in	–	–	–	10,090
Transfers out	(10,090)	–	–	–
Total other financing sources (uses)	441	–	–	10,090
Net change in fund balances	3,771,291	(2,100,838)	(15,105,294)	(383,692)
Fund balances				
Beginning of year	32,522,583	2,649,440	16,580,309	1,277,301
End of year	\$ 36,293,874	\$ 548,602	\$ 1,475,015	\$ 893,609

See notes to basic financial statements

Total Governmental Funds	
2025	2024
\$ 21,033,805	\$ 18,970,546
2,705,471	2,870,330
4,321,405	4,077,459
52,538,067	48,634,217
2,935,315	4,522,087
<u>83,534,063</u>	<u>79,074,639</u>
2,200,195	2,125,692
3,137,744	2,605,360
28,717,399	27,234,263
925,084	893,888
12,425,178	11,760,490
3,436,880	2,884,327
8,785,611	8,401,947
7,909,716	7,891,012
556,299	523,435
3,292,080	3,167,748
2,972,655	2,864,461
2,359,188	2,544,766
20,283,265	3,524,051
361,833	373,932
<u>97,363,127</u>	<u>76,795,372</u>
(13,829,064)	2,279,267
—	100,824
—	1,430
10,531	36,965
10,090	—
(10,090)	—
<u>10,531</u>	<u>139,219</u>
(13,818,533)	2,418,486
53,029,633	50,611,147
<u>\$ 39,211,100</u>	<u>\$ 53,029,633</u>

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INDEPENDENT SCHOOL DISTRICT NO. 200

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2025
(With Partial Comparative Information for the Year Ended June 30, 2024)

	2025	2024
Total net change in fund balances – governmental funds	\$ (13,818,533)	\$ 2,418,486
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation/amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	6,259,265	5,542,844
Depreciation/amortization expense	(6,405,646)	(6,145,962)
The net OPEB asset reported in the Statement of Net Position does not require the use of current financial resources and is not reported in governmental funds.	237,431	–
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.	–	(100,824)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	20,265,000	3,505,000
Lease liability	18,265	19,051
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	(1,888,623)	(1,905,632)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net/total pension liability	9,247,567	2,588,164
Net OPEB liability	623,143	528,025
Compensated absences payable	541,528	78,433
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	140,792	4,594
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.	742,648	(65,077)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(856,726)	(3,154,642)
Deferred outflows of resources – OPEB plan deferments	(89,348)	(89,348)
Deferred inflows of resources – pension plan deferments	(6,626,079)	4,248,502
Deferred inflows of resources – OPEB plan deferments	1,372	(31,185)
Deferred inflows of resources – unavailable revenue – delinquent taxes	31,420	11,395
Change in net position – governmental activities	<u>\$ 8,423,476</u>	<u>\$ 7,451,824</u>

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INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 16,181,931	\$ 16,181,929	\$ 16,231,219	\$ 49,290
Investment earnings	674,000	1,004,000	1,732,180	728,180
Other	1,890,584	1,874,749	2,135,407	260,658
State sources	46,964,104	47,993,084	50,104,634	2,111,550
Federal sources	1,601,238	1,464,137	1,718,352	254,215
Total revenue	67,311,857	68,517,899	71,921,792	3,403,893
Expenditures				
Current				
Administration	2,240,791	2,286,834	2,200,195	(86,639)
District support services	3,088,829	3,375,270	3,137,744	(237,526)
Elementary and secondary regular instruction	29,769,988	29,830,916	28,717,399	(1,113,517)
Vocational education instruction	909,392	914,252	925,084	10,832
Special education instruction	12,709,058	12,276,171	12,425,178	149,007
Community service	—	—	32,188	32,188
Instructional support services	3,409,105	3,291,745	3,436,880	145,135
Pupil support services	8,598,937	8,478,816	8,785,611	306,795
Sites and buildings	7,984,449	7,808,984	7,909,716	100,732
Fiscal and other fixed cost programs	550,349	550,349	556,299	5,950
Debt service				
Principal	—	24,648	18,265	(6,383)
Interest and fiscal charges	—	—	6,383	6,383
Total expenditures	69,260,898	68,837,985	68,150,942	(687,043)
Excess (deficiency) of revenue over expenditures	(1,949,041)	(320,086)	3,770,850	4,090,936
Other financing sources (uses)				
Insurance recovery	—	—	10,531	10,531
Transfers out	—	—	(10,090)	(10,090)
Total other financing sources (uses)	—	—	441	441
Net change in fund balances	\$ (1,949,041)	\$ (320,086)	3,771,291	\$ 4,091,377
Fund balances				
Beginning of year			32,522,583	
End of year			\$ 36,293,874	

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Net Position
Internal Service Funds
as of June 30, 2025
(With Partial Comparative Information as of June 30, 2024)

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and temporary investments	\$ 7,605,073	\$ 6,440,095
Receivables		
Accounts and interest	132,860	800,962
Deposits	<u>170,000</u>	<u>170,000</u>
Total current assets	<u>7,907,933</u>	<u>7,411,057</u>
Liabilities		
Current liabilities		
Due to other funds	—	5,445
Unearned revenue	1,142,212	1,121,750
Claims incurred, but not reported	<u>484,177</u>	<u>744,966</u>
Total current liabilities	<u>1,626,389</u>	<u>1,872,161</u>
Net position		
Unrestricted	<u>\$ 6,281,544</u>	<u>\$ 5,538,896</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Revenue, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2025
(With Partial Comparative Information for the Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 10,462,308	\$ 9,775,243
Operating expenses		
Health benefit claims	9,302,961	9,500,895
Dental benefit claims	683,298	649,927
Total operating expenses	<u>9,986,259</u>	<u>10,150,822</u>
Operating income (loss)	476,049	(375,579)
Nonoperating revenue		
Investment earnings	<u>266,599</u>	<u>310,502</u>
Change in net position	742,648	(65,077)
Net position		
Beginning of year	<u>5,538,896</u>	<u>5,603,973</u>
End of year	<u>\$ 6,281,544</u>	<u>\$ 5,538,896</u>

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INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2025
(With Partial Comparative Information for the Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Contributions from governmental funds	\$ 11,150,872	\$ 9,075,599
Payment for health claims	(9,569,287)	(9,448,304)
Payment for dental claims	(677,761)	(655,455)
Net cash flows from operating activities	<u>903,824</u>	<u>(1,028,160)</u>
Cash flows from noncapital financing activities		
Cash received from other funds	—	9,366
Cash paid to other funds	(5,445)	—
Net cash flows from noncapital financing activities	<u>(5,445)</u>	<u>9,366</u>
Cash flows from investing activities		
Investment income received	<u>266,599</u>	<u>310,502</u>
Net change in cash and cash equivalents	1,164,978	(708,292)
Cash and cash equivalents		
Beginning of year	<u>6,440,095</u>	<u>7,148,387</u>
End of year	<u><u>\$ 7,605,073</u></u>	<u><u>\$ 6,440,095</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ 476,049	\$ (375,579)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets and liabilities		
Accounts receivable	668,102	(780,428)
Unearned revenue	20,462	80,784
Claims incurred, but not reported	(260,789)	47,063
Net cash flows from operating activities	<u><u>\$ 903,824</u></u>	<u><u>\$ (1,028,160)</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Fiduciary Net Position
as of June 30, 2025

	Post-Employment Benefits Trust Fund	Other Private-Purpose Trust Fund
Assets		
Investments held by trustee		
State Board of Investment – external investment pool	\$ 6,958,187	\$ –
Liabilities		
Due to other funds	1,578	–
Net position		
Restricted for employee benefits	<u>\$ 6,956,609</u>	<u>\$ –</u>

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

	Post-Employment Benefits Trust Fund	Other Private-Purpose Trust Fund
Additions		
Contributions		
Employer	\$ 278,398	\$ –
Investment earnings	320,176	67
Total additions	<u>598,574</u>	<u>67</u>
Deductions		
Benefits and other deductions	<u>–</u>	<u>62,616</u>
Change in net position	598,574	(62,549)
Net position		
Beginning of year	<u>6,358,035</u>	<u>62,549</u>
End of year	<u>\$ 6,956,609</u>	<u>\$ –</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Notes to Basic Financial Statements June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 200 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District serves pre-kindergarten through 12th-grade students attending the District either as a resident of the District or through an open enrollment options election. It is governed by a School Board elected by voters of the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Depreciation and amortization expense are included as a direct expense in the functional areas that utilize the related capital assets. Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary funds are presented in the fiduciary fund financial statements by type: the District has a Pension (and Other Employee Benefit) Trust Fund and a Private-Purpose Trust Fund. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide financial statements.

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

Description of Funds

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

Major Governmental Funds

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

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

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

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is used primarily to record financial activities of the District’s child nutrition program.

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

Proprietary Funds

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

Fiduciary Funds

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

Other Private-Purpose Trust Fund – The Other Private-Purpose Trust Fund is used to account for resources held in trust to be used by various other third parties or donor-directed purposes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

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

Actual expenditures exceeded final appropriations in the current year by \$80,360 in the Community Service Special Revenue Fund and by \$775 in the Debt Service Fund. These variances were funded by revenues and other financing sources in excess of budget and with available fund balance.

F. Cash and Temporary Investments

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

Cash and investments held by trustee include balances held in segregated accounts established for specific purposes. In the Post-Employment Benefits Trust Fund, this represents assets contributed to an irrevocable trust established to finance the District's liability for post-employment benefits. Interest earned on these investments is allocated directly to the fund.

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

Investments are generally stated at fair value, except for investments in certain external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less may also be reported at amortized cost. Repurchase agreement and guaranteed investment contract investments are valued on a cost-basis measure; and, therefore, are not subject to the fair value disclosure. Investment income is accrued at the Balance Sheet date.

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

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. See Note 2 for the District's recurring fair value measurements as of year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

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

At year-end, the District reported the following receivables due from other governmental units:

Due from the MDE and others	\$ 5,769,428
Due from other Minnesota school districts	35,338
Due from others	<u>723,605</u>
Total	<u>\$ 6,528,371</u>

H. Inventories

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded as expenses/expenditures at the time of consumption.

J. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$767,273 of the property tax levy collectible in 2025 as revenue to the District in fiscal year 2024–2025. The remaining portion of the taxes collectible in 2025 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Lease assets are recorded based on the measurement of payments applicable to the lease term.

The District defines capital assets as those with an initial, individual cost of \$10,000 or more, which benefit more than one fiscal year. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if cost of the assets is \$50,000 or more in the aggregate. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for improvements and buildings and 5 to 15 years for furniture and equipment. Lease assets are amortized over the term of the lease or over the useful life of the applicable asset class previously described if future ownership is anticipated. Land and construction in progress are not depreciated.

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

L. Long-Term Obligations

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

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

M. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment.

Under the terms of collectively bargained contracts, eligible employees accrue vacation, sick, and other leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. The District's policy permits employees to accumulate earned but unused sick leave. Generally, all sick leave lapses when employees leave employment of the District and, upon separation from service, no monetary obligation exists. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Compensated absences are accrued when earned in the government-wide financial statements. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end, due to employee termination or similar circumstances. The liability for compensated absences includes salary-related benefits, where applicable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Severance Benefits

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

The obligation for severance payable is part of the liability for compensated absences and accrued in the financial statements as previously noted.

O. State-Wide Pension Plans

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

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

P. Other Post-Employment Benefits (OPEB) Plan

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

Q. Deferred Outflows/Inflows of Resources

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports deferred inflows of resources related to lease receivables, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease.

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.

R. Net Position

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

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

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

S. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board resolution, the District's superintendent and director of finance and operations are authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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

When committed, assigned, or unassigned resources are available for use, it is the District's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

T. Use of Estimates

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

U. Risk Management and Self-Insurance

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's coverage in the current year.
2. **Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

The District makes premium payments that include both employer and employee contributions to the internal service funds on behalf of program participants based on rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

District claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported. Because actual claim liabilities depend on complex factors, such as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not necessarily result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2024	\$ 22,476	\$ 649,927	\$ 655,455	\$ 16,948
2025	\$ 16,948	\$ 683,298	\$ 677,761	\$ 22,485

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2024	\$ 675,427	\$ 9,500,895	\$ 9,448,304	\$ 728,018
2025	\$ 728,018	\$ 9,302,961	\$ 9,569,287	\$ 461,692

V. Prior Period Comparative Financial Information/Reclassification

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

W. Change in Accounting Principle

During the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement provided new guidance on accounting and reporting for compensated absences. Certain amounts necessary to fully restate fiscal year 2024 financial information are not determinable; therefore, prior year comparative amounts have not been restated. Implementation of this new guidance resulted in a restatement of beginning net position for the cumulative effect of this change. In the government-wide financial statement, beginning net position was reduced by \$10,605,117. See Note 5 of the notes to basic financial statements for additional details on this change.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Deposits	\$ 759,316
Investments	<u>59,983,061</u>
Total deposits and investments	<u><u>\$ 60,742,377</u></u>

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

Statement of Net Position	
Cash and temporary investments	\$ 53,784,190
Statement of Fiduciary Net Position	
Investments held by trustee	
Post-Employment Benefits Trust Fund	<u>6,958,187</u>
Total deposits and investments	<u><u>\$ 60,742,377</u></u>

B. Deposits

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

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

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

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

At year-end, the bank balance of the District’s deposits was \$766,039. At year-end, all deposits were fully covered by federal deposit insurance, surety bonds, or collateral held by the District’s agent in the District’s name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

Investments	Credit Risk		Fair Value Measurements	Maturity Duration	Total
	Rating	Agency			
Investment pools/mutual funds					
Minnesota School District Liquid Asset Fund	AAA	S&P	Amortized Cost	N/A	\$ 40,024,874
Minnesota School District Liquid Asset Fund – Term Series	AAA	Fitch	Amortized Cost	< 1 year	13,000,000
Minnesota State Board of Investment Retirement Money Fund	N/R	N/A	Amortized Cost	N/A	6,958,187
Total investments					<u>\$ 59,983,061</u>

N/A – Not Applicable

N/R – Not Rated

The Minnesota School District Liquid Asset Fund (MSDLAF) and the Minnesota State Board of Investment Retirement Money Fund are regulated by Minnesota Statutes and are external investment pools, which are not registered with the Securities and Exchange Commission. The District's investment in the MSDLAF and the Minnesota State Board of Investment Retirement Money Fund are measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For the MSDLAF, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the Liquid Class; the redemption notice period is 14 days for the MAX Class 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. MSDLAF Term Series investments have a maturity of 60 days to one year and early withdrawal may result in substantial early redemption penalties. For the Minnesota State Board of Investment Retirement Money Fund, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required.

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

NOTE 3 – LEASE RECEIVABLE

The District has entered into a lease receivable agreement for cell tower rental space on district property. The lease is reported using an incremental rate of 3.25 percent with a final maturity in fiscal 2037. During the current year, the District received principal and interest payments on this lease of \$17,851.

NOTE 4 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized					
Land	\$ 4,140,377	\$ –	\$ –	\$ –	\$ 4,140,377
Construction in progress	528,761	67,357	–	(263,446)	332,672
Total capital assets, not depreciated/amortized	4,669,138	67,357	–	(263,446)	4,473,049
Capital assets, depreciated/amortized					
Improvements	22,023,636	1,308,064	–	28,502	23,360,202
Buildings	134,173,628	1,303,741	(121,195)	26,854	135,383,028
Furniture and equipment	16,105,592	3,580,103	(369,183)	208,090	19,524,602
Furniture and equipment – leased	100,824	–	–	–	100,824
Total capital assets, depreciated/amortized	172,403,680	6,191,908	(490,378)	263,446	178,368,656
Less accumulated depreciation/amortization for					
Improvements	(11,907,728)	(1,037,773)	–	–	(12,945,501)
Buildings	(64,103,508)	(4,160,916)	121,195	–	(68,143,229)
Furniture and equipment	(10,680,350)	(1,186,793)	369,183	–	(11,497,960)
Furniture and equipment – leased	(20,165)	(20,164)	–	–	(40,329)
Total accumulated depreciation/amortization	(86,711,751)	(6,405,646)	490,378	–	(92,627,019)
Net capital assets, depreciated/amortized	85,691,929	(213,738)	–	263,446	85,741,637
Total capital assets, net	\$ 90,361,067	\$ (146,381)	\$ –	\$ –	\$ 90,214,686

Depreciation/amortization expense was charged to the following governmental functions:

Administration	\$ 758
District support services	131,070
Elementary and secondary regular instruction	1,472,754
Special education instruction	11,982
Instructional support services	115,579
Pupil support services	90,806
Sites and buildings	4,581,447
Community service	1,250
Total depreciation/amortization expense	\$ 6,405,646

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2016A School Building Refunding Bonds	05/26/2016	2.00%	\$ 1,965,000	02/01/2030	\$ 760,000
2018A School Building Bonds	03/28/2018	2.37–3.93%	\$ 80,080,000	02/01/2041	70,680,000
Total general obligation bonds payable					\$ 71,440,000

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

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

With the exception of the 2018A School Building Bonds, all general obligation bonds are serial bonds, which require semiannual payments of principal and/or interest from the date the bonds were issued. The Series 2018A School Building Bonds are capital appreciation bonds, which are issued at a discount and accrete to their face value at maturity. Interest expense is recognized through the annual amortization of the discount. All debt service payments are reported as principal payments on the governmental fund financial statements.

B. Lease Liability

The District has obtained the use of certain equipment through a lease financing agreement. The total amount of underlying lease assets by major classes and the related accumulated amortization is presented in Note 4 of the notes to basic financial statements. Annual principal and interest will be paid from the General Fund. The agreement is secured by the original property or equipment. The lessor may repossess the property and seek full recovery of the losses upon default. The District currently has the following lease liability obligation outstanding:

<u>Lease Description</u>	<u>Interest Rate</u>	<u>Lease Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Loffler copiers	8.50%	07/01/2023	06/01/2028	<u>\$ 65,068</u>

C. Other Long-Term Liabilities

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

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

<u>Pension Plans</u>	<u>Pension Liabilities</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
State-wide, multiple-employer – PERA	\$ 3,688,012	\$ 1,276,387	\$ 2,555,455	\$ 274,247
State-wide, multiple-employer – TRA	24,584,868	6,183,311	7,529,569	2,018,127
Single-employer – District	51,363	–	14,154	(74,623)
Total	<u>\$ 28,324,243</u>	<u>\$ 7,459,698</u>	<u>\$ 10,099,178</u>	<u>\$ 2,217,751</u>

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

D. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds		Lease Liability	
	Principal	Interest	Principal	Interest
2026	\$ 4,670,000	\$ 15,200	\$ 19,880	\$ 4,768
2027	4,670,000	12,300	21,637	3,011
2028	4,675,000	9,300	23,551	1,098
2029	4,680,000	6,300	—	—
2030	4,680,000	3,200	—	—
2031–2035	23,425,000	—	—	—
2036–2040	23,425,000	—	—	—
2041	1,215,000	—	—	—
	<u>\$ 71,440,000</u>	<u>\$ 46,300</u>	<u>\$ 65,068</u>	<u>\$ 8,877</u>

E. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Change in Accounting Principle (1)	Additions	Deletions	Balance – End of Year	Due Within One Year
General obligation bonds payable	\$ 91,705,000	\$ —	\$ —	\$ 20,265,000	\$ 71,440,000	\$ 4,670,000
Unamortized premium/discount	(18,582,862)	—	—	(1,888,623)	(16,694,239)	—
Total bonds payable	73,122,138	—	—	18,376,377	54,745,761	4,670,000
Lease liability	83,333	—	—	18,265	65,068	19,880
Net/total pension liability	37,571,810	—	4,005,833	13,253,400	28,324,243	14,229
Net OPEB liability (2)	623,143	—	763,125	1,386,268	—	—
Compensated absences payable (3)	667,092	10,605,117	—	541,528	10,730,681	1,200,878
	<u>\$ 112,067,516</u>	<u>\$ 10,605,117</u>	<u>\$ 4,768,958</u>	<u>\$ 33,575,838</u>	<u>\$ 93,865,753</u>	<u>\$ 5,904,987</u>

(1) The change in accounting principle was required by GASB Statement No. 101 implemented on financial reporting of compensated absences.

(2) See Note 9 for details of the net OPEB liability changing to an asset in the current year.

(3) The change in compensated absences is presented net.

NOTE 6 – NET POSITION/FUND BALANCES

A. Net Investment in Capital Assets

The government-wide statement of net position at year-end includes the District's net investment in capital assets calculated as follows:

Net investment in capital assets	
Capital assets	
Not depreciated/amortized	\$ 4,473,049
Depreciated/amortized, net of accumulated depreciation/amortization	85,741,637
Less capital-related long-term debt outstanding	(54,810,829)
Less capital-related payables outstanding	(150,988)
Addition for unspent proceeds	<u>699,590</u>
Total net investment in capital assets	<u><u>\$ 35,952,459</u></u>

B. Governmental Fund Balance Classifications

The classifications on the following page are a breakdown of fund balance components of governmental funds, which are defined earlier in the report. When applicable, certain state funding restrictions, which have an accumulated deficit balance on June 30 are included in unassigned fund balance in the District's financial statements in accordance with accounting principles generally accepted in the United States of America. A description of these deficit balance restrictions is included herein since the District has specific authority to future resources for such deficits. Fund balance is only assigned if there is available unassigned fund balance to cover such deficits that are part of disclosure purposes only.

Minimum Fund Balance Policy – The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund and the minimum restricted fund balance for the Food Service Special Revenue Fund and Community Service Special Revenue Fund. The policy establishes that the District will strive to maintain a minimum unassigned General Fund balance of two months of operating expenditures, a minimum restricted Food Service Special Revenue Fund balance of \$100,000, and a minimum restricted Community Service Special Revenue Fund balance of \$100,000.

NOTE 5 – NET POSITION/FUND BALANCES (CONTINUED)

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	\$ –	\$ –	\$ –	\$ 59,965	\$ 59,965
Prepaid items	716,905	–	–	8,472	725,377
Total nonspendable	716,905	–	–	68,437	785,342
Restricted					
Student activities	187,955	–	–	–	187,955
Scholarships	299,613	–	–	–	299,613
Staff development	139,863	–	–	–	139,863
Literacy incentive aid	368,182	–	–	–	368,182
Operating capital	4,327,448	–	–	–	4,327,448
Gifted and talented	136,740	–	–	–	136,740
Basic skills	1,590,541	–	–	–	1,590,541
Teacher compensation for READ Act training	1,539	–	–	–	1,539
Long-term facilities maintenance	5,034,280	–	–	–	5,034,280
Medical Assistance	426,707	–	–	–	426,707
Grants and donations	511,959	–	–	–	511,959
Building construction	–	548,602	–	–	548,602
Debt service	–	–	1,475,015	–	1,475,015
Food service	–	–	–	612,478	612,478
Community education programs	–	–	–	285,408	285,408
Community service	–	–	–	51,834	51,834
Total restricted	13,024,827	548,602	1,475,015	949,720	15,998,164
Committed					
Separation/retirement benefits	118,583	–	–	–	118,583
Technology	638,500	–	–	–	638,500
Total committed	757,083	–	–	–	757,083
Assigned					
Subsequent year’s budget	908,589	–	–	–	908,589
Site improvements	400,000	–	–	–	400,000
Safety and security	95,978	–	–	–	95,978
Curriculum	280,767	–	–	–	280,767
Elementary STEAM	249,985	–	–	–	249,985
Future funding changes	1,300,000	–	–	–	1,300,000
Total assigned	3,235,319	–	–	–	3,235,319
Unassigned					
Restricted account deficits					
Early childhood family education programs deficit	–	–	–	(66,503)	(66,503)
School readiness deficit	–	–	–	(58,045)	(58,045)
Unassigned	18,559,740	–	–	–	18,559,740
Total unassigned	18,559,740	–	–	(124,548)	18,435,192
Total	\$ 36,293,874	\$ 548,602	\$ 1,475,015	\$ 893,609	\$ 39,211,100

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. Minnesota Statutes, Chapter 356 defines each plan's financial reporting requirements.

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

2. Teachers Retirement Association (TRA)

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

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul Public Schools or Minnesota State Colleges and Universities (MnSCU)). Educators first hired by MnSCU may elect either TRA coverage within one year of eligible employment or elect coverage through the Defined Contribution Retirement (DCR) Plan administered by MnSCU. A teacher employed by MnSCU and electing the DCR Plan is not a member of the TRA except for purposes of Social Security coverage.

B. Benefits Provided

1. GERF Benefits

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statutes and can only be modified by the State Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

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

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase.

2. TRA Benefits

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

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

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

Tier I Benefits

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

With these provisions:

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

Or

For years of service prior to July 1, 2006, a Level formula of 1.7 percent per year for Coordinated members and 2.7 percent per year for Basic members is applied. For years of service July 1, 2006 and after, a Level formula of 1.9 percent per year for Coordinated members and 2.7 percent per year for Basic members applies. An early retirement reduction is applied to members retiring prior to age 65. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) reduction rate applied.

Tier II Benefits

Members first employed after June 30, 1989, receive only the Tier II benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66. After July 1, 2024, the age will change to not to exceed 65. An early retirement reduction is applied to members retiring before age 66, but will be age 65 after July 1, 2024. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) early retirement reduction rate applied.

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employee and employer contributions. Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50 percent for General Plan members. The District's contributions to the GERF for the year ended June 30, 2025, were \$680,458. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the rates for employee and employer contributions. Rates for each fiscal year 2025 Coordinated Plan were 7.75 percent for the employee and 8.75 percent for the employer. Basic Plan rates were 11.25 percent for the employee and 12.75 percent for the employer. The District's contributions to the TRA for the plan's fiscal year ended June 30, 2025, were \$2,314,870. The District's contributions were equal to the required contributions for each year as set by state statutes.

D. Pension Costs

1. GERF Pension Costs

At June 30, 2025, the District reported a liability of \$3,688,012 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$95,364.

District's proportionate share of the net pension liability	\$ 3,688,012
State's proportionate share of the net pension liability associated with the District	<u>95,364</u>
Total	<u>\$ 3,783,376</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.0998 percent at the end of the measurement period and 0.0941 percent for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of \$271,690 for its proportionate share of the GERF's pension expense. The District also recognized an additional \$2,557 as pension expense and grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

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

During the plan year ended June 30, 2024, the state of Minnesota contributed \$170.1 million to the General Employees Fund. The state of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$169,683 for the year ended June 30, 2025, as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the General Employees Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 341,007	\$ –
Changes in actuarial assumptions	17,597	1,338,030
Net difference between projected and actual investment earnings on pension plan investments	–	1,071,041
Changes in proportion	237,325	146,384
District's contributions to the GERF subsequent to the measurement date	680,458	–
Total	<u>\$ 1,276,387</u>	<u>\$ 2,555,455</u>

The \$680,458 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2026	\$ (1,139,119)
2027	\$ (171,854)
2028	\$ (365,889)
2029	\$ (282,664)

2. TRA Pension Costs

At June 30, 2025, the District reported a liability of \$24,584,868 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.3869 percent at the end of the measurement period and 0.3892 percent for the beginning of the period.

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

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

District's proportionate share of the net pension liability	\$ 24,584,868
State's proportionate share of the net pension liability associated with the District	<u>1,607,932</u>
Total	<u>\$ 26,192,800</u>

For the year ended June 30, 2025, the District recognized pension expense of \$1,929,738. It also recognized \$88,389 as an increase to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2024, the state of Minnesota contributed \$176.0 million to the Fund. The state of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the \$176.0 million in direct state aid because of this contribution was not considered to meet the definition of a special funding situation. The District recognized \$681,588 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,178,371	\$ 322,911
Changes in actuarial assumptions	2,564,596	2,931,812
Net difference between projected and actual investment earnings on pension plan investments	–	3,385,252
Changes in proportion	125,474	889,594
District's contributions to the TRA subsequent to the measurement date	<u>2,314,870</u>	<u>–</u>
Total	<u>\$ 6,183,311</u>	<u>\$ 7,529,569</u>

The \$2,314,870 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2026	\$ (1,680,079)
2027	\$ 2,173,944
2028	\$ (2,024,895)
2029	\$ (1,710,458)
2030	\$ (419,640)

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

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of the PERA and the TRA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of 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 an expected long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation.

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

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

F. Actuarial Methods and Assumptions

1. GERF

The total pension liability was determined by an actuarial valuation as of June 30, 2024, using the entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.00 percent. The 7.00 percent assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00 percent is within that range.

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

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

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

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

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

2. TRA

The total pension liability in the July 1, 2024 actuarial valuation was determined using the entry-age normal method and actuarial assumptions, applied to all periods included in the measurement. Key assumptions used in the valuation of the total pension liability are as follows:

Actuarial Assumptions Used in Valuation of Total Pension Liability	
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% thereafter
Cost of living adjustment	1.00 percent for January 2019 through January 2023, then increasing by 0.10 percent each year up to 1.50 percent annually

Mortality Assumptions Used in Valuation of Total Pension Liability	
Pre-Retirement	PubT-2010(A) Employee Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Healthy Retirees	PubT-2010(A) Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Beneficiaries	Pub-2010(A) Contingent Survivor Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Disabled Retirees	PubNS-2010 Disabled Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.

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

1. GERP

CHANGES IN PLAN PROVISIONS

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

CHANGES IN ACTUARIAL ASSUMPTIONS

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

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family.
- Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15.00 percent to reflect the continued lower than expected observations.

G. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2024 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

The discount rate used to measure the total pension liability was 7.00 percent. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2024 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

H. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.00%	7.00%	8.00%
District's proportionate share of the GERF net pension liability	\$ 8,055,212	\$ 3,688,012	\$ 95,592
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	\$ 43,295,391	\$ 24,584,868	\$ 9,185,664

I. Pension Plan Fiduciary Net Position

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

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

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

The District provides pension benefits to certain eligible employees through its Pension Benefits Plan, a single-employer defined benefit plan administered by the District. All pension 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 is closed to new entrants with eligible groups requiring set hire dates in the contract to be eligible for these benefits. The plan does not issue a publicly available financial report.

These benefits are summarized as follows:

Administrator Pension Benefits – For eligible administrators (with at least 10 years of service, hired before July 1, 2009, and at least 50 years of age), the District pays a lump sum benefit equal to 80 days' pay.

Other Pension Benefits – The District offers pension benefits to several other employee groups. Eligible employees (with at least 12 years of service and at least 55 years of age) can earn a pension benefit that differs by bargaining unit.

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has not established a trust fund to finance these pension benefits.

C. Membership

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

Retirees and beneficiaries receiving benefits	4
Active plan members	<u>23</u>
Total members	<u><u>27</u></u>

D. Actuarial Methods and Assumptions

The District’s net pension liability was measured as of June 30, 2025. The total pension liability was determined by an actuarial valuation date of July 1, 2024, using the entry-age method, and update procedures were used to roll forward the total pension liability to the measurement date. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.90%
20-year municipal bond yield	4.90%
Inflation rate	2.50%
Salary increases	Service graded table

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

E. Discount Rate

The discount rate used to measure the total pension liability was 4.90 percent. The District discount rate used in the prior measurement date was 4.10 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)**F. Changes in the Total Pension Liability**

	<u>Total Pension Liability</u>
Beginning balance	\$ 176,619
Changes for the year	
Service cost	1,470
Interest	6,465
Assumption changes	(748)
Plan changes	(68,439)
Differences between expected and actual experience	(22,793)
Benefit payments	(41,211)
Total net changes	<u>(125,256)</u>
Ending balance	<u>\$ 51,363</u>

Plan provision changes since the prior measurement date include the following:

- The form of payment for custodians eligible to receive pension benefits has changed to make payments to a healthcare savings account, so this portion is now valued under the OPEB study obligations.

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 4.10 percent to 4.90 percent.

G. Total Pension Liability Sensitivity to Discount Rate Changes

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Pension discount rate	3.90%	4.90%	5.90%
Total pension liability	\$ 52,214	\$ 51,363	\$ 50,530

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

H. Pension Expense and Related Deferred Outflows and Deferred Inflows of Resources

For the current year ended, the District recognized a negative pension expense of \$74,623. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ –	\$ 13,678
Changes in actuarial assumptions	–	476
Total	<u>\$ –</u>	<u>\$ 14,154</u>

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

Year Ending June 30,	Pension Expense Amount
2026	\$ (14,113)
2027	\$ (41)

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

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

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

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

B. Benefits Provided

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

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has established the Post-Employment Benefits Trust Fund to finance these obligations and uses an actuarial determined contribution amount to establish contribution amounts paid to the trust. The District's contributions in the current year totaled \$1,004,873 as required on a pay-as-you-go basis to finance current year benefits as described in the previous section.

D. Membership

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

Retirees and beneficiaries receiving benefits	34
Active plan members	<u>510</u>
Total members	<u><u>544</u></u>

E. Net OPEB Liability (Asset) of the District

The District's net OPEB liability (asset) was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2024, and update procedures were used to roll forward the total OPEB liability to the measurement date. The components of the net OPEB liability (asset) of the District at year-end were as follows:

Total OPEB liability	\$ 6,719,178
Plan fiduciary net position	<u>(6,956,609)</u>
District's net OPEB liability (asset)	<u><u>\$ (237,431)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>103.53%</u></u>

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

F. Actuarial Methods and Assumptions

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

Discount rate	3.90%
Expected long-term investment return	3.00% (net of investment expenses)
20-year municipal bond yield	4.90%
Inflation rate	2.50%
Salary increases	Service graded table
Healthcare trend rate	6.50% grading to 5.00% over 6 years, and then 4.00% over the next 48 years

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
NR Money Market Fund	100.00 %	3.00 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 5.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

H. Discount Rate

The discount rate used to measure the total OPEB liability was 3.90 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy have also been considered. The District discount rate used in the prior measurement date was 3.20 percent.

I. Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Beginning balance	\$ 6,981,178	\$ 6,358,035	\$ 623,143
Changes for the year			
Service cost	447,655	—	447,655
Interest	226,191	—	226,191
Assumption changes	(80,054)	—	(80,054)
Plan changes	89,279	—	89,279
Contributions – paid through trust	—	278,398	(278,398)
Contributions – paid through operating funds	—	726,475	(726,475)
Projected investment return	—	190,741	(190,741)
Differences between expected and actual experience	(218,596)	129,435	(348,031)
Benefit payments – paid through operating funds	(726,475)	(726,475)	—
Total net changes	(262,000)	598,574	(860,574)
Ending balance	\$ 6,719,178	\$ 6,956,609	\$ (237,431)

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.20 percent to 3.90 percent.
- The expected long-term investment return assumption was changed from 2.30 percent to 3.00 percent.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	2.90%	3.90%	4.90%
Net OPEB liability (asset)	\$ 96,005	\$ (237,431)	\$ (569,250)

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

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
OPEB healthcare cost trend rate	5.50% decreasing to 4.00% over 6 years, then to 3.00% over the next 48 years	6.50% decreasing to 5.00% over 6 years, then to 4.00% over the next 48 years	7.50% decreasing to 6.00% over 6 years, then to 5.00% over the next 48 years
Net OPEB liability (asset)	\$ (893,065)	\$ (237,431)	\$ 526,444

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

For the current year ended, the District recognized OPEB expense of \$232,275. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 72,281	\$ 1,004,696
Changes in actuarial assumptions	160,575	502,462
Net collective difference between projected and actual investment earnings on OPEB plan investments	—	280,143
Total	<u>\$ 232,856</u>	<u>\$ 1,787,301</u>

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

Year Ending June 30,	OPEB Expense Amount
2026	\$ (348,418)
2027	\$ (350,615)
2028	\$ (350,668)
2029	\$ (232,669)
2030	\$ (206,785)
Thereafter	\$ (65,290)

NOTE 10 – FLEXIBLE BENEFIT PLAN

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

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

Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated insurance companies. These payments are accounted for in the General Fund. Amounts withheld for medical reimbursement and dependent care are deposited into a separate district checking account. Payments are made by the District to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the employee. The medical reimbursement and dependent care activity are included in the financial statements of the General Fund.

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

NOTE 11 – INTERFUND BALANCES AND TRANSACTIONS

A. Interfund Receivables and Payables

The District had the following interfund receivables and payables on June 30, 2025:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,578	\$ –
Post-Employment Benefits Trust Fund	–	1,578
	<u>\$ 1,578</u>	<u>\$ 1,578</u>

These balances represent interfund amounts between the funds above, for amounts due from the trust for allowable OPEB expenditures. Such interfund balances are reported in the fund financial statements, but are eliminated as necessary in the government-wide financial statements.

B. Interfund Transfers

The District transferred \$10,090 from the General Fund to the Community Service Special Revenue Fund to help finance program costs.

Such interfund transfers are reported in the fund financial statements, but are eliminated in the government-wide financial statements.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Revenues

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

B. Legal Claims

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

C. Construction Contracts

At June 30, 2025, the District had commitments totaling \$131,503 under construction contracts for which the work was not yet completed.

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

D. Purchase Power Commitment

Solar Gardens

During fiscal year 2019, the District entered into five community solar garden subscription agreements with Northfield Solar, LLC. The District is committed to purchasing up to 40 percent of the annual delivered energy of the solar systems for a period of 25 years from the commercial operation date to receive bill credits associated with the energy production.

During fiscal year 2019, the District entered into four community solar garden subscription agreements with Walcott Solar, LLC. The District is committed to purchasing up to 21 percent of the annual delivered energy of the solar systems for a period of 25 years from the commercial operation date to receive bill credits associated with the energy production.

During fiscal year 2019, the District entered into two community solar garden subscription agreements with Warsaw Solar, LLC. The District is committed to purchasing up to 40 percent of the annual delivered energy of the solar systems for a period of 25 years from the commercial operation date to receive bill credits associated with the energy production.

Solar for Schools Grant Program

During fiscal year 2025, the District entered into agreements to add solar panels at two school sites. The agreements are through Ideal Energies and the Solar for Schools Grant Program. The agreements call for an initial term of 20 years, with the option to renew on an annual basis for up to 40 additional years. During the term of this agreement, the District is committed to purchasing the power used and shall receive bill credits associated with the energy production.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 200

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2025

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2016	06/30/2015	0.1153%	\$ 5,975,445	\$ —	\$ 5,975,445	\$ 6,676,160	89.50%	78.20%
06/30/2017	06/30/2016	0.1093%	\$ 8,874,618	\$ 115,877	\$ 8,990,495	\$ 6,977,853	127.18%	68.90%
06/30/2018	06/30/2017	0.1105%	\$ 7,054,247	\$ 88,690	\$ 7,142,937	\$ 7,117,773	99.11%	75.90%
06/30/2019	06/30/2018	0.1072%	\$ 5,947,016	\$ 195,044	\$ 6,142,060	\$ 7,169,227	82.95%	79.50%
06/30/2020	06/30/2019	0.1057%	\$ 5,843,915	\$ 181,659	\$ 6,025,574	\$ 7,479,627	78.13%	80.20%
06/30/2021	06/30/2020	0.1038%	\$ 6,223,285	\$ 191,902	\$ 6,415,187	\$ 7,403,773	84.06%	79.10%
06/30/2022	06/30/2021	0.0986%	\$ 4,210,662	\$ 128,571	\$ 4,339,233	\$ 7,099,707	59.31%	87.00%
06/30/2023	06/30/2022	0.0975%	\$ 7,722,032	\$ 226,481	\$ 7,948,513	\$ 7,260,387	106.36%	76.70%
06/30/2024	06/30/2023	0.0941%	\$ 5,261,967	\$ 145,063	\$ 5,407,030	\$ 7,480,440	70.34%	83.10%
06/30/2025	06/30/2024	0.0998%	\$ 3,688,012	\$ 95,364	\$ 3,783,376	\$ 8,436,660	43.71%	89.08%

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2025

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2016	\$ 523,339	\$ 523,339	\$ —	\$ 6,977,853	7.50%
06/30/2017	\$ 533,833	\$ 533,833	\$ —	\$ 7,117,773	7.50%
06/30/2018	\$ 537,692	\$ 537,692	\$ —	\$ 7,169,227	7.50%
06/30/2019	\$ 560,972	\$ 560,972	\$ —	\$ 7,479,627	7.50%
06/30/2020	\$ 555,283	\$ 555,283	\$ —	\$ 7,403,773	7.50%
06/30/2021	\$ 532,478	\$ 532,478	\$ —	\$ 7,099,707	7.50%
06/30/2022	\$ 544,529	\$ 544,529	\$ —	\$ 7,260,387	7.50%
06/30/2023	\$ 561,033	\$ 561,033	\$ —	\$ 7,480,440	7.50%
06/30/2024	\$ 632,528	\$ 632,528	\$ —	\$ 8,436,660	7.50%
06/30/2025	\$ 680,458	\$ 680,458	\$ —	\$ 9,072,766	7.50%

INDEPENDENT SCHOOL DISTRICT NO. 200

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2025

District Fiscal Year-End	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2016	06/30/2015	0.4210%	\$ 26,043,014	\$ 3,194,156	\$ 29,237,170	\$ 21,450,533	121.41%	76.80%
06/30/2017	06/30/2016	0.4095%	\$ 97,675,521	\$ 9,804,006	\$107,479,527	\$ 21,487,053	454.58%	44.88%
06/30/2018	06/30/2017	0.4064%	\$ 81,124,812	\$ 7,842,332	\$ 88,967,144	\$ 21,919,227	370.11%	51.57%
06/30/2019	06/30/2018	0.4024%	\$ 25,274,486	\$ 2,374,579	\$ 27,649,065	\$ 22,274,056	113.47%	78.07%
06/30/2020	06/30/2019	0.3954%	\$ 25,202,879	\$ 2,230,422	\$ 27,433,301	\$ 22,520,130	111.91%	78.21%
06/30/2021	06/30/2020	0.3991%	\$ 29,486,043	\$ 2,470,754	\$ 31,956,797	\$ 23,192,121	127.14%	75.48%
06/30/2022	06/30/2021	0.4002%	\$ 17,513,949	\$ 1,477,267	\$ 18,991,216	\$ 23,944,268	73.14%	86.63%
06/30/2023	06/30/2022	0.4029%	\$ 32,262,101	\$ 2,392,639	\$ 34,654,740	\$ 24,902,170	129.56%	76.17%
06/30/2024	06/30/2023	0.3892%	\$ 32,133,224	\$ 2,251,088	\$ 34,384,312	\$ 24,748,421	129.84%	76.42%
06/30/2025	06/30/2024	0.3869%	\$ 24,584,868	\$ 1,607,932	\$ 26,192,800	\$ 25,631,617	95.92%	82.07%

Teachers Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2025

District Fiscal Year-End	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2016	\$ 1,611,529	\$ 1,611,529	\$ —	\$ 21,487,053	7.50%
06/30/2017	\$ 1,643,942	\$ 1,643,942	\$ —	\$ 21,919,227	7.50%
06/30/2018	\$ 1,670,554	\$ 1,670,554	\$ —	\$ 22,274,056	7.50%
06/30/2019	\$ 1,736,302	\$ 1,736,302	\$ —	\$ 22,520,130	7.71%
06/30/2020	\$ 1,836,816	\$ 1,836,816	\$ —	\$ 23,192,121	7.92%
06/30/2021	\$ 1,946,669	\$ 1,946,669	\$ —	\$ 23,944,268	8.13%
06/30/2022	\$ 2,076,841	\$ 2,076,841	\$ —	\$ 24,902,170	8.34%
06/30/2023	\$ 2,115,990	\$ 2,115,990	\$ —	\$ 24,748,421	8.55%
06/30/2024	\$ 2,242,768	\$ 2,242,768	\$ —	\$ 25,631,617	8.75%
06/30/2025	\$ 2,314,870	\$ 2,314,870	\$ —	\$ 26,455,652	8.75%

INDEPENDENT SCHOOL DISTRICT NO. 200

Pension Benefits Plan
Schedule of Changes in the District's Total
Pension Liability and Related Ratios
Year Ended June 30, 2025

	District Fiscal Year-End Date				
	2017	2018	2019	2020	2021
Total pension liability					
Service cost	\$ 26,629	\$ 25,175	\$ 15,237	\$ 13,110	\$ 9,955
Interest	25,786	22,605	24,016	14,128	5,765
Assumption changes	—	(6,465)	3,025	4,035	(2,103)
Plan changes	—	—	(183,682)	(121,593)	(13,758)
Differences between expected and actual experience	—	—	40,067	—	46,723
Benefit payments	<u>(179,784)</u>	<u>(141,206)</u>	<u>(108,112)</u>	<u>(145,982)</u>	<u>(97,603)</u>
Net change in total pension liability	(127,369)	(99,891)	(209,449)	(236,302)	(51,021)
Total pension liability – beginning of year	<u>951,780</u>	<u>824,411</u>	<u>724,520</u>	<u>515,071</u>	<u>278,769</u>
Total pension liability – end of year	<u>\$ 824,411</u>	<u>\$ 724,520</u>	<u>\$ 515,071</u>	<u>\$ 278,769</u>	<u>\$ 227,748</u>
Covered-employee payroll	<u>\$ 5,087,909</u>	<u>\$ 5,397,763</u>	<u>\$ 4,004,082</u>	<u>\$ 4,124,204</u>	<u>\$ 1,874,497</u>
Total pension liability as a percentage percentage of covered-employee payroll	<u>16.20%</u>	<u>13.42%</u>	<u>12.86%</u>	<u>6.76%</u>	<u>12.15%</u>

Note 1: The District has not established a trust fund to finance its single-employer related benefits.

Note 2: The District implemented GASB Statement No. 73 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be added as they become available.

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 8,790	\$ 6,097	\$ 6,114	\$ 1,470
4,275	7,147	6,864	6,465
(3,381)	(85)	(167)	(748)
20,794	—	—	(68,439)
—	(9,134)	—	(22,793)
<u>(66,283)</u>	<u>(20,127)</u>	<u>(12,033)</u>	<u>(41,211)</u>
(35,805)	(16,102)	778	(125,256)
<u>227,748</u>	<u>191,943</u>	<u>175,841</u>	<u>176,619</u>
<u>\$ 191,943</u>	<u>\$ 175,841</u>	<u>\$ 176,619</u>	<u>\$ 51,363</u>
<u>\$ 1,930,732</u>	<u>\$ 1,437,009</u>	<u>\$ 1,480,119</u>	<u>\$ 1,033,375</u>
<u>9.94%</u>	<u>12.24%</u>	<u>11.93%</u>	<u>4.97%</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Net
OPEB Liability and Related Ratios
Year Ended June 30, 2025

	District Fiscal Year-End Date			
	2017	2018	2019	2020
Total OPEB liability				
Service cost	\$ 534,410	\$ 550,441	\$ 580,810	\$ 647,785
Interest	231,847	234,610	235,877	226,851
Assumption changes	—	—	163,031	224,454
Plan changes	—	—	216,862	77,313
Differences between expected and actual experience	—	—	(206,512)	—
Benefit payments	(724,150)	(649,343)	(895,888)	(679,893)
Net change in total OPEB liability	42,107	135,708	94,180	496,510
Total OPEB liability – beginning of year	7,819,807	7,861,914	7,997,622	8,091,802
Total OPEB liability – end of year	7,861,914	7,997,622	8,091,802	8,588,312
Plan fiduciary net position				
Contributions	1,482,818	1,321,646	1,292,045	1,358,870
Investment earnings	9,220	35,677	78,525	51,146
Benefit payments	(724,150)	(649,343)	(895,888)	(679,893)
Net change in plan fiduciary net position	767,888	707,980	474,682	730,123
Plan fiduciary net position – beginning of year	1,192,930	1,960,818	2,668,798	3,143,480
Plan fiduciary net position – end of year	1,960,818	2,668,798	3,143,480	3,873,603
Net OPEB liability (asset)	\$ 5,901,096	\$ 5,328,824	\$ 4,948,322	\$ 4,714,709
Plan fiduciary net position as a percentage of the total OPEB liability	24.94%	33.37%	38.85%	45.10%
Covered-employee payroll	\$ 26,909,244	\$ 28,548,017	\$ 28,581,553	\$ 29,439,000
Net OPEB liability (asset) as a percentage of covered-employee payroll	21.93%	18.67%	17.31%	16.02%

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

2021	2022	2023	2024	2025
\$ 744,469	\$ 622,063	\$ 526,302	\$ 492,485	\$ 447,655
200,811	165,099	229,747	181,988	226,191
(542,120)	(221,081)	134,539	(181,069)	(80,054)
156,087	(497,150)	(266,171)	–	89,279
192,751	–	(1,266,428)	–	(218,596)
(412,265)	(759,312)	(513,023)	(594,856)	(726,475)
339,733	(690,381)	(1,155,034)	(101,452)	(262,000)
8,588,312	8,928,045	8,237,664	7,082,630	6,981,178
8,928,045	8,237,664	7,082,630	6,981,178	6,719,178
1,350,239	1,406,996	737,782	671,301	1,004,873
4,959	14,806	227,677	350,128	320,176
(412,265)	(759,312)	(513,023)	(594,856)	(726,475)
942,933	662,490	452,436	426,573	598,574
3,873,603	4,816,536	5,479,026	5,931,462	6,358,035
4,816,536	5,479,026	5,931,462	6,358,035	6,956,609
\$ 4,111,509	\$ 2,758,638	\$ 1,151,168	\$ 623,143	\$ (237,431)
53.95%	66.51%	83.75%	91.07%	103.53%
\$ 30,950,936	\$ 31,879,464	\$ 31,038,769	\$ 31,969,932	\$ 34,066,001
13.28%	8.65%	3.71%	1.95%	(0.70%)

INDEPENDENT SCHOOL DISTRICT NO. 200

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2025

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	0.77 %
2018	1.80 %
2019	2.90 %
2020	1.60 %
2021	0.10 %
2022	0.30 %
2023	4.20 %
2024	5.90 %
2025	5.00 %

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

INDEPENDENT SCHOOL DISTRICT NO. 200

Notes to Required Supplementary Information June 30, 2025

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2024 CHANGES IN PLAN PROVISIONS

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

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2023 CHANGES IN PLAN PROVISIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year, with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio, to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2018 CHANGES IN PLAN PROVISIONS (CONTINUED)

- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family of tables.
- Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15.00 percent to reflect the continued lower than expected observations.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The COLA was assumed to increase from 2.00 percent annually to 2.50 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50 percent, but remain at 2.00 percent for all future years.
- Adjustments were made to the CSA loads. The active load was reduced from 1.40 percent to zero percent, the vested inactive load increased from 4.00 percent to 7.00 percent, and the nonvested inactive load increased from 4.00 percent to 9.00 percent.
- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PENSION BENEFITS PLAN

2025 CHANGES IN PLAN PROVISIONS

- The form of payment for custodians eligible to receive pension benefits has changed to make payments to a healthcare savings account, so this portion is now valued under the OPEB study obligations.

2025 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 4.10 percent to 4.90 percent.

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PENSION BENEFITS PLAN (CONTINUED)

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- Mortality tables and withdrawal rates were updated.
- The salary increase scales for nonteachers were updated.
- The discount rate was changed from 3.80 percent to 3.90 percent.

2022 CHANGES IN PLAN PROVISIONS

- The principals' percentage of the 80 days of pay severance benefit paid to a 403(b) plan increased from 50 percent to 100 percent for all participants. Therefore, these benefits are completely accounted for under GASB Statement No. 73.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.10 percent to 3.80 percent.

2021 CHANGES IN PLAN PROVISIONS

- Changes in negotiated contracts limited certain groups to participate in the plan moving forward. Also, changes to where benefits are paid shifted portions of the obligation away from pension obligations into OPEB obligations.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables and salary increase rates were updated.
- The discount rate was changed from 2.40 percent to 2.10 percent.

2020 CHANGES IN PLAN PROVISIONS

- The teachers' percentage of the 60 days of pay severance benefit and the \$2,500 lump sum if on schedule B, which are paid to a 403(b) plan, decreased from 25.00 percent for married participants and 50.00 percent for single participants to zero percent for all participants. Therefore, future teachers are no longer assumed to have this pension benefit.
- The community education coordinators' percentage of the 60 days of pay severance benefit paid to a 403(b) plan decreased from 70.00 percent to 40.00 percent.
- The principals' percentage of the 80 days of pay severance benefit paid to a 403(b) plan decreased from 60.00 percent to 50.00 percent.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.10 percent to 2.40 percent.

2019 CHANGES IN PLAN PROVISIONS

- For eligible teachers, the percentage of the 60 days of pay severance benefit paid to a 403(b) plan (and, therefore, included under GASB Statement No. 73), decreased from 75.00 percent for all participants, to 25.00 percent for married participants, and 50.00 percent for single participants.
- Teachers listed on schedule B of the contract are now eligible to receive a \$2,500 lump sum payable upon retirement at the same percentages as described above.

PENSION BENEFITS PLAN (CONTINUED)

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.50 percent to 3.10 percent.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.90 percent to 3.50 percent.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

2025 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.20 percent to 3.90 percent.
- The expected long-term investment return assumption was changed from 2.30 percent to 3.00 percent.

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.50 percent to 3.20 percent.
- The expected long-term investment return assumption was changed from 1.60 percent to 2.30 percent.

2023 CHANGES IN PLAN PROVISIONS

- Principals, teachers, and community education licensed coordinators now receive the single premium for the Comp Basic Plan at the time of retirement, rather than the single premium for the Triple Gold Plan at the time of retirement. The benefit is still paid in a lump sum in the amount equal to the lessor of eight years or Medicare eligibility.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates, mortality tables, salary increase rates for nonteachers, and withdrawal rates were updated.
- The discount rate was changed from 2.70 percent to 2.50 percent.
- The expected long-term rate of return was changed from 1.10 percent to 1.60 percent.

2022 CHANGES IN PLAN PROVISIONS

- The principals' percentage of the 80 days of pay severance benefit paid to a healthcare savings plan (and therefore included under GASB Statement No. 75) decreased from 50 percent to zero percent for all participants. Therefore, these benefits are completely accounted for under GASB Statement No. 73.
- Administrators now receive the single premium for the Comp Basic Plan at the time of retirement rather than the single premium for the Triple Gold Plan at the time of retirement. The benefit is still paid in a lump sum in the amount equal to the lessor of 8 years or Medicare eligibility.
- The severance benefit for community education coordinators will be paid in two equal annual installments to a healthcare savings plan instead of a single lump sum.
- A sunset date was added to the teachers and community education licensed coordinators post-employment subsidized retiree medical benefit. In addition, a one-time irrevocable choice (made by March 15, 2022) was given to this group to forfeit the current post-employment subsidized medical benefit for the new defined contribution-style OPEB. Only teachers and community education licensed coordinators hired before July 1, 2022 and not electing the matching contribution plan will be eligible for the defined benefit-style OPEB benefit.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was updated from 1.20 percent to 1.10 percent.
- The discount rate was changed from 1.80 percent to 2.70 percent.

2021 CHANGES IN PLAN PROVISIONS

- Changes in negotiated contracts limited subsidized benefit payments for certain groups in the plan moving forward. Also, changes to where benefits are paid shifted portions of the obligation away from pension obligations into OPEB obligations.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates, mortality tables, salary increase rates, and retiree plan participation percentages were updated.
- The discount rate was changed from 2.20 percent to 1.80 percent.

2020 CHANGES IN PLAN PROVISIONS

- Administrators and principals now receive their direct subsidized benefit paid in a single lump sum upon retirement, rather than having the payments spread out for 8 years, or until Medicare eligibility, if earlier.
- The teachers' percentage of the 60 days of pay severance benefit and the \$2,500 lump sum if on schedule B, which are paid to a healthcare savings plan, increased from 75.00 percent for married participants, or 50.00 percent for single participants, to 100.00 percent for all participants.
- The community education coordinators' percentage of the 60 days of pay severance benefit paid to a healthcare savings plan increased from 30.00 percent to 60.00 percent for all participants.
- The principals' percentage of the 80 days of pay severance benefit paid to a healthcare savings plan increased from 40.00 percent to 50.00 percent for all participants.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was updated from 0.80 percent to 1.20 percent.
- The discount rate was changed from 2.70 percent to 2.20 percent.

2019 CHANGES IN PLAN PROVISIONS

- For eligible teachers, the percentage of the 60 days of pay severance benefit paid to a healthcare savings plan (and, therefore, included under GASB Statement Nos. 74 and 75), increased from 25.00 percent for all participants, to 75.00 percent for married participants, and 50.00 percent for single participants.
- Teachers listed on schedule B of the contract are now eligible to receive a \$2,500 lump sum payable upon retirement at the same percentages as described above.
- The district-paid single premiums for the superintendent changed from being based on the Triple Gold Plan to the Comp Basic Plan.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was updated from 0.20 percent to 0.80 percent.
- The discount rate was changed from 2.90 percent to 2.70 percent.

SUPPLEMENTARY INFORMATION

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GOVERNMENTAL FUNDS

Governmental funds reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. The governmental funds category for the District includes the General Fund, Food Service Special Revenue Fund, Community Service Special Revenue Fund, Capital Projects – Building Construction Fund, and Debt Service Fund.

The statements and schedules that follow are to provide further detail and support additional analysis for the District's major and nonmajor governmental funds.

INDEPENDENT SCHOOL DISTRICT NO. 200

Nonmajor Governmental Funds
Combining Balance Sheet
Year Ended June 30, 2025

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	\$ 604,448	\$ 662,075	\$ 1,266,523
Receivables			
Current taxes	—	237,370	237,370
Delinquent taxes	—	5,739	5,739
Accounts and interest	7,108	19,833	26,941
Due from other governmental units	56,553	66,259	122,812
Inventory	59,965	—	59,965
Prepaid items	1,310	7,162	8,472
Total assets	<u>\$ 729,384</u>	<u>\$ 998,438</u>	<u>\$ 1,727,822</u>
Liabilities			
Salaries payable	\$ 7,553	\$ 152,240	\$ 159,793
Accounts and contracts payable	1,373	30,055	31,428
Unearned revenue	46,705	149,551	196,256
Total liabilities	<u>55,631</u>	<u>331,846</u>	<u>387,477</u>
Deferred inflows of resources			
Property taxes levied for subsequent year	—	443,430	443,430
Unavailable revenue – delinquent taxes	—	3,306	3,306
Total deferred inflows of resources	<u>—</u>	<u>446,736</u>	<u>446,736</u>
Fund balances			
Nonspendable	61,275	7,162	68,437
Restricted	612,478	337,242	949,720
Unassigned	—	(124,548)	(124,548)
Total fund balances	<u>673,753</u>	<u>219,856</u>	<u>893,609</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 729,384</u>	<u>\$ 998,438</u>	<u>\$ 1,727,822</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2025

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	\$ —	\$ 444,852	\$ 444,852
Investment earnings	27,804	29,295	57,099
Other	322,140	1,863,858	2,185,998
State sources	1,649,423	484,395	2,133,818
Federal sources	1,216,963	—	1,216,963
Total revenue	3,216,330	2,822,400	6,038,730
Expenditures			
Current			
Food service	3,292,080	—	3,292,080
Community service	—	2,940,467	2,940,467
Capital outlay	195,862	4,103	199,965
Total expenditures	3,487,942	2,944,570	6,432,512
Excess (deficiency) of revenue over expenditures	(271,612)	(122,170)	(393,782)
Other financing sources			
Transfers in	—	10,090	10,090
Net change in fund balances	(271,612)	(112,080)	(383,692)
Fund balances			
Beginning of year	945,365	331,936	1,277,301
End of year	\$ 673,753	\$ 219,856	\$ 893,609

INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund
Comparative Balance Sheet
as of June 30, 2025 and 2024

	2025	2024
Assets		
Cash and temporary investments	\$ 40,825,614	\$ 38,315,871
Receivables		
Current taxes	8,570,743	8,403,853
Delinquent taxes	189,082	140,446
Accounts and interest	220,772	318,703
Due from other governmental units	6,375,598	4,510,468
Due from other funds	1,578	6,648
Lease revenue	213,386	224,112
Prepaid items	716,905	1,228,417
	<u>57,113,678</u>	<u>53,148,518</u>
Total assets	<u>\$ 57,113,678</u>	<u>\$ 53,148,518</u>
Liabilities		
Salaries payable	\$ 2,177,668	\$ 2,006,717
Accounts and contracts payable	2,859,704	2,750,179
Due to other governmental units	97,061	122,624
Unearned revenue	15,067	55,351
Severance benefits payable	45,624	100,459
Total liabilities	<u>5,195,124</u>	<u>5,035,330</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	15,306,222	15,287,062
Lease revenue for subsequent years	213,386	224,112
Unavailable revenue – delinquent taxes	105,072	79,431
Total deferred inflows of resources	<u>15,624,680</u>	<u>15,590,605</u>
Fund balances		
Nonspendable for prepaid items	716,905	1,228,417
Restricted for student activities	187,955	194,730
Restricted for scholarships	299,613	273,589
Restricted for staff development	139,863	135,097
Restricted for literacy incentive aid	368,182	180,763
Restricted for operating capital	4,327,448	4,215,497
Restricted for gifted and talented	136,740	113,249
Restricted for basic skills	1,590,541	1,086,790
Restricted for teacher compensation for READ Act training	1,539	–
Restricted for long-term facilities maintenance	5,034,280	5,653,823
Restricted for Medical Assistance	426,707	306,142
Restricted for grants and donations	511,959	593,297
Committed for separation/retirement benefits	118,583	109,010
Committed for technology	638,500	888,500
Assigned for subsequent year's budget	908,589	791,134
Assigned for capital purchase timing	–	45,731
Assigned for site improvements	400,000	400,000
Assigned for safety and security	95,978	100,000
Assigned for curriculum	280,767	300,000
Assigned for elementary STEAM	249,985	–
Assigned for future funding changes	1,300,000	–
Unassigned	18,559,740	15,906,814
Total fund balances	<u>36,293,874</u>	<u>32,522,583</u>
	<u>\$ 57,113,678</u>	<u>\$ 53,148,518</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 57,113,678</u>	<u>\$ 53,148,518</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 16,181,929	\$ 16,231,219	\$ 49,290	\$ 14,283,473
Investment earnings	1,004,000	1,732,180	728,180	1,797,286
Other	1,874,749	2,135,407	260,658	1,866,074
State sources	47,993,084	50,104,634	2,111,550	46,353,241
Federal sources	1,464,137	1,718,352	254,215	3,200,552
Total revenue	68,517,899	71,921,792	3,403,893	67,500,626
Expenditures				
Current				
Administration				
Salaries	1,495,373	1,482,712	(12,661)	1,390,201
Employee benefits	568,806	545,413	(23,393)	525,184
Purchased services	147,850	105,768	(42,082)	147,922
Supplies and materials	22,750	23,818	1,068	21,473
Capital expenditures	—	—	—	190
Other expenditures	52,055	42,484	(9,571)	40,722
Total administration	2,286,834	2,200,195	(86,639)	2,125,692
District support services				
Salaries	1,254,307	1,254,950	643	1,091,681
Employee benefits	718,566	708,064	(10,502)	605,205
Purchased services	437,058	275,800	(161,258)	366,387
Supplies and materials	604,193	732,842	128,649	327,951
Capital expenditures	276,801	47,544	(229,257)	124,570
Other expenditures	84,345	118,544	34,199	89,566
Total district support services	3,375,270	3,137,744	(237,526)	2,605,360
Elementary and secondary regular instruction				
Salaries	17,901,651	17,527,359	(374,292)	16,940,697
Employee benefits	7,850,372	7,559,863	(290,509)	7,584,865
Purchased services	1,888,056	1,830,313	(57,743)	1,447,330
Supplies and materials	1,788,387	1,229,718	(558,669)	895,549
Capital expenditures	277,216	437,632	160,416	227,968
Other expenditures	125,234	132,514	7,280	137,854
Total elementary and secondary regular instruction	29,830,916	28,717,399	(1,113,517)	27,234,263

INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	592,809	592,809	—	566,271
Employee benefits	282,559	279,579	(2,980)	272,702
Purchased services	30,000	32,463	2,463	33,924
Supplies and materials	7,000	17,505	10,505	17,884
Other expenditures	1,884	2,728	844	3,107
Total vocational education instruction	914,252	925,084	10,832	893,888
Special education instruction				
Salaries	7,881,114	7,765,311	(115,803)	7,480,964
Employee benefits	3,228,004	3,192,016	(35,988)	3,271,220
Purchased services	960,679	1,331,037	370,358	836,646
Supplies and materials	100,788	67,845	(32,943)	62,429
Capital expenditures	3,040	9,883	6,843	4,050
Other expenditures	102,546	59,086	(43,460)	105,181
Total special education instruction	12,276,171	12,425,178	149,007	11,760,490
Community service				
Employee benefits	—	32,188	32,188	—
Instructional support services				
Salaries	1,825,454	1,815,460	(9,994)	1,774,733
Employee benefits	777,233	759,911	(17,322)	768,205
Purchased services	237,148	128,331	(108,817)	153,618
Supplies and materials	434,747	720,837	286,090	155,522
Capital expenditures	2,249	126	(2,123)	18,402
Other expenditures	14,914	12,215	(2,699)	13,847
Total instructional support services	3,291,745	3,436,880	145,135	2,884,327
Pupil support services				
Salaries	1,373,204	1,362,965	(10,239)	1,371,565
Employee benefits	569,115	644,008	74,893	659,008
Purchased services	6,422,259	6,644,988	222,729	6,200,759
Supplies and materials	103,052	89,097	(13,955)	113,575
Capital expenditures	3,210	36,276	33,066	48,379
Other expenditures	7,976	8,277	301	8,661
Total pupil support services	8,478,816	8,785,611	306,795	8,401,947

INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	2,140,679	2,030,110	(110,569)	1,793,837
Employee benefits	957,239	916,208	(41,031)	828,706
Purchased services	2,095,411	1,812,810	(282,601)	1,772,412
Supplies and materials	368,042	382,956	14,914	404,971
Capital expenditures	2,240,499	2,753,508	513,009	3,084,395
Other expenditures	7,114	14,124	7,010	6,691
Total sites and buildings	7,808,984	7,909,716	100,732	7,891,012
Fiscal and other fixed cost programs				
Purchased services	430,349	429,159	(1,190)	401,625
Other expenditures	120,000	127,140	7,140	121,810
Total fiscal and other fixed cost programs	550,349	556,299	5,950	523,435
Debt service				
Principal	24,648	18,265	(6,383)	19,051
Interest and fiscal charges	—	6,383	6,383	7,182
Total debt service	24,648	24,648	—	26,233
Total expenditures	68,837,985	68,150,942	(687,043)	64,346,647
Excess (deficiency) of revenue over expenditures	(320,086)	3,770,850	4,090,936	3,153,979
Other financing sources (uses)				
Debt issued	—	—	—	100,824
Sale of capital assets	—	—	—	1,430
Insurance recovery	—	10,531	10,531	36,965
Transfers out	—	(10,090)	(10,090)	—
Total other financing sources (uses)	—	441	441	139,219
Net change in fund balances	\$ (320,086)	3,771,291	\$ 4,091,377	3,293,198
Fund balances				
Beginning of year		32,522,583		29,229,385
End of year		\$ 36,293,874		\$ 32,522,583

INDEPENDENT SCHOOL DISTRICT NO. 200

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	\$ 604,448	\$ 883,879
Receivables		
Accounts and interest	7,108	6,128
Due from other governmental units	56,553	80,869
Inventory	59,965	53,308
Prepaid items	<u>1,310</u>	<u>1,750</u>
Total assets	<u><u>\$ 729,384</u></u>	<u><u>\$ 1,025,934</u></u>
Liabilities		
Salaries payable	\$ 7,553	\$ 12,948
Accounts and contracts payable	1,373	17,635
Unearned revenue	<u>46,705</u>	<u>49,986</u>
Total liabilities	55,631	80,569
Fund balances		
Nonspendable for inventory	59,965	53,308
Nonspendable for prepaid items	1,310	1,750
Restricted for food service	<u>612,478</u>	<u>890,307</u>
Total fund balances	<u><u>673,753</u></u>	<u><u>945,365</u></u>
Total liabilities and fund balances	<u><u>\$ 729,384</u></u>	<u><u>\$ 1,025,934</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Food Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 24,000	\$ 27,804	\$ 3,804	\$ 43,854
Other – primarily meal sales	348,700	322,140	(26,560)	343,222
State sources	1,562,560	1,649,423	86,863	1,526,871
Federal sources	1,149,737	1,216,963	67,226	1,312,277
Total revenue	3,084,997	3,216,330	131,333	3,226,224
Expenditures				
Current				
Salaries	1,122,070	1,129,135	7,065	997,975
Employee benefits	280,842	283,604	2,762	283,846
Purchased services	307,450	236,103	(71,347)	272,869
Supplies and materials	1,557,865	1,629,175	71,310	1,598,212
Other expenditures	17,000	14,063	(2,937)	14,846
Capital outlay	245,000	195,862	(49,138)	135,497
Total expenditures	3,530,227	3,487,942	(42,285)	3,303,245
Net change in fund balances	\$ (445,230)	(271,612)	\$ 173,618	(77,021)
Fund balances				
Beginning of year		945,365		1,022,386
End of year		\$ 673,753		\$ 945,365

INDEPENDENT SCHOOL DISTRICT NO. 200

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	\$ 662,075	\$ 754,233
Receivables		
Current taxes	237,370	233,746
Delinquent taxes	5,739	4,775
Accounts and interest	19,833	13,797
Due from other governmental units	66,259	56,650
Prepaid items	<u>7,162</u>	<u>3,442</u>
Total assets	<u><u>\$ 998,438</u></u>	<u><u>\$ 1,066,643</u></u>
Liabilities		
Salaries payable	\$ 152,240	\$ 140,880
Accounts and contracts payable	30,055	37,443
Unearned revenue	<u>149,551</u>	<u>104,197</u>
Total liabilities	331,846	282,520
Deferred inflows of resources		
Property taxes levied for subsequent year	443,430	449,406
Unavailable revenue – delinquent taxes	<u>3,306</u>	<u>2,781</u>
Total deferred inflows of resources	446,736	452,187
Fund balances		
Nonspendable for prepaid items	7,162	3,442
Restricted for community education programs	285,408	272,591
Restricted for early childhood family education programs	–	11,214
Restricted for school readiness	–	6,582
Restricted for community service	51,834	38,107
Unassigned – early childhood family education programs		
restricted account deficit	(66,503)	–
Unassigned – school readiness restricted account deficit	<u>(58,045)</u>	<u>–</u>
Total fund balances	<u><u>219,856</u></u>	<u><u>331,936</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 998,438</u></u>	<u><u>\$ 1,066,643</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Community Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 448,182	\$ 444,852	\$ (3,330)	\$ 464,013
Investment earnings	34,000	29,295	(4,705)	38,419
Other – primarily tuition and fees	1,869,480	1,863,858	(5,622)	1,868,163
State sources	479,166	484,395	5,229	430,286
Federal sources	—	—	—	9,258
Total revenue	2,830,828	2,822,400	(8,428)	2,810,139
Expenditures				
Current				
Salaries	1,714,340	1,773,618	59,278	1,775,082
Employee benefits	631,415	632,359	944	599,055
Purchased services	357,023	370,076	13,053	325,273
Supplies and materials	92,921	97,351	4,430	98,283
Other expenditures	65,005	67,063	2,058	66,768
Capital outlay	3,506	4,103	597	1,917
Total expenditures	2,864,210	2,944,570	80,360	2,866,378
Excess (deficiency) of revenue over expenditures	(33,382)	(122,170)	(88,788)	(56,239)
Other financing sources				
Transfers in	—	10,090	10,090	—
Net change in fund balances	<u>\$ (33,382)</u>	<u>(112,080)</u>	<u>\$ (78,698)</u>	<u>(56,239)</u>
Fund balances				
Beginning of year		<u>331,936</u>		<u>388,175</u>
End of year		<u>\$ 219,856</u>		<u>\$ 331,936</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	<u>\$ 699,590</u>	<u>\$ 2,669,231</u>
Liabilities		
Accounts and contracts payable	\$ 150,988	\$ 19,791
Fund balances		
Restricted for building construction	<u>548,602</u>	<u>2,649,440</u>
Total liabilities and fund balances	<u>\$ 699,590</u>	<u>\$ 2,669,231</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Capital Projects – Building Construction Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 50,000	\$ 58,385	\$ 8,385	\$ 187,707
Expenditures				
Capital outlay				
Purchased services	50,000	37,721	(12,279)	320,275
Supplies and materials	462,000	327,998	(134,002)	428,225
Capital expenditures	2,037,440	1,793,504	(243,936)	1,658,852
Total expenditures	<u>2,549,440</u>	<u>2,159,223</u>	<u>(390,217)</u>	<u>2,407,352</u>
Net change in fund balances	<u>\$ (2,499,440)</u>	(2,100,838)	<u>\$ 398,602</u>	(2,219,645)
Fund balances				
Beginning of year		<u>2,649,440</u>		<u>4,869,085</u>
End of year		<u>\$ 548,602</u>		<u>\$ 2,649,440</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	\$ 3,387,390	\$ 3,372,691
Cash and investments held by trustee	—	15,257,155
Receivables		
Current taxes	2,553,173	2,581,496
Delinquent taxes	55,022	44,300
Due from other governmental units	<u>29,961</u>	<u>32,382</u>
Total assets	<u>\$ 6,025,546</u>	<u>\$ 21,288,024</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 4,519,016	\$ 4,681,454
Unavailable revenue – delinquent taxes	<u>31,515</u>	<u>26,261</u>
Total deferred inflows of resources	4,550,531	4,707,715
Fund balances		
Restricted for qualified school construction bond payments	—	15,257,155
Restricted for debt service	<u>1,475,015</u>	<u>1,323,154</u>
Total fund balances	<u>1,475,015</u>	<u>16,580,309</u>
Total deferred inflows of resources and fund balances	<u>\$ 6,025,546</u>	<u>\$ 21,288,024</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Debt Service Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			2024
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 4,055,155	\$ 4,357,734	\$ 302,579	\$ 4,223,060
Investment earnings	648,518	857,807	209,289	803,064
State sources	308,255	299,615	(8,640)	323,819
Total revenue	<u>5,011,928</u>	<u>5,515,156</u>	<u>503,228</u>	<u>5,349,943</u>
Expenditures				
Debt service				
Principal	20,265,000	20,265,000	–	3,505,000
Interest	353,100	353,100	–	364,125
Fiscal charges	1,575	2,350	775	2,625
Total expenditures	<u>20,619,675</u>	<u>20,620,450</u>	<u>775</u>	<u>3,871,750</u>
Net change in fund balances	<u>\$ (15,607,747)</u>	(15,105,294)	<u>\$ 502,453</u>	1,478,193
Fund balances				
Beginning of year		<u>16,580,309</u>		<u>15,102,116</u>
End of year		<u>\$ 1,475,015</u>		<u>\$ 16,580,309</u>

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INTERNAL SERVICE FUNDS

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

The statements that follow are to provide further detail and support additional analysis for the District's internal service funds.

INDEPENDENT SCHOOL DISTRICT NO. 200

Internal Service Funds
Combining Statement of Net Position
as of June 30, 2025
(With Comparative Totals as of June 30, 2024)

	Health Benefits Self-Insurance	Dental Self-Insurance	Totals	
			2025	2024
Assets				
Current assets				
Cash and temporary investments	\$ 6,095,664	\$ 1,509,409	\$ 7,605,073	\$ 6,440,095
Receivables				
Accounts and interest	122,533	10,327	132,860	800,962
Deposits	170,000	—	170,000	170,000
Total current assets	6,388,197	1,519,736	7,907,933	7,411,057
Liabilities				
Current liabilities				
Due to other funds	—	—	—	5,445
Unearned revenue	1,074,058	68,154	1,142,212	1,121,750
Claims incurred, but not reported	461,692	22,485	484,177	744,966
Total current liabilities	1,535,750	90,639	1,626,389	1,872,161
Net position				
Unrestricted	\$ 4,852,447	\$ 1,429,097	\$ 6,281,544	\$ 5,538,896

INDEPENDENT SCHOOL DISTRICT NO. 200

Internal Service Funds
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2025	2024
Operating revenue				
Charges for services				
Contributions from governmental funds	\$ 9,741,813	\$ 720,495	\$ 10,462,308	\$ 9,775,243
Operating expenses				
Health benefit claims	9,302,961	—	9,302,961	9,500,895
Dental benefit claims	—	683,298	683,298	649,927
Total operating expenses	<u>9,302,961</u>	<u>683,298</u>	<u>9,986,259</u>	<u>10,150,822</u>
Operating income (loss)	438,852	37,197	476,049	(375,579)
Nonoperating revenue				
Investment earnings	<u>202,972</u>	<u>63,627</u>	<u>266,599</u>	<u>310,502</u>
Change in net position	641,824	100,824	742,648	(65,077)
Net position				
Beginning of year	<u>4,210,623</u>	<u>1,328,273</u>	<u>5,538,896</u>	<u>5,603,973</u>
End of year	<u>\$ 4,852,447</u>	<u>\$ 1,429,097</u>	<u>\$ 6,281,544</u>	<u>\$ 5,538,896</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2025	2024
Cash flows from operating activities				
Contributions from governmental funds	\$ 10,428,782	\$ 722,090	\$ 11,150,872	\$ 9,075,599
Payment for health claims	(9,569,287)	—	(9,569,287)	(9,448,304)
Payment for dental claims	—	(677,761)	(677,761)	(655,455)
Net cash flows from operating activities	859,495	44,329	903,824	(1,028,160)
Cash flows from noncapital financing activities				
Cash received from other funds	—	—	—	9,366
Cash paid to other funds	(5,445)	—	(5,445)	—
Net cash flows from noncapital financing activities	(5,445)	—	(5,445)	9,366
Cash flows from investing activities				
Investment income received	202,972	63,627	266,599	310,502
Net change in cash and cash equivalents	1,057,022	107,956	1,164,978	(708,292)
Cash and cash equivalents				
Beginning of year	5,038,642	1,401,453	6,440,095	7,148,387
End of year	\$ 6,095,664	\$ 1,509,409	\$ 7,605,073	\$ 6,440,095
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ 438,852	\$ 37,197	\$ 476,049	\$ (375,579)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets and liabilities				
Accounts receivable	666,051	2,051	668,102	(780,428)
Unearned revenue	20,918	(456)	20,462	80,784
Claims incurred, but not reported	(266,326)	5,537	(260,789)	47,063
Net cash flows from operating activities	\$ 859,495	\$ 44,329	\$ 903,824	\$ (1,028,160)

STATISTICAL SECTION

(UNAUDITED)

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STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 200's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Indicators

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

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

INDEPENDENT SCHOOL DISTRICT NO. 200

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

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	\$ 26,371,063	\$ 27,299,994	\$ 26,945,046	\$ 26,788,034
Restricted	12,592,373	12,123,072	14,414,473	16,663,086
Unrestricted	<u>(17,044,685)</u>	<u>(35,406,263)</u>	<u>(45,996,588)</u>	<u>(31,376,896)</u>
Total governmental activities net position	<u>\$ 21,918,751</u>	<u>\$ 4,016,803</u>	<u>\$ (4,637,069)</u>	<u>\$ 12,074,224</u>

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 25,411,922	\$ 23,581,307	\$ 22,771,722	\$ 20,096,870	\$ 19,805,036	\$ 35,952,459
21,165,089	23,780,384	26,040,498	29,100,419	30,492,504	15,783,918
<u>(30,985,720)</u>	<u>(30,413,812)</u>	<u>(27,438,148)</u>	<u>(17,462,163)</u>	<u>(10,097,256)</u>	<u>(13,717,734)</u>
<u>\$ 15,591,291</u>	<u>\$ 16,947,879</u>	<u>\$ 21,374,072</u>	<u>\$ 31,735,126</u>	<u>\$ 40,200,284</u>	<u>\$ 38,018,643</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

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

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities				
Expenses				
Administration	\$ 1,970,042	\$ 2,608,262	\$ 2,594,303	\$ 1,404,057
District support services	1,985,969	2,355,525	2,011,967	2,294,604
Elementary and secondary				
regular instruction	24,958,657	33,921,752	32,841,811	16,615,404
Vocational education instruction	425,570	604,125	558,124	325,871
Special education instruction	8,434,244	11,769,806	11,765,337	6,778,030
Instructional support services	2,352,003	2,694,663	2,865,606	1,920,560
Pupil support services	4,825,890	5,563,727	5,682,936	4,974,160
Sites and buildings	5,915,779	6,117,443	6,097,165	6,373,550
Fiscal and other fixed cost programs	149,378	146,114	142,637	134,045
Food service	2,155,169	2,343,078	2,411,792	2,254,813
Community service	2,352,022	2,626,053	2,557,143	2,135,915
Interest and fiscal charges	1,065,352	795,895	1,837,153	2,292,777
Total governmental activities expenses	56,590,075	71,546,443	71,365,974	47,503,786
Program revenues				
Charges for services				
Food service	1,390,429	1,436,064	1,402,037	1,408,020
Community service	1,522,390	1,283,220	1,355,698	1,600,148
All other	1,191,470	1,449,016	1,268,343	1,110,125
Operating grants and contributions	10,752,785	11,387,922	11,920,793	12,235,426
Capital grants and contributions	581,462	591,344	696,517	729,163
Total governmental activities program revenues	15,438,536	16,147,566	16,643,388	17,082,882
Net (expense) revenue	(41,151,539)	(55,398,877)	(54,722,586)	(30,420,904)
General revenues and other changes in net position				
Taxes				
Property taxes levied for general purposes	9,781,864	10,470,384	10,561,661	12,126,755
Property taxes levied for community service	492,993	475,560	456,680	456,102
Property taxes levied for debt service	4,586,085	4,542,746	4,511,180	4,416,418
General grants and aids	29,677,738	30,353,285	29,082,752	27,705,649
Other general revenues	686,169	798,106	606,954	720,489
Investment earnings	301,654	464,417	849,487	2,426,784
Total general revenues and other changes in net position	45,526,503	47,104,498	46,068,714	47,852,197
Change in net position	\$ 4,374,964	\$ (8,294,379)	\$ (8,653,872)	\$ 17,431,293

2020	2021	2022	2023	2024	2025
\$ 2,262,429	\$ 2,355,133	\$ 2,060,746	\$ 1,823,587	\$ 1,987,183	\$ 2,180,639
2,195,839	2,669,814	2,080,293	2,505,198	2,617,221	2,980,748
27,184,936	27,251,616	24,990,235	21,451,856	26,073,735	27,337,365
530,229	469,436	612,484	757,710	833,802	858,498
10,384,851	10,174,796	10,164,976	8,926,817	11,101,301	12,112,370
2,567,306	2,716,163	2,645,050	2,482,699	2,850,983	3,340,031
5,782,886	5,848,284	6,927,624	8,386,476	8,338,309	8,814,234
6,986,173	6,992,385	7,612,125	9,288,077	9,529,306	9,817,512
262,784	364,942	383,778	455,026	523,435	556,299
2,366,461	1,811,603	2,593,488	2,566,013	3,197,235	3,252,291
2,454,245	2,314,068	2,243,923	2,306,574	2,809,560	2,838,639
2,180,786	2,125,150	2,218,624	2,290,287	2,274,970	2,109,664
65,158,925	65,093,390	64,533,346	63,240,320	72,137,040	76,198,290
1,023,128	44,256	292,130	1,124,169	343,222	322,140
1,288,291	1,018,600	1,496,763	1,565,831	1,868,163	1,863,858
1,049,210	802,830	1,222,983	1,204,839	1,223,874	1,286,489
13,726,805	13,471,334	14,985,108	14,467,883	21,200,969	24,061,833
862,308	638,216	582,774	547,103	527,604	418,446
17,949,742	15,975,236	18,579,758	18,909,825	25,163,832	27,952,766
(47,209,183)	(49,118,154)	(45,953,588)	(44,330,495)	(46,973,208)	(48,245,524)
12,788,817	12,833,809	12,915,506	12,728,809	14,293,853	16,256,860
445,411	462,408	455,565	461,173	464,153	445,377
4,379,376	4,304,386	4,253,130	4,388,561	4,223,935	4,362,988
29,798,462	31,714,973	31,025,644	33,402,095	31,581,664	31,772,256
621,460	648,071	1,110,454	697,670	680,595	859,449
1,655,877	511,095	619,482	2,351,750	3,180,832	2,972,070
49,689,403	50,474,742	50,379,781	54,030,058	54,425,032	56,669,000
\$ 2,480,220	\$ 1,356,588	\$ 4,426,193	\$ 9,699,563	\$ 7,451,824	\$ 8,423,476

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INDEPENDENT SCHOOL DISTRICT NO. 200

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

Fiscal Year	Property Tax				Total
	General Purposes	Community Service	Debt Service		
2016	\$ 9,781,864	\$ 492,993	\$ 4,586,085	\$	14,860,942
2017	10,470,384	475,560	4,542,746		15,488,690
2018	10,561,661	456,680	4,511,180		15,529,521
2019	12,126,755	456,102	4,416,418		16,999,275
2020	12,788,817	445,411	4,379,376		17,613,604
2021	12,833,809	462,408	4,304,386		17,600,603
2022	12,915,506	455,565	4,253,130		17,624,201
2023	12,728,809	461,173	4,388,561		17,578,543
2024	14,293,853	464,153	4,223,935		18,981,941
2025	16,256,860	445,377	4,362,988		21,065,225

INDEPENDENT SCHOOL DISTRICT NO. 200

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

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Nonspendable	\$ 298,129	\$ 303,863	\$ 464,847	\$ 494,984
Restricted	3,442,221	3,779,191	4,855,651	6,446,999
Committed	1,943,440	1,658,828	1,362,953	1,205,417
Assigned	907,404	1,858,265	—	—
Unassigned	12,308,205	10,859,746	11,986,702	13,048,192
Total General Fund	<u>\$ 18,899,399</u>	<u>\$ 18,459,893</u>	<u>\$ 18,670,153</u>	<u>\$ 21,195,592</u>
All other governmental funds				
Nonspendable	\$ 64,025	\$ 30,055	\$ 65,017	\$ 63,375
Restricted	7,489,192	8,719,038	57,142,022	48,116,962
Unassigned	—	—	—	—
Total all other governmental funds	<u>\$ 7,553,217</u>	<u>\$ 8,749,093</u>	<u>\$ 57,207,039</u>	<u>\$ 48,180,337</u>
Total all governmental funds	<u>\$ 26,452,616</u>	<u>\$ 27,208,986</u>	<u>\$ 75,877,192</u>	<u>\$ 69,375,929</u>

2020	2021	2022	2023	2024	2025
\$ 301,600	\$ 292,173	\$ 397,393	\$ 206,575	\$ 1,228,417	\$ 716,905
9,002,015	10,687,757	11,083,194	12,711,434	12,752,977	13,024,827
1,244,339	1,265,718	1,081,414	1,015,688	997,510	757,083
480,678	646,102	1,004,882	46,643	1,636,865	3,235,319
13,894,381	14,712,397	13,758,301	15,249,045	15,906,814	18,559,740
<u>\$ 24,923,013</u>	<u>\$ 27,604,147</u>	<u>\$ 27,325,184</u>	<u>\$ 29,229,385</u>	<u>\$ 32,522,583</u>	<u>\$ 36,293,874</u>
\$ 19,682	\$ 46,786	\$ 70,612	\$ 84,683	\$ 58,500	\$ 68,437
33,057,294	27,187,397	24,988,856	21,297,079	20,448,550	2,973,337
—	—	—	—	—	(124,548)
<u>\$ 33,076,976</u>	<u>\$ 27,234,183</u>	<u>\$ 25,059,468</u>	<u>\$ 21,381,762</u>	<u>\$ 20,507,050</u>	<u>\$ 2,917,226</u>
<u>\$ 57,999,989</u>	<u>\$ 54,838,330</u>	<u>\$ 52,384,652</u>	<u>\$ 50,611,147</u>	<u>\$ 53,029,633</u>	<u>\$ 39,211,100</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

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

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Local sources				
Property taxes	\$ 14,886,481	\$ 15,492,566	\$ 15,519,089	\$ 16,976,880
Investment earnings	296,751	445,768	800,338	2,328,144
Other	4,789,668	4,963,530	4,627,301	4,798,530
State sources	38,525,354	38,652,879	39,427,940	40,263,065
Federal sources	2,486,631	2,443,151	2,284,477	2,193,352
Total revenues	60,984,885	61,997,894	62,659,145	66,559,971
Expenditures				
Current				
Administration	2,059,314	1,996,016	2,068,932	2,081,046
District support services	2,008,846	2,336,102	2,010,721	2,362,597
Elementary and secondary regular instruction	25,155,422	25,527,643	25,344,321	25,215,879
Vocational education instruction	445,121	479,280	446,943	475,840
Special education instruction	8,784,185	9,384,751	9,612,490	9,725,713
Instructional support services	2,401,199	2,130,338	2,422,443	2,487,308
Pupil support services	4,852,011	5,323,904	5,492,878	5,287,361
Sites and buildings	4,648,106	5,196,028	4,805,716	4,817,225
Fiscal and other fixed cost programs	149,378	146,114	142,637	134,045
Food service	2,147,648	2,207,037	2,213,691	2,290,782
Community service	2,390,059	2,312,455	2,288,669	2,436,622
Capital outlay	40,147	129,909	2,419,065	11,707,292
Debt service				
Principal	2,645,787	2,929,142	3,022,423	3,119,112
Interest and fiscal charges	1,598,829	1,145,681	1,628,265	960,664
Total expenditures	59,326,052	61,244,400	63,919,194	73,101,486
Excess (deficiency) of revenues over expenditures	1,658,833	753,494	(1,260,049)	(6,541,515)
Other financing sources (uses)				
Debt issued	—	—	80,080,000	—
Refunding debt issued	1,965,000	—	—	—
Premium on debt issued	55,467	—	—	—
Discount on debt issued	—	—	(30,157,476)	—
Payment on refunded bonds	(1,965,000)	—	—	—
Proceeds from sale of assets	790	2,876	5,731	40,252
Insurance recovery	—	—	—	—
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Total other financing sources (uses)	56,257	2,876	49,928,255	40,252
Net change in fund balances	\$ 1,715,090	\$ 756,370	\$ 48,668,206	\$ (6,501,263)
Debt service as a percentage of noncapital expenditures	7.2%	6.8%	7.6%	6.7%

2020	2021	2022	2023	2024	2025
\$ 17,587,767	\$ 17,645,778	\$ 17,644,043	\$ 17,586,314	\$ 18,970,546	\$ 21,033,805
1,580,802	502,549	605,739	2,150,912	2,870,330	2,705,471
3,982,089	2,513,757	4,092,145	4,590,409	4,077,459	4,321,405
41,273,248	41,107,239	40,891,660	42,084,117	48,634,217	52,538,067
2,932,791	4,645,281	5,888,515	6,140,230	4,522,087	2,935,315
67,356,697	66,414,604	69,122,102	72,551,982	79,074,639	83,534,063
2,172,932	2,300,053	2,167,756	2,212,822	2,125,692	2,200,195
2,200,331	2,728,397	2,139,548	2,408,393	2,605,360	3,137,744
25,561,925	25,385,869	26,319,133	26,432,532	27,234,263	28,717,399
510,323	452,624	626,594	893,069	893,888	925,084
10,020,576	9,985,005	10,609,524	10,792,297	11,760,490	12,425,178
2,496,436	2,683,822	2,733,248	2,772,687	2,884,327	3,436,880
5,703,537	5,837,685	7,007,323	8,725,509	8,401,947	8,785,611
4,314,726	4,777,574	5,983,184	5,845,453	7,891,012	7,909,716
262,784	364,942	383,778	455,026	523,435	556,299
2,312,934	1,760,078	2,616,819	2,509,224	3,167,748	3,292,080
2,423,654	2,326,665	2,351,531	2,471,040	2,864,461	2,972,655
16,973,960	6,878,483	4,507,778	5,547,129	2,544,766	2,359,188
3,252,478	3,400,879	3,622,457	3,545,555	3,524,051	20,283,265
842,888	694,187	537,292	378,342	373,932	361,833
79,049,484	69,576,263	71,605,965	74,989,078	76,795,372	97,363,127
(11,692,787)	(3,161,659)	(2,483,863)	(2,437,096)	2,279,267	(13,829,064)
—	—	—	—	100,824	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	9,475	2,100	1,430	—
—	—	20,710	—	36,965	10,531
140,563	125,000	—	—	—	10,090
(140,563)	(125,000)	—	—	—	(10,090)
—	—	30,185	2,100	139,219	10,531
\$ (11,692,787)	\$ (3,161,659)	\$ (2,453,678)	\$ (2,434,996)	\$ 2,418,486	\$ (13,818,533)
6.6%	6.5%	6.3%	5.7%	5.5%	22.7%

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INDEPENDENT SCHOOL DISTRICT NO. 200

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

Fiscal Year	Property Tax				Total
	General Fund	Community Service Special Revenue Fund	Debt Service Fund		
2016	\$ 9,798,433	493,646	\$ 4,594,402	\$	14,886,481
2017	10,471,784	475,778	4,545,004		15,492,566
2018	10,554,430	456,468	4,508,191		15,519,089
2019	12,109,358	455,605	4,411,917		16,976,880
2020	12,768,866	444,817	4,374,084		17,587,767
2021	12,864,944	463,610	4,317,224		17,645,778
2022	12,928,311	456,187	4,259,545		17,644,043
2023	12,733,871	461,437	4,391,006		17,586,314
2024	14,283,473	464,013	4,223,060		18,970,546
2025	16,231,219	444,852	4,357,734		21,033,805

INDEPENDENT SCHOOL DISTRICT NO. 200

Tax Capacities and Market Values
Last Ten Fiscal Years

For Taxes Collectible	Tax Capacity Valuation				
	Agricultural	Nonagricultural	Fiscal Disparities		Tax Increment
			Contribution	Distribution	
2016	\$ 4,657,795	\$ 28,203,015	\$ (2,089,915)	\$ 4,387,137	\$ (35,804)
2017	4,737,094	29,121,658	(2,147,819)	4,713,531	(37,071)
2018	4,424,031	31,109,870	(2,185,626)	4,863,570	(42,326)
2019	4,457,032	33,468,378	(2,274,942)	5,181,636	(40,964)
2020	4,581,792	35,893,363	(2,338,310)	5,623,410	(44,974)
2021	4,908,286	38,130,346	(2,343,496)	5,734,282	(51,945)
2022	5,161,430	39,354,083	(2,518,919)	6,240,258	(48,852)
2023	5,561,613	46,989,188	(2,522,095)	5,691,518	(61,152)
2024	6,495,147	50,340,919	(2,658,288)	5,892,550	(187,311)
2025	6,495,705	51,011,316	(2,924,205)	6,483,045	(327,902)

Source: State of Minnesota School Tax Report

Total Taxable		Total Direct Tax Rate	Taxable Market Value	Tax Capacity as a Percentage of Market Value
\$	35,122,228	20.938 %	\$ 2,744,276,124	1.28 %
	36,387,393	20.305	2,825,969,272	1.29
	38,169,519	20.545	3,008,697,650	1.27
	40,791,140	19.079	3,228,265,650	1.26
	43,715,281	17.924	3,454,749,225	1.27
	46,377,473	16.757	3,657,066,825	1.27
	48,188,000	16.214	3,768,897,825	1.28
	55,659,072	14.207	4,461,411,200	1.25
	59,883,017	16.733	4,744,614,964	1.26
	60,737,959	16.316	4,847,395,700	1.25

INDEPENDENT SCHOOL DISTRICT NO. 200

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

Rate	Tax Collection Calendar Year	ISD No. 200	Overlapping Rates			Total ISD No. 200 Resident
			Municipalities		Special District (1)	
			County	City		
Tax capacity rate	2016	20.938%	28.570%	63.580%	5.350%	118.438%
Market value rate	2016	0.25990%				0.260%
Tax capacity rate	2017	20.305%	28.000%	62.490%	5.180%	115.975%
Market value rate	2017	0.24713%				0.247%
Tax capacity rate	2018	20.545%	26.590%	60.870%	4.650%	112.655%
Market value rate	2018	0.27360%				0.274%
Tax capacity rate	2019	19.079%	25.390%	59.610%	4.430%	108.509%
Market value rate	2019	0.26713%				0.267%
Tax capacity rate	2020	17.924%	24.140%	57.390%	4.330%	103.784%
Market value rate	2020	0.24540%				0.245%
Tax capacity rate	2021	16.757%	22.730%	57.350%	4.230%	101.067%
Market value rate	2021	0.22960%				0.230%
Tax capacity rate	2022	16.214%	21.650%	48.470%	4.250%	90.584%
Market value rate	2022	0.22247%				0.222%
Tax capacity rate	2023	14.207%	18.829%	53.267%	3.662%	89.965%
Market value rate	2023	0.22290%				0.223%
Tax capacity rate	2024	16.733%	18.330%	55.230%	4.050%	94.343%
Market value rate	2024	0.21167%				0.212%
Tax capacity rate	2025	16.316%	19.950%	59.080%	4.070%	99.416%
Market value rate	2025	0.20313%				0.203%

(1) Average is being used for special district

Source: Dakota County

INDEPENDENT SCHOOL DISTRICT NO. 200

Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Property	2025			2016		
		Tax Capacity	Rank	Percent of Total Tax Capacity	Tax Capacity	Rank	Percent of Total Tax Capacity
Northern States Power	Utility	\$ 366,474	1	0.60 %	\$ 343,140	1	0.98 %
CenterPoint-Minnegasco	Utility	263,830	2	0.43	169,450	4	0.48
Hastings Marketplace Station, LLC	Commercial	239,372	3	0.39	205,702	3	0.59
VMA 1000, LLC	Apartment	223,376	4	0.37	109,148	7	0.31
Walmart Real Estate Business Trust	Commercial	203,250	5	0.33	256,856	2	0.73
Lake Isabelle Flats, LLC	Apartment	201,250	6	0.33	—	—	—
Current33 Apartments, LLC	Apartment	190,339	7	0.31	—	—	—
Voyageur Estates, LLC	Apartment	189,214	8	0.31	—	—	—
Regina Medical Center	Commercial	172,706	9	0.28	141,898	5	0.40
Hastings Medical Office Building, LLC	Commercial	168,356	10	0.28	—	—	—
Three Rivers Partnership	Apartment	—	—	—	140,862	6	0.40
Dayton Hudson Corporation	Commercial	—	—	—	105,280	8	0.30
Camegaran, LLC	Commercial	—	—	—	101,666	9	0.29
CrossRoads Mall, Inc.	Commercial	—	—	—	91,850	10	0.26
Total		<u>\$ 2,218,167</u>		<u>3.63 %</u>	<u>\$ 1,665,852</u>		<u>4.74 %</u>

Source: Dakota County

INDEPENDENT SCHOOL DISTRICT NO. 200

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

For Taxes Collectible	Original Levy				Collections	
	Local Spread	Fiscal Disparities	Property Tax Credits	Total Spread	First Year Levy Recognized	Percentage of Levy
2016	\$ 13,528,921	\$ 1,908,701	\$ 71,103	\$ 15,508,725	\$ 15,405,439	99.3 %
2017	13,349,545	2,080,731	69,693	15,499,969	15,393,141	99.3
2018	14,998,707	2,059,911	96,999	17,155,617	17,040,848	99.3
2019	15,229,169	2,345,200	223,373	17,797,742	17,768,596	99.8
2020	15,055,392	2,434,704	250,666	17,740,762	17,611,685	99.3
2021	14,989,263	2,304,027	257,001	17,550,291	17,429,966	99.3
2022	14,935,828	2,335,907	288,456	17,560,191	17,456,620	99.4
2023	16,782,489	2,060,493	292,938	19,135,920	19,016,410	99.4
2024	18,785,175	2,009,881	338,315	21,133,371	20,964,161	99.2
2025	18,433,240	2,290,581	312,120	21,035,941	9,674,655	46.0

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.

Source: State of Minnesota School Tax Report

			Uncollected Taxes Receivable as of June 30, 2025			
Received in Subsequent Years	Total to Date		Delinquent		Current	
	Amount	Percentage of Levy	Amount	Percent	Amount	Percent
\$ 103,286	\$ 15,508,725	100.0 %	\$ —	— %	\$ —	— %
106,828	15,499,969	100.0	—	—	—	—
114,769	17,155,617	100.0	—	—	—	—
10,623	17,779,219	99.9	18,523	0.1	—	—
125,081	17,736,766	100.0	3,996	—	—	—
107,960	17,537,926	99.9	12,365	0.1	—	—
89,525	17,546,145	99.9	14,046	0.1	—	—
87,807	19,104,217	99.8	31,703	0.2	—	—
—	20,964,161	99.2	169,210	0.8	—	—
—	9,674,655	46.0	—	—	11,361,286	54.0
			<u>\$ 249,843</u>		<u>\$ 11,361,286</u>	

INDEPENDENT SCHOOL DISTRICT NO. 200

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Premium (Discount) on Bonds	Lease Liability	Total Primary Government		
2016	\$ 36,745,000	\$ 1,795,167	\$ 1,157,292	\$ 39,697,459	3.45 %	N/A
2017	33,990,000	1,474,622	983,150	36,447,772	3.04	N/A
2018	111,225,000	(28,434,827)	805,727	83,595,900	6.48	N/A
2019	108,295,000	(27,053,015)	616,615	81,858,600	6.18	N/A
2020	105,240,000	(25,652,379)	419,137	80,006,758	5.06	N/A
2021	102,045,000	(24,155,613)	213,258	78,102,645	4.86	\$ 2,449
2022	98,705,000	(22,404,935)	52,115	76,352,180	4.53	2,408
2023	95,210,000	(20,488,494)	1,560	74,723,066	4.04	2,382
2024	91,705,000	(18,582,862)	83,333	73,205,471	3.94	2,270
2025	71,440,000	(16,694,239)	65,068	54,810,829	2.77	1,662

N/A – Not Available

(1) See the Schedule of Demographic and Economic Statistics for personal income and ISD No. 200 population data.

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

INDEPENDENT SCHOOL DISTRICT NO. 200

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

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Market Value	Percentage of Net Debt to Market Value	Estimated ISD No. 200 Population	Net Bonded Debt per Capita
2016	\$ 38,540,167	\$ 5,984,064	\$ 32,556,103	\$ 2,744,276,124	1.19 %	N/A	N/A
2017	35,464,622	7,113,534	28,351,088	2,825,969,272	1.00	N/A	N/A
2018	82,790,173	8,257,573	74,532,600	3,008,697,650	2.48	N/A	N/A
2019	81,241,985	9,613,999	71,627,986	3,228,265,650	2.22	N/A	N/A
2020	79,587,621	10,792,652	68,794,969	3,454,749,225	1.99	N/A	N/A
2021	77,889,387	12,156,920	65,732,467	3,657,066,825	1.80	31,887	\$ 2,061
2022	76,300,065	13,398,817	62,901,248	3,768,897,825	1.67	31,705	1,984
2023	74,721,506	14,975,783	59,745,723	4,461,411,200	1.34	31,366	1,905
2024	73,122,138	16,459,445	56,662,693	4,744,614,964	1.19	32,247	1,757
2025	54,745,761	1,500,197	53,245,564	4,847,395,700	1.10	32,980	1,614

N/A – Not Available

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

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INDEPENDENT SCHOOL DISTRICT NO. 200

Direct and Overlapping Debt
as of June 30, 2025

Governmental Unit	Gross Bonded Debt	Percent Allocable to ISD No. 200	Portion Allocable to ISD No. 200
Independent School District No. 200	\$ 62,284,420	100.00%	\$ 62,284,420
Overlapping debt			
Counties			
Dakota County CDA	\$ 360,879,035	2.93%	10,573,756
Cities			
Hampton	\$ 5,252,000	2.93%	153,884
Hastings	\$ 31,050,000	2.93%	909,765
Rosemount	\$ 111,365,000	2.93%	3,262,995
Township			
Douglas	\$ 160,450	2.93%	4,701
Special Districts			
Metropolitan Council/Transit District	\$ 1,558,153,207	2.93%	45,653,889
Total overlapping debt			60,558,990
Total direct and overlapping debt			\$ 122,843,410

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

Source: Dakota County Property Taxation & Records Department

INDEPENDENT SCHOOL DISTRICT NO. 200

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Debt limit	\$ 411,641,419	\$ 423,895,391	\$ 451,304,648	\$ 484,239,848
Total net debt applicable to the limit	32,556,103	28,351,088	74,532,600	71,627,986
Legal debt margin	<u>\$ 379,085,316</u>	<u>\$ 395,544,303</u>	<u>\$ 376,772,048</u>	<u>\$ 412,611,862</u>
Total net debt applicable to the limit as a percentage of debt limit	7.91%	6.69%	16.51%	14.79%

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

Source: District finance department

2020	2021	2022	2023	2024	2025
\$ 518,212,384	\$ 548,560,024	\$ 565,334,674	\$ 669,211,680	\$ 711,692,245	\$ 727,109,355
68,794,969	65,732,467	62,901,248	59,745,723	56,662,693	53,245,564
<u>\$ 449,417,415</u>	<u>\$ 482,827,557</u>	<u>\$ 502,433,426</u>	<u>\$ 609,465,957</u>	<u>\$ 655,029,552</u>	<u>\$ 673,863,791</u>
13.28%	11.98%	11.13%	8.93%	7.96%	7.32%

Legal Debt Margin Calculation for Fiscal Year 2025

Market value	\$ 4,847,395,700
Debt limit (15% of market value)	727,109,355
Debt applicable to limit	
General obligation bonds	54,745,761
Less amount set aside for repayment of general obligation debt	<u>(1,500,197)</u>
Total net debt applicable to the limit	<u>53,245,564</u>
Legal debt margin	<u>\$ 673,863,791</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City of Hastings			Total ISD No. 200 Population (2)	School Enrollment (3)	Unemployment Rate (1)
	Population (1)	Personal Income (1)	Per Capita Personal Income (1)			
2016	22,572	\$ 1,149,411,384	\$ 50,922	N/A	4,455	3.2 %
2017	22,687	1,200,301,109	52,907	N/A	4,428	3.4 %
2018	22,400	1,290,934,400	57,631	N/A	4,380	2.7 %
2019	22,800	1,324,098,600	58,075	N/A	4,347	2.7 %
2020	22,800	1,582,411,200	69,404	N/A	4,315	2.9 %
2021	22,722	1,606,013,682	70,681	31,887	4,185	4.3 %
2022	23,168	1,687,325,440	72,830	31,705	4,133	2.3 %
2023	23,192	1,850,953,520	79,810	31,366	4,071	2.7 %
2024	22,634	1,857,843,988	82,082	32,247	4,039	2.2 %
2025	22,477	1,979,032,419	88,047	32,980	3,985	2.2 %

N/A – Not Available

Sources:

- (1) City of Hastings Annual Comprehensive Financial Report for the year ended December 31st
- (2) Minnesota State Demographic Center – School District Data (2016–2020 not readily available)
- (3) Per Minnesota Department of Education ADM Summary – General Education Revenue

INDEPENDENT SCHOOL DISTRICT NO. 200

Principal Employers
Current Year and Nine Years Ago

Employer	2025			2016		
	Employees	Rank	Percent of Employment (1)	Employees	Rank	Percent of Employment (1)
Dakota County	682	1	8.27 %	1,775	1	21.57 %
Independent School District No 200	571	2	6.92	636	3	7.73
Regina Medical Center/Allina Clinic	370	3	4.49	875	2	10.63
Walmart	293	4	3.55	300	4	3.65
Intek Plastics, Inc.	224	5	2.72	150	8	1.82
Augustana Health Care Center	168	6	2.04	150	9	1.82
City of Hastings	158	7	1.92	—	—	—
YMCA	146	8	1.77	—	—	—
Quality One Woodwork	140	9	1.70	175	7	2.13
Ardent Mills/Con-Agra	129	10	1.56	120	10	1.46
Smead Manufacturing Company	—	—	—	280	5	3.41
Allina Medical Clinic	—	—	—	267	6	3.24
Total	<u>2,881</u>		<u>34.94 %</u>	<u>4,728</u>		<u>57.46 %</u>

(1) Represents the Percent of Total City of Hastings Employment

Source: City of Hastings Annual Comprehensive Financial Report

INDEPENDENT SCHOOL DISTRICT NO. 200

Employees by Classification
Last Ten Fiscal Years

Employees (1)	Fiscal Year			
	2016	2017	2018	2019
District directors/superintendent	7	7	8	8
Principals	10	10	10	9
Teachers, nurses, and counselors	282	280	271	272
Coordinators, supervisors, specialists, and technical support	19	18	16	18
Paraprofessionals	85	83	86	90
Food service	35	36	36	38
Custodians	31	25	30	33
Bus drivers (2)	—	—	—	—
Community education leads and assistants	13	10	10	10
Total	482	469	467	478

Note: This table does not include casual employees (substitutes, coaches, and others).

- (1) This schedule is a headcount based on contract group. Full-time and part-time employees count the same.
- (2) The District contracts for busing services so there are no employees.

2020	2021	2022	2023	2024	2025
6	8	9	7	6	6
9	9	8	10	9	10
280	287	278	262	262	267
18	18	19	18	18	17
88	82	81	74	85	77
34	36	30	26	37	41
32	32	29	33	32	34
—	—	—	—	—	—
14	18	19	15	18	18
481	490	473	445	467	470

INDEPENDENT SCHOOL DISTRICT NO. 200

Operating Indicators by Function

Standardized Testing Rates
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
	(2)	(2)	(2)	(2)
Standardized tests				
MCA Reading (1)				
Grade 3	— %	— %	— %	— %
Grade 4	—	—	—	—
Grade 5	—	—	—	—
Grade 6	—	—	—	—
Grade 7	—	—	—	—
Grade 8	—	—	—	—
Grade 10	—	—	—	—
MCA Math (1)				
Grade 3	—	—	—	—
Grade 4	—	—	—	—
Grade 5	—	—	—	—
Grade 6	—	—	—	—
Grade 7	—	—	—	—
Grade 8	—	—	—	—
Grade 11	—	—	—	—
ACT				
Average composite score	21.5	21.9	22.0	22.8

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

(2) 2016–2019 MCA Tests results not available.

(3) Due to the COVID-19 pandemic, no 2020 summarized assessment data for MCA tests is available.

2020 (3)	2021	2022	2023	2024	2025
– %	47.5 %	48.9 %	52.9 %	48.6 %	48.8 %
–	48.0	52.0	48.3	55.8	50.7
–	46.4	51.1	57.1	56.1	52.3
–	51.7	52.0	49.5	49.8	55.1
–	47.3	48.6	46.5	45.1	44.5
–	48.7	47.0	46.3	41.2	42.2
–	68.1	62.7	64.5	61.8	49.1
–	61.9	59.4	67.8	58.9	63.2
–	62.8	68.5	62.6	68.0	58.7
–	24.1	43.7	49.0	40.4	35.4
–	30.1	43.4	37.5	34.9	32.0
–	35.7	39.7	40.2	35.8	35.8
–	42.9	43.5	44.4	41.9	34.5
–	44.7	42.7	44.2	50.5	42.9
23.4	24.7	21.3	21.9	21.6	22.5

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INDEPENDENT SCHOOL DISTRICT NO. 200

School Facilities
as of June 30, 2025

Facility	Use	Constructed	Acres	Classrooms	Square Footage	Functional Capacity	Enrollment (1)
Kennedy Elementary	School	1963, 1966, 1986, 2011	22	85	61,330	624	461
McAuliffe Elementary	School	1988	12	70	81,914	546	470
Pinecrest Elementary	School	1966	14	55	71,152	650	436
Hastings Middle School	School	1967, 1974, 1986, 2011	40	130	310,394	1,276	1,183
Hastings High School/ STAARS/HOA	School	2001	93	134	340,000	1,839	1,321
Curriculum Center (located at Kennedy site)	Office	1961	–	N/A	1,785	N/A	–
Hastings Area Learning Program (located at the high school site)	School	2023	–	6	14,000	60	32
District Office (located at Middle the middle school site)	Office		–	N/A	Included with middle school	N/A	–
Community Education/Early Childhood Education	School	1957, 1961, 1972	2	40	31,100	308	130

(1) Enrollment data from October 1, 2024.

INDEPENDENT SCHOOL DISTRICT NO. 200

Food Service
School Lunch Program Data
Last Ten Fiscal Years

Fiscal Year	Average Daily Attendance (1)	Total Lunches Served	Days	Average Daily Participation	Participation as a Percentage of Average Daily Attendance
2016	4,188	508,329	172	2,955	70.57
2017	4,162	500,563	171	2,927	70.33
2018	4,117	471,791	168	2,808	68.21
2019	4,086	472,291	165	2,862	70.05
2020 (2)	4,056	336,036	170	1,977	48.73
2021 (3)	3,934	259,899	171	1,520	38.64
2022 (4)	3,885	409,438	171	2,394	61.63
2023	3,827	375,350	168	2,234	58.38
2024 (5)	3,797	466,884	169	2,763	72.76
2025	3,746	471,146	167	2,821	75.32

(1) Based on State Food and Nutrition Department guidelines; attendance is deemed to be 94 percent of enrollment.

(2) Due to the COVID-19 pandemic, significantly fewer meals were served in the National School Lunch Program.

(3) Due to the ongoing COVID-19 pandemic and multiple shifts in learning models throughout the year, significantly fewer lunches were served. Additionally, the program operated all year under the USDA Seamless Summer Food Service Program, under which all student meals were provided for free.

(4) The program operated all year under the USDA Seamless Summer Food Service Program, under which all student meals were provided for free.

(5) Beginning in 2024, the cost of meals not covered by free and reduced federal funding as noted in the table above, were funded by the state to provide free meals to all students.

Free Lunch		Reduced-Price Lunch	
Number Served	Percent of Total	Number Served	Percent of Total
99,307	19.54	34,751	6.84 %
94,452	18.87	35,394	7.07
88,642	18.79	38,630	8.19
85,955	18.20	40,354	8.54
59,025	17.57	28,510	8.48
259,899	100.00	—	—
409,438	100.00	—	—
100,538	26.79	25,785	6.87
117,523	25.17	28,394	6.08
115,169	24.44	26,496	5.62

INDEPENDENT SCHOOL DISTRICT NO. 200

Expenditures per Student (Average Daily Membership)
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Administration	\$ 462	\$ 451	\$ 472	\$ 479
District support services	451	528	459	544
Elementary and secondary regular instruction	5,647	5,765	5,786	5,801
Vocational education instruction	100	108	102	109
Special education instruction	1,972	2,119	2,195	2,237
Instructional support services	539	481	553	572
Pupil support services	1,089	1,202	1,254	1,216
Sites and buildings	1,043	1,173	1,097	1,108
Fiscal and other fixed cost programs	34	33	33	31
Food service	482	498	505	527
Community service	536	522	523	561
Capital outlay	9	29	552	2,693
Debt service	953	920	1,062	939
Total expenditures	<u>\$ 13,317</u>	<u>\$ 13,829</u>	<u>\$ 14,593</u>	<u>\$ 16,817</u>
Average daily membership	<u>4,455</u>	<u>4,428</u>	<u>4,380</u>	<u>4,347</u>

Note: Includes all governmental fund expenditures.

2020	2021	2022	2023	2024	2025
\$ 504	\$ 550	\$ 524	\$ 544	\$ 526	\$ 552
510	652	518	592	645	787
5,924	6,066	6,368	6,493	6,743	7,206
118	108	152	219	221	232
2,322	2,386	2,567	2,651	2,912	3,118
579	641	661	681	714	862
1,322	1,395	1,695	2,143	2,080	2,205
1,000	1,142	1,448	1,436	1,954	1,985
61	87	93	112	130	140
536	421	633	616	784	826
562	556	569	607	709	746
3,934	1,644	1,091	1,363	630	592
949	979	1,006	964	965	5,181
<u>\$ 18,321</u>	<u>\$ 16,627</u>	<u>\$ 17,325</u>	<u>\$ 18,421</u>	<u>\$ 19,013</u>	<u>\$ 24,432</u>
<u>4,315</u>	<u>4,185</u>	<u>4,133</u>	<u>4,071</u>	<u>4,039</u>	<u>3,985</u>

INDEPENDENT SCHOOL DISTRICT NO. 200

Student Enrollment
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served or Tuition Paid)					Total Pupil Units
	Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	
2016	38	268	1,944	2,205	4,455	4,897
2017	42	292	1,893	2,201	4,428	4,869
2018	40	291	1,908	2,141	4,380	4,807
2019	37	271	1,876	2,163	4,347	4,779
2020	40	288	1,868	2,119	4,315	4,739
2021	37	268	1,763	2,117	4,185	4,609
2022	44	264	1,711	2,114	4,133	4,556
2023	48	271	1,709	2,043	4,071	4,480
2024	50	258	1,726	2,005	4,039	4,440
2025	62	259	1,696	1,968	3,985	4,379

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

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

	Pre-Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1-6	Secondary 7-12+
Fiscal 2016 through 2025	1.000	0.550	1.000	1.000	1.000

Source: Minnesota Department of Education student reporting system

