

Finance & Facilities Committee

Monday, December 7, 2020 7:00 PM

Virtual Meeting via Google Hangout, To view or listen to this meeting, send request to: jkilian@isd110.org, or , call: 952-442-0600

1. DISCUSSION ITEMS

1.A. Monthly Financial Reports



WACONIA ISD 110

Statement Period
Oct 1, 2020 to Oct 31, 2020

CURRENT PORTFOLIO

Type	Code	Holding ID	Trade	Settle	Maturity	Description	Cost	Rate	Face/Par	Market Value
IS				10/31/20		IS Account Balance	\$206,498.68	0.030%	\$206,498.68	\$206,498.68
CD	N	248294-1	11/08/17	11/08/17	11/06/20	FARMERS AND MERCHANTS UNION BANK	\$235,800.00	1.891%	\$249,163.00	\$235,800.00
CD	N	248295-1	11/08/17	11/08/17	11/06/20	FIRST NATIONAL BANK	\$139,200.00	1.582%	\$145,800.69	\$139,200.00
CD	N	275733-1	08/13/19	08/13/19	02/16/21	CFG BANK	\$242,800.00	1.893%	\$249,761.73	\$242,800.00
CD	N	284073-1	07/02/20	07/02/20	06/30/21	TEXAS CAPITAL BANK	\$249,500.00	0.200%	\$249,996.96	\$249,500.00
CD	N	284049-1	07/01/20	07/01/20	07/01/21	THIRD COAST BANK, SSB	\$248,900.00	0.411%	\$249,922.46	\$248,900.00
CD	N	284050-1	07/01/20	07/01/20	07/01/21	SERVISFIRST BANK	\$248,700.00	0.500%	\$249,943.50	\$248,700.00
CD	N	284051-1	07/01/20	07/01/20	07/01/21	WESTERN ALLIANCE BANK / TORREY PINES BANK	\$147,400.00	0.151%	\$147,622.57	\$147,400.00
CD	N	284817-1	08/12/20	08/12/20	08/12/21	PREFERRED BANK	\$249,500.00	0.104%	\$249,758.25	\$249,500.00
Totals for Period:							\$1,968,298.68		\$1,998,467.84	\$1,968,298.68

Weighted Average Portfolio Yield: 0.422 %
 Weighted Average Portfolio Maturity: 179.76 Days

Deposit Codes:
 N) Single FEIN

Portfolio Summary:

Type	Allocation (%)	Allocation (\$)	Description
IS	10.49%	\$206,498.68	IS Activity
CD	89.51%	\$1,761,800.00	Certificate of Deposit

Note: Weighted Yield & Weighted Average Portfolio Maturity are calculated using "Market Value" and are only based on the fixed rate investments (excluding SDA investments).

"Cost" is comprised of the total amount you paid for the investment including any fees and commissions.

"Rate" is the Net Yield to Maturity.

"Face/Par" is the amount received at maturity.

"Market Value" reflects the market value as reported by an independent third-party pricing service. Certificates of Deposit and Commercial Paper and other assets for which market pricing is not readily available from a third-party pricing service are listed at "Cost".



WACONIA ISD 110

Statement Period
Sep 1, 2020 to Sep 30, 2020

CURRENT PORTFOLIO

Type	Code	Holding ID	Trade	Settle	Maturity	Description	Cost	Rate	Face/Par	Market Value
IS				09/30/20		IS Account Balance	\$18,515.61	0.040%	\$18,515.61	\$18,515.61
CD	N	278001-1	10/18/19	10/18/19	10/19/20	CORPORATE ONE FEDERAL CREDIT UNION	\$185,000.00	1.620%	\$188,001.33	\$185,000.00
CD	N	248294-1	11/08/17	11/08/17	11/06/20	FARMERS AND MERCHANTS UNION BANK	\$235,800.00	1.891%	\$249,163.00	\$235,800.00
CD	N	248295-1	11/08/17	11/08/17	11/06/20	FIRST NATIONAL BANK	\$139,200.00	1.582%	\$145,800.69	\$139,200.00
CD	N	275733-1	08/13/19	08/13/19	02/16/21	CFG BANK	\$242,800.00	1.893%	\$249,761.73	\$242,800.00
CD	N	284073-1	07/02/20	07/02/20	06/30/21	TEXAS CAPITAL BANK	\$249,500.00	0.200%	\$249,996.96	\$249,500.00
CD	N	284049-1	07/01/20	07/01/20	07/01/21	THIRD COAST BANK, SSB	\$248,900.00	0.411%	\$249,922.46	\$248,900.00
CD	N	284050-1	07/01/20	07/01/20	07/01/21	SERVISFIRST BANK	\$248,700.00	0.500%	\$249,943.50	\$248,700.00
CD	N	284051-1	07/01/20	07/01/20	07/01/21	WESTERN ALLIANCE BANK / TORREY PINES BANK	\$147,400.00	0.151%	\$147,622.57	\$147,400.00
CD	N	284817-1	08/12/20	08/12/20	08/12/21	PREFERRED BANK	\$249,500.00	0.104%	\$249,758.25	\$249,500.00
Totals for Period:							\$1,965,315.61		\$1,998,486.10	\$1,965,315.61

Weighted Average Portfolio Yield: 0.492 %
 Weighted Average Portfolio Maturity: 192.53 Days

Deposit Codes:
 N) Single FEIN

Portfolio Summary:

Type	Allocation (%)	Allocation (\$)	Description
IS	0.94%	\$18,515.61	IS Activity
CD	99.06%	\$1,946,800.00	Certificate of Deposit

Note: Weighted Yield & Weighted Average Portfolio Maturity are calculated using "Market Value" and are only based on the fixed rate investments (excluding SDA investments).

"Cost" is comprised of the total amount you paid for the investment including any fees and commissions.

"Rate" is the Net Yield to Maturity.

"Face/Par" is the amount received at maturity.

"Market Value" reflects the market value as reported by an independent third-party pricing service. Certificates of Deposit and Commercial Paper and other assets for which market pricing is not readily available from a third-party pricing service are listed at "Cost".



WACONIA ISD 110

Statement Period
Aug 1, 2020 to Aug 31, 2020

CURRENT PORTFOLIO

Type	Code	Holding ID	Trade	Settle	Maturity	Description	Cost	Rate	Face/Par	Market Value
IS				08/31/20		IS Account Balance	\$18,535.83	0.070%	\$18,535.83	\$18,535.83
CD	N	278001-1	10/18/19	10/18/19	10/19/20	CORPORATE ONE FEDERAL CREDIT UNION	\$185,000.00	1.620%	\$188,001.33	\$185,000.00
CD	N	248294-1	11/08/17	11/08/17	11/06/20	FARMERS AND MERCHANTS UNION BANK	\$235,800.00	1.891%	\$249,163.00	\$235,800.00
CD	N	248295-1	11/08/17	11/08/17	11/06/20	FIRST NATIONAL BANK	\$139,200.00	1.582%	\$145,800.69	\$139,200.00
CD	N	275733-1	08/13/19	08/13/19	02/16/21	CFG BANK	\$242,800.00	1.893%	\$249,761.73	\$242,800.00
CD	N	284073-1	07/02/20	07/02/20	06/30/21	TEXAS CAPITAL BANK	\$249,500.00	0.200%	\$249,996.96	\$249,500.00
CD	N	284049-1	07/01/20	07/01/20	07/01/21	THIRD COAST BANK, SSB	\$248,900.00	0.411%	\$249,922.46	\$248,900.00
CD	N	284050-1	07/01/20	07/01/20	07/01/21	SERVISFIRST BANK	\$248,700.00	0.500%	\$249,943.50	\$248,700.00
CD	N	284051-1	07/01/20	07/01/20	07/01/21	WESTERN ALLIANCE BANK / TORREY PINES BANK	\$147,400.00	0.151%	\$147,622.57	\$147,400.00
CD	N	284817-1	08/12/20	08/12/20	08/12/21	PREFERRED BANK	\$249,500.00	0.104%	\$249,758.25	\$249,500.00
Totals for Period:							\$1,965,335.83		\$1,998,506.32	\$1,965,335.83

Weighted Average Portfolio Yield: 0.546 %
 Weighted Average Portfolio Maturity: 222.53 Days

Deposit Codes:
 N) Single FEIN

Portfolio Summary:

Type	Allocation (%)	Allocation (\$)	Description
IS	0.94%	\$18,535.83	IS Activity
CD	99.06%	\$1,946,800.00	Certificate of Deposit

Note: Weighted Yield & Weighted Average Portfolio Maturity are calculated using "Market Value" and are only based on the fixed rate investments (excluding SDA investments).

"Cost" is comprised of the total amount you paid for the investment including any fees and commissions.

"Rate" is the Net Yield to Maturity.

"Face/Par" is the amount received at maturity.

"Market Value" reflects the market value as reported by an independent third-party pricing service. Certificates of Deposit and Commercial Paper and other assets for which market pricing is not readily available from a third-party pricing service are listed at "Cost".



WACONIA ISD 110

Statement Period
Jul 1, 2020 to Jul 31, 2020

CURRENT PORTFOLIO

Type	Code	Holding ID	Trade	Settle	Maturity	Description	Cost	Rate	Face/Par	Market Value
IS				07/31/20		IS Account Balance	\$18,202.84	0.120%	\$18,202.84	\$18,202.84
CD	N	275734-1	08/13/19	08/13/19	08/12/20	BANK OF CHINA	\$244,400.00	2.231%	\$249,852.72	\$244,400.00
CD	N	278001-1	10/18/19	10/18/19	10/19/20	CORPORATE ONE FEDERAL CREDIT UNION	\$185,000.00	1.620%	\$188,001.33	\$185,000.00
CD	N	248294-1	11/08/17	11/08/17	11/06/20	FARMERS AND MERCHANTS UNION BANK	\$235,800.00	1.891%	\$249,163.00	\$235,800.00
CD	N	248295-1	11/08/17	11/08/17	11/06/20	FIRST NATIONAL BANK	\$139,200.00	1.582%	\$145,800.69	\$139,200.00
CD	N	275733-1	08/13/19	08/13/19	02/16/21	CFG BANK	\$242,800.00	1.893%	\$249,761.73	\$242,800.00
CD	N	284073-1	07/02/20	07/02/20	06/30/21	TEXAS CAPITAL BANK	\$249,500.00	0.200%	\$249,996.96	\$249,500.00
CD	N	284049-1	07/01/20	07/01/20	07/01/21	THIRD COAST BANK, SSB	\$248,900.00	0.411%	\$249,922.46	\$248,900.00
CD	N	284050-1	07/01/20	07/01/20	07/01/21	SERVISFIRST BANK	\$248,700.00	0.500%	\$249,943.50	\$248,700.00
CD	N	284051-1	07/01/20	07/01/20	07/01/21	WESTERN ALLIANCE BANK / TORREY PINES BANK	\$147,400.00	0.151%	\$147,622.57	\$147,400.00
Totals for Period:							\$1,959,902.84		\$1,998,267.80	\$1,959,902.84

Weighted Average Portfolio Yield: 0.715 %

Weighted Average Portfolio Maturity: 207.27 Days

Portfolio Summary:

Type	Allocation (%)	Allocation (\$)	Description
IS	0.93%	\$18,202.84	IS Activity
CD	99.07%	\$1,941,700.00	Certificate of Deposit

Note: Weighted Yield & Weighted Average Portfolio Maturity are calculated using "Market Value" and are only based on the fixed rate investments (excluding SDA investments).

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"Rate" is the Net Yield to Maturity.

"Face/Par" is the amount received at maturity.

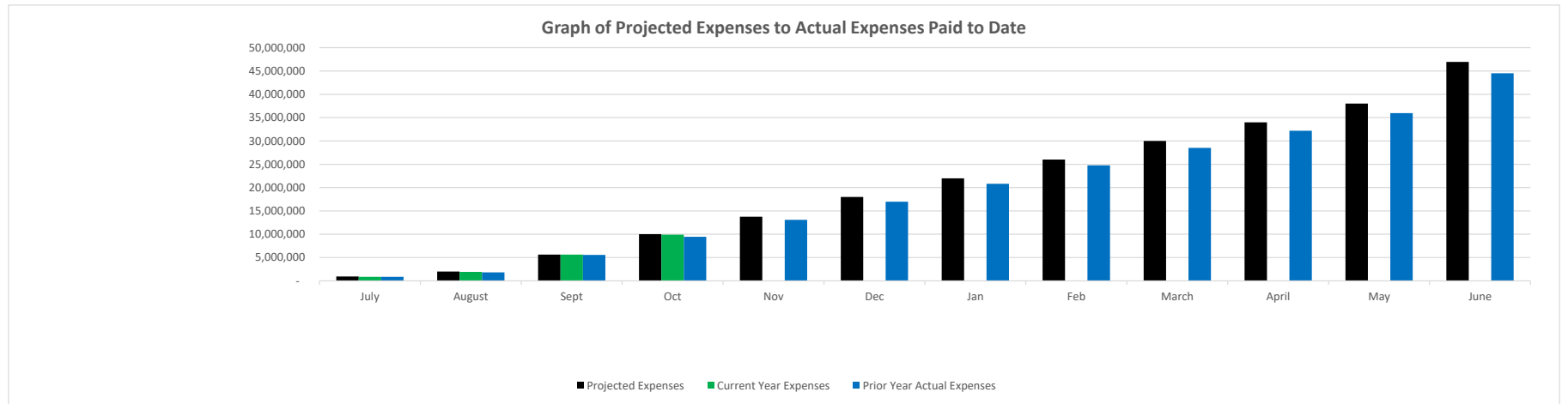
"Market Value" reflects the market value as reported by an independent third-party pricing service. Certificates of Deposit and Commercial Paper and other assets for which market pricing is not readily available from a third-party pricing service are listed at "Cost".

Deposit Codes:

N) Single FEIN

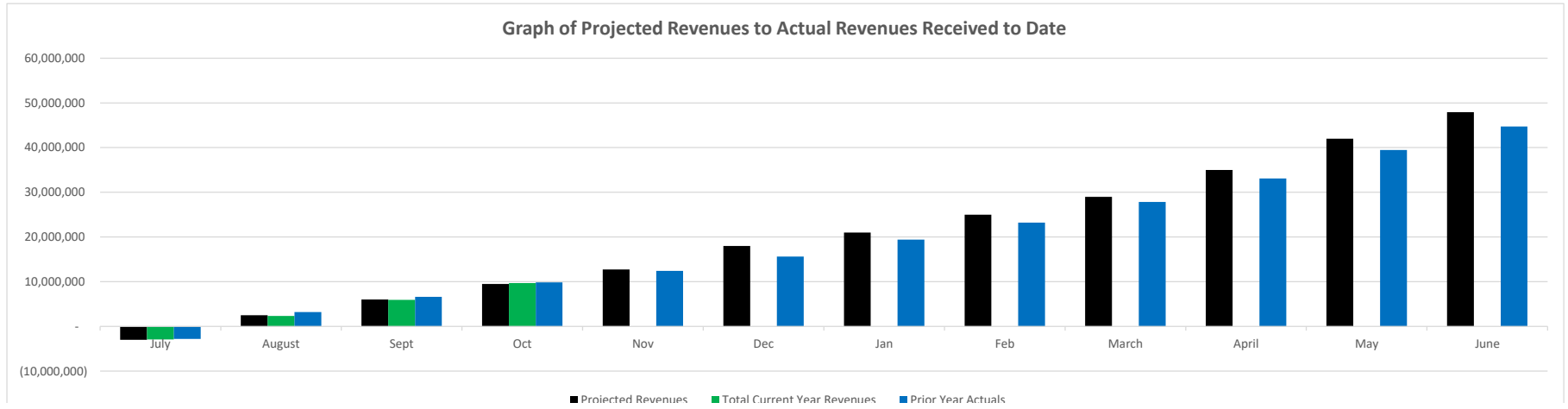
ISD #110 - Waconia Public Schools
 Explore Your Passions - Create Your Success
 2020-2021 School Year

Source	YTD Expenses											
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Projected Expenses	950,000	2,000,000	5,650,000	10,000,000	13,750,000	18,000,000	22,000,000	26,000,000	30,000,000	34,000,000	38,000,000	46,935,803
Current Year Expenses	885,376	1,917,344	5,645,664	9,899,193	-	-	-	-	-	-	-	-
Prior Year Actual Expenses	870,799	1,810,173	5,570,238	9,463,995	13,096,806	16,978,666	20,803,404	24,770,335	28,507,593	32,196,971	35,966,336	44,514,759



ISD #110 - Waconia Public Schools
 Explore Your Passions - Create Your Success
 2020-2021 School Year

Source	YTD Revenues											
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Projected Revenues	(3,000,000)	2,500,000	6,000,000	9,500,000	12,750,000	18,000,000	21,000,000	25,000,000	29,000,000	35,000,000	42,000,000	47,912,528
Total Current Year Revenues	(2,932,099)	2,317,584	5,947,942	9,702,423	-	-	-	-	-	-	-	-
Prior Year Actuals	(2,815,869)	3,188,108	6,610,684	9,864,322	12,416,692	15,640,727	19,434,320	23,205,721	27,839,554	33,109,276	39,482,367	44,732,948



ISD #110 - Waconia Public Schools
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General Fund Revenues - 2020 - 2021 Fiscal Year
For Period Ending October 31, 2020

Source	Month to Date Received	Year to Date Received	Current Full Year Projection	% Received to Date
Local Revenues	1,671,757	1,740,543	7,162,462	24.30%
State Revenues	1,787,132	7,666,832	38,829,903	19.74%
Federal Aids & Grant	285,633	285,633	1,912,363	14.94%
Local Sources & Other Financing Sources	9,960	9,415	7,800	120.71%
Totals	3,754,482	9,702,423	47,912,528	20.25%
Capital Outlay		5,220	1,428,131	0.37%
Long-Term Facilities Maintenance	-	10,512	353,193	2.98%

General Fund Expenditures - 2020 - 2021 Fiscal Year
For Period Ending October 31, 2020

Source	Month to Date Expended	Year to Date Expended	Current Full Year Projection	% Expended to Date
Salaries and Wages	2,365,741	5,561,213	27,926,628	19.91%
Employee Benefits	915,621	2,340,157	10,421,124	22.46%
Purchased Services	686,836	1,190,339	5,842,792	20.37%
Supplies and Materials	274,414	621,598	2,440,882	25.47%
Capital Expenditures	7,599	99,544	24,962	398.78%
Other Expenditures & Other Financing Sources	3,319	86,342	279,415	30.90%
Totals	4,253,530	9,899,193	46,935,803	21.09%
Capital Outlay	70,012	466,984	1,234,316	37.83%
Long-Term Facilities Maintenance	67,374	192,023	331,383	57.95%

ISD #110 - Waconia Public Schools
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General Fund Revenues - 2020 - 2021 Fiscal Year
For Period Ending September 30, 2020

Source	Month to Date Received	Year to Date Received	Current Full Year Projection	% Received to Date
Local Revenues	47,665	68,786	7,162,462	0.96%
State Revenues	3,583,237	5,879,700	38,829,903	15.14%
Federal Aids & Grant	-		1,912,363	0.00%
Local Sources & Other Financing Sources	(544)	(544)	7,800	-6.97%
Totals	3,630,358	5,947,942	47,912,528	12.41%
Capital Outlay	120	5,220	1,428,131	0.37%
Long-Term Facilities Maintenance	6,007	10,512	353,193	2.98%

General Fund Expenditures - 2020 - 2021 Fiscal Year
For Period Ending September 30, 2020

Source	Month to Date Expended	Year to Date Expended	Current Full Year Projection	% Expended to Date
Salaries and Wages	2,258,849	3,195,472	27,926,628	11.44%
Employee Benefits	952,979	1,424,536	10,421,124	13.67%
Purchased Services	125,646	503,503	5,842,792	8.62%
Supplies and Materials	197,664	347,184	2,440,882	14.22%
Capital Expenditures	-	91,946	24,962	368.34%
Other Expenditures & Other Financing Sources	193,182	83,023	279,415	29.71%
Totals	3,728,320	5,645,664	46,935,803	12.03%
Capital Outlay	65,923	396,972	1,234,316	32.16%
Long-Term Facilities Maintenance	50,823	124,649	331,383	37.61%

ISD #110 - Waconia Public Schools
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General Fund Revenues - 2020 - 2021 Fiscal Year
For Period Ending August 31, 2020

Source	Month to Date Received	Year to Date Received	Current Full Year Projection	% Received to Date
Local Revenues	58,028	21,121	7,162,462	0.29%
State Revenues	5,191,655	2,296,463	38,829,903	5.91%
Federal Aids & Grant	-		962,411	0.00%
Local Sources & Other Financing Sources	-		7,800	0.00%
Totals	5,249,683	2,317,584	46,962,576	4.93%
Capital Outlay	-	5,100	1,428,131	0.36%
Long-Term Facilities Maintenance	4,505	4,505	353,193	1.28%

General Fund Expenditures - 2020 - 2021 Fiscal Year
For Period Ending August 31, 2020

Source	Month to Date Expended	Year to Date Expended	Current Full Year Projection	% Expended to Date
Salaries and Wages	489,976	936,623	27,818,863	3.37%
Employee Benefits	228,904	471,557	10,425,695	4.52%
Purchased Services	104,983	377,857	5,846,002	6.46%
Supplies and Materials	199,683	149,520	1,919,967	7.79%
Capital Expenditures	-	91,946	25,910	354.87%
Other Expenditures & Other Financing Sources	8,422	(110,159)	279,405	-39.43%
Totals	1,031,968	1,917,344	46,315,842	4.14%
Capital Outlay	227,922	331,048	1,234,316	26.82%
Long-Term Facilities Maintenance	62,549	73,826	331,383	22.28%

ISD #110 - Waconia Public Schools
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General Fund Revenues - 2020 - 2021 Fiscal Year
For Period Ending July 31, 2020

Source	Month to Date Received	Year to Date Received	Current Full Year Projection	% Received to Date
Local Revenues	(36,907)	(36,907)	7,162,462	-0.52%
State Revenues	(2,895,192)	(2,895,192)	38,829,903	-7.46%
Federal Aids & Grant	-	-	1,912,363	0.00%
Local Sources & Other Financing Sources	-	-	7,800	0.00%
Totals	(2,932,099)	(2,932,099)	47,912,528	-6.12%
Capital Outlay	5,100	5,100	1,428,131	0.36%
Long-Term Facilities Maintenance	-	-	353,193	0.00%

General Fund Expenditures - 2020- 2021 Fiscal Year
For Period Ending July 31, 2020

Source	Month to Date Expended	Year to Date Expended	Current Full Year Projection	% Expended to Date
Salaries and Wages	446,647	446,647	27,926,628	1.60%
Employee Benefits	242,653	242,653	10,421,124	2.33%
Purchased Services	272,874	272,874	5,842,792	4.67%
Supplies and Materials	(50,163)	(50,163)	2,440,882	-2.06%
Capital Expenditures	91,946	91,946	24,962	368.34%
Other Expenditures & Other Financing Sources	(118,581)	(118,581)	279,415	-42.44%
Totals	885,376	885,376	46,935,803	1.89%
Capital Outlay	103,126	103,126	1,234,316	8.35%
Long-Term Facilities Maintenance	11,277	11,277	331,383	3.40%

1.B. Long Range Budget Modeling

2. **UPCOMING ACTION ITEMS**

2.A. Audit

Independent School District #110 Waconia Public Schools Board Presentation June 30, 2020

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WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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Independent School District No. 110

Fund Trends

General Fund

Year Ended June 30,	2016	2017	2018	2019	2020
Total Revenues	\$ 38,256,648	\$ 39,986,392	\$ 39,980,479	\$ 42,819,280	\$ 46,564,514
Total Expenditures	38,934,222	42,062,376	44,190,308	50,093,477	46,690,714
Other Financing Sources	2,800	401,304	(62,065)	593,682	531,003
Net Change in Fund Balance	(674,774)	(1,674,680)	(4,271,894)	(6,680,515)	404,803
Fund Balance - Beginning	6,892,915	6,218,141	4,543,461	271,567	(6,408,948)
Nonspendable Fund Balance	21,030	92,523	51,369	90,882	40,035
Restricted Fund Balance	2,045,743	1,900,198	2,023,502	26,616	214,445
Assigned Fund Balance	453,109	250,000	-	-	-
Unassigned Fund Balance	3,698,259	2,300,740	(1,803,304)	(6,526,446)	(6,258,625)
Fund Balance - Ending June 30	\$ 6,218,141	\$ 4,543,461	\$ 271,567	\$ (6,408,948)	\$ (6,004,145)



Food Service Fund

Year Ended June 30,	2016	2017	2018	2019	2020
Total Revenues	\$ 2,020,462	\$ 2,148,775	\$ 2,288,747	\$ 2,401,836	\$ 2,128,106
Total Expenditures	1,995,554	2,356,472	2,382,406	2,416,936	2,318,325
Other Financing Sources	-	-	-	-	-
Net Change in Fund Balance	24,908	(207,697)	(93,659)	(15,100)	(190,219)
Fund Balance - Beginning	1,066,823	1,091,731	884,034	790,375	775,275
Nonspendable Fund Balance	33,383	22,827	5,122	21,412	53,708
Restricted Fund Balance	1,033,440	861,207	785,253	753,863	531,348
Fund Balance - Ending June 30	\$ 1,091,731	\$ 884,034	\$ 790,375	\$ 775,275	\$ 585,056

Community Service Fund

Year Ended June 30,	2016	2017	2018	2019	2020
Total Revenues	\$ 2,667,767	\$ 2,880,365	\$ 3,103,263	\$ 3,242,114	\$ 2,671,872
Total Expenditures	2,701,669	2,891,117	3,172,103	3,290,698	2,942,511
Other Financing Sources	-	-	74,515	70,621	62,578
Net Change in Fund Balance	(33,902)	(10,752)	5,675	22,037	(208,061)
Fund Balance - Beginning	619,774	585,872	575,120	580,795	602,832
Nonspendable Fund Balance	15,527	6,673	3,235	3,132	500
Restricted Fund Balance	570,345	568,447	577,560	599,700	394,271
Fund Balance - Ending June 30	\$ 585,872	\$ 575,120	\$ 580,795	\$ 602,832	\$ 394,771



Capital Projects Fund

Year Ended June 30,	2016	2017	2018	2019	2020
Total Revenues	\$ 216,396	\$ 239,097	\$ 134,100	\$ 8,523	\$ 189,100
Total Expenditures	28,630,702	37,937,848	23,305,847	1,408,120	1,109,171
Other Financing Sources	-	8,872,050	12,891,311	2,421,650	-
Net Change in Fund Balance	(28,414,306)	(28,826,701)	(10,280,436)	1,022,053	(920,071)
Prior Period Adjustment	-	(1,111,887)	-	-	-
Fund Balance - Beginning	68,507,316	40,093,010	10,154,422	(126,014)	896,039
Restricted Fund Balance - Ending June 30	\$ 40,093,010	\$ 10,154,422	\$ (126,014)	\$ 896,039	\$ (24,032)

Debt Service

Year Ended June 30,	2016	2017	2018	2019	2020
Total Revenues	\$ 6,940,331	\$ 7,117,396	\$ 7,335,644	\$ 7,948,477	\$ 8,968,177
Total Expenditures	7,087,816	6,814,384	7,198,076	8,704,689	9,261,475
Other Financing Sources	465,958	67,170	-	256,592	-
Net Change in Fund Balance	318,473	370,182	137,568	(499,620)	(293,298)
Fund Balance - Beginning	1,223,371	1,541,844	1,912,026	2,049,594	1,549,974
Restricted Fund Balance - Ending June 30	\$ 1,541,844	\$ 1,912,026	\$ 2,049,594	\$ 1,549,974	\$ 1,256,676



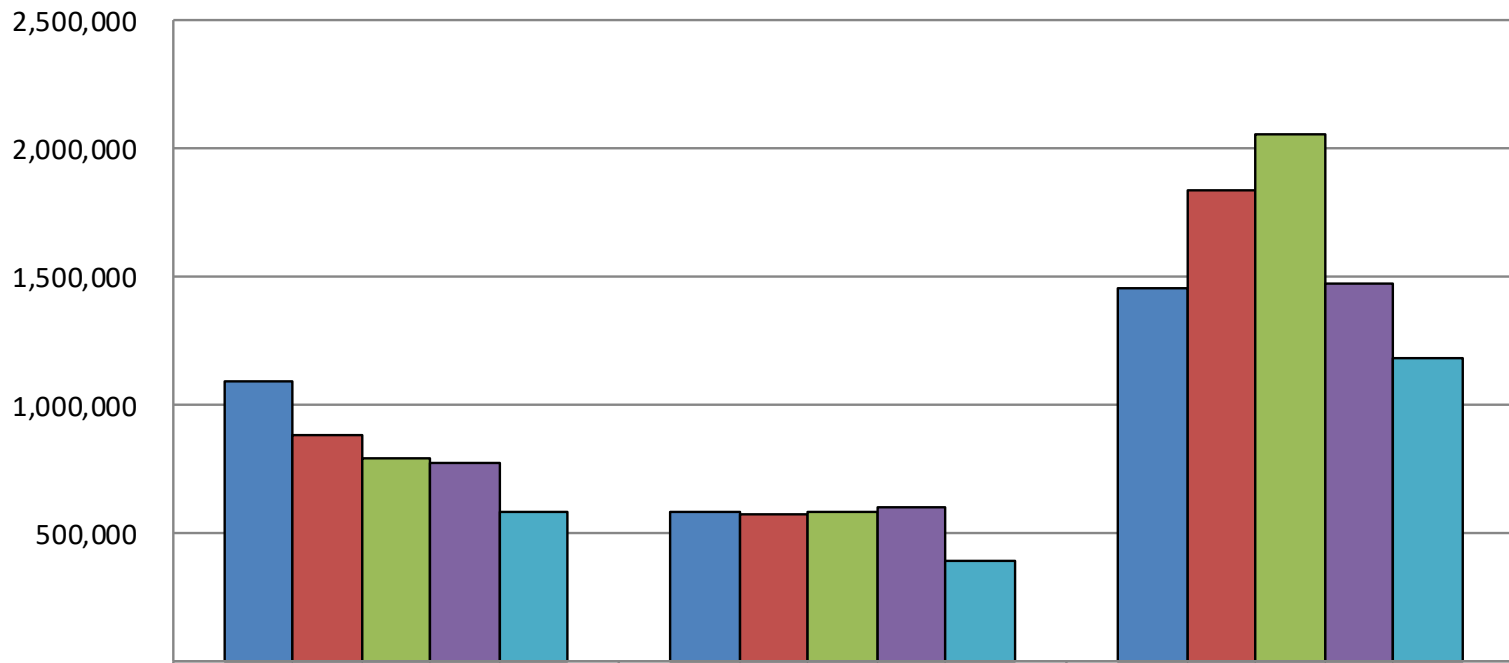
General Fund Categories of Fund Balance



	Unassigned/ Nonspendable	Assigned	Restricted - Excluding Capital	Operating Capital Fund Balance	Health and Safety Fund Balance	Deferred Maintenance/ LTFM
■ June 30, 2016	3,719,289	453,109	524,782	1,759,482	(328,847)	90,326
■ June 30, 2017	2,393,263	250,000	259,329	1,856,557	(267,682)	51,994
■ June 30, 2018	(1,751,935)	-	155,187	1,533,114	(22,121)	357,322
■ June 30, 2019	(6,435,564)	-	23,028	431	-	3,157
■ June 30, 2020	(6,218,590)	-	24,247	187,218	-	2,980



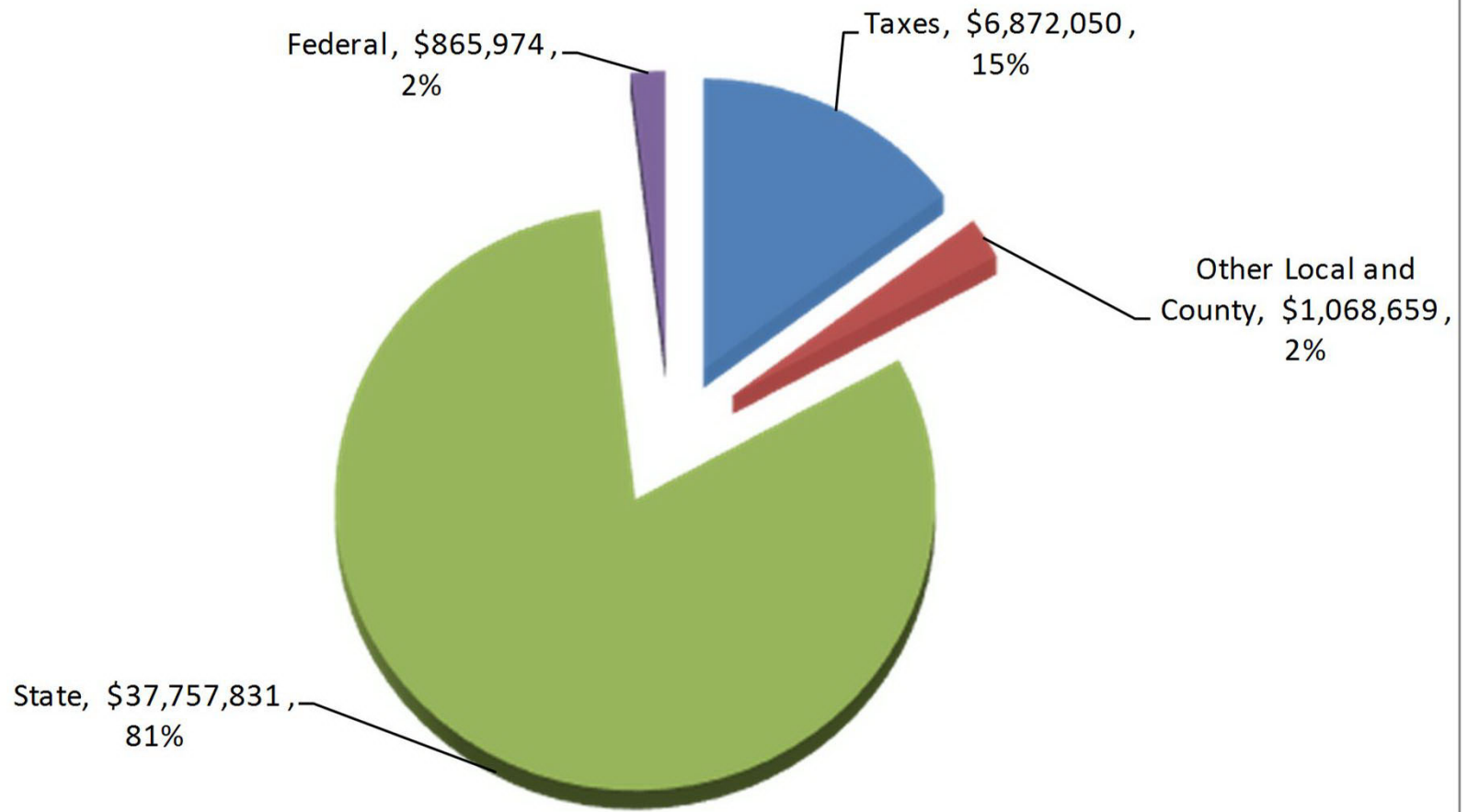
Food Service, Community Service & Debt Service Funds Categories of Fund Balance



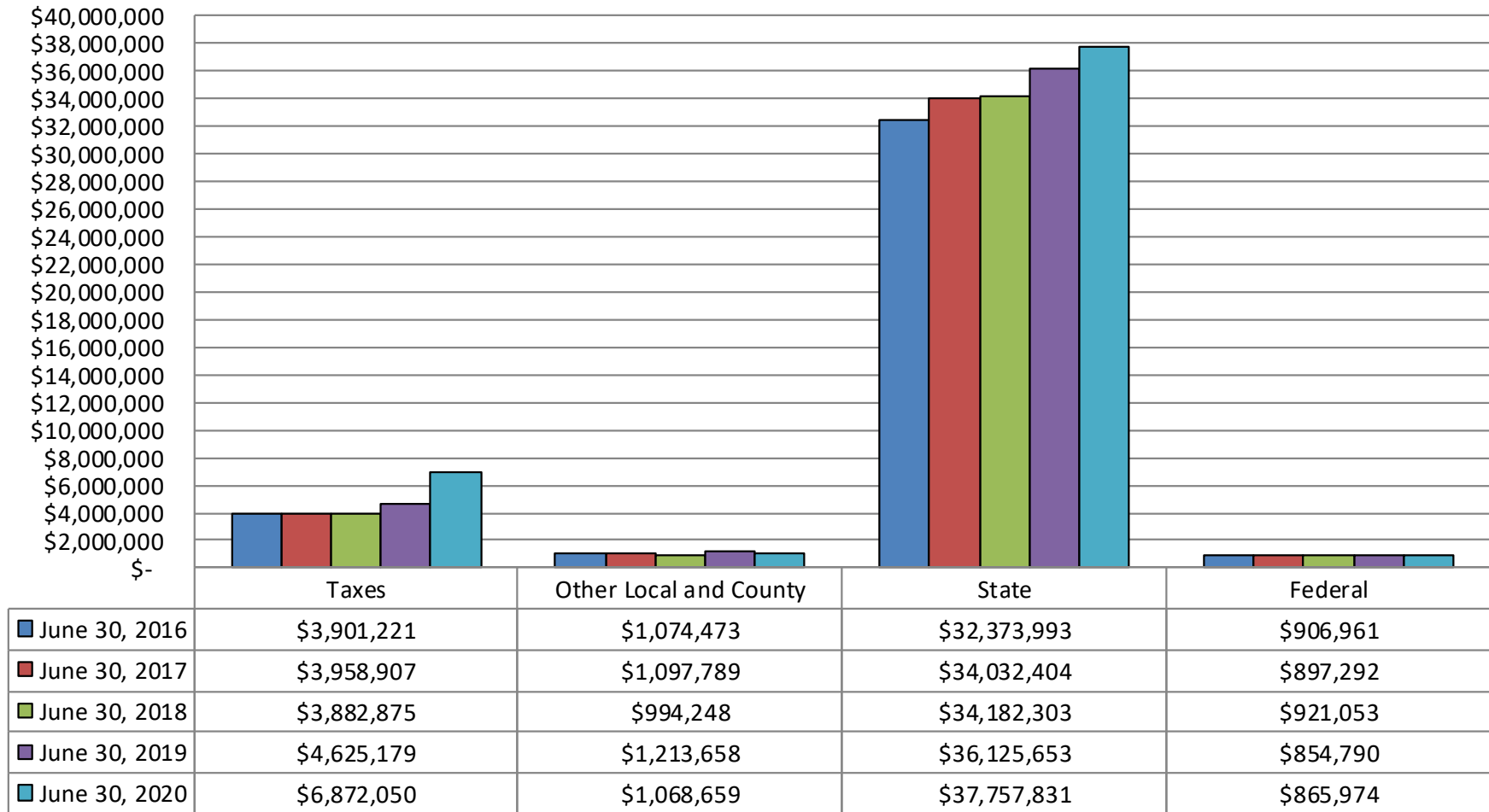
	Food Service Fund Balance	Community Service Fund Balance	Debt Service Fund Balance
■ June 30, 2016	1,091,731	585,872	1,457,167
■ June 30, 2017	884,034	575,120	1,835,588
■ June 30, 2018	790,375	580,795	2,049,594
■ June 30, 2019	775,275	602,832	1,477,123
■ June 30, 2020	585,056	394,771	1,182,968



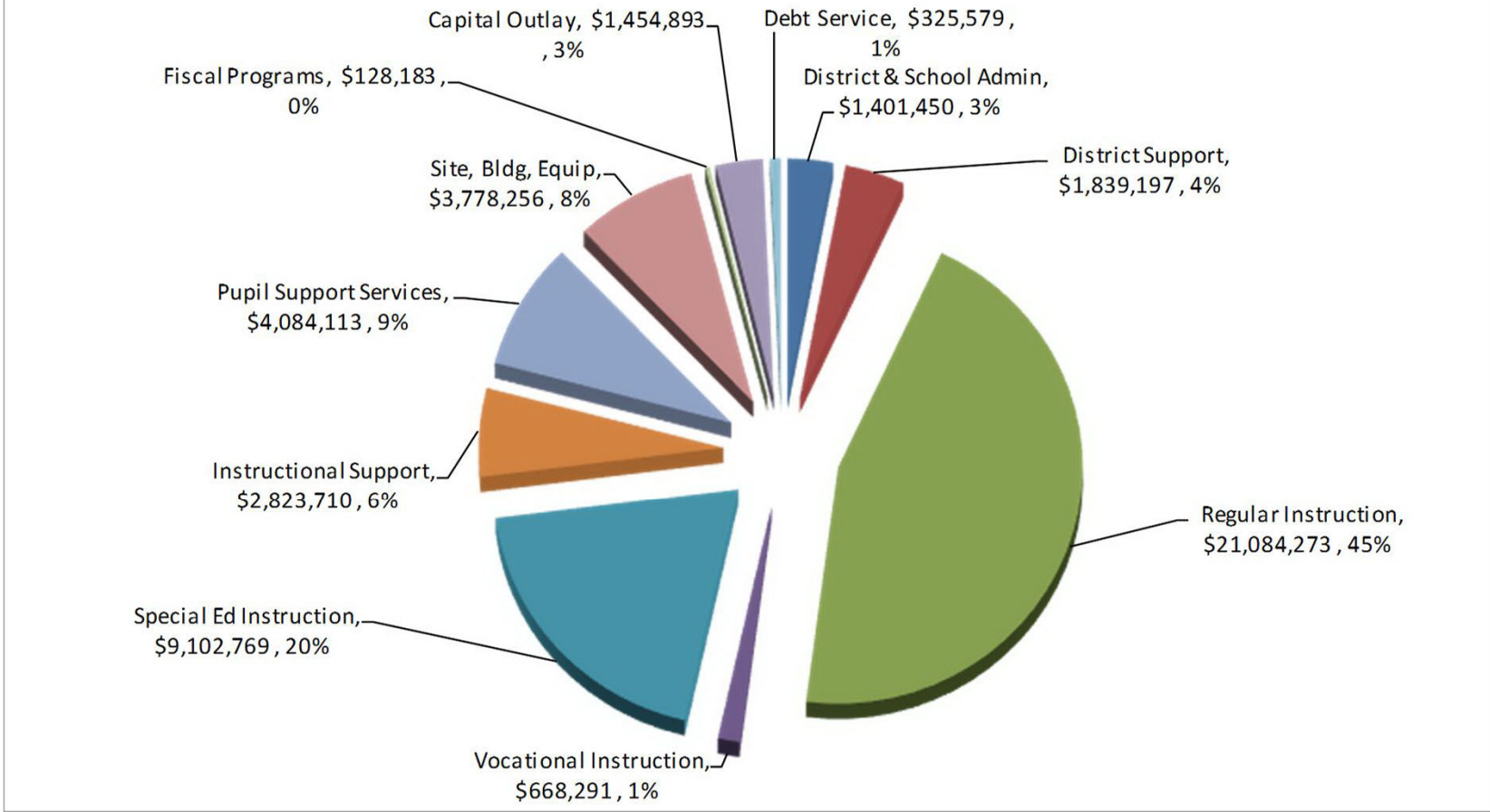
Sources of Revenues for General Fund Year Ended June 30, 2020



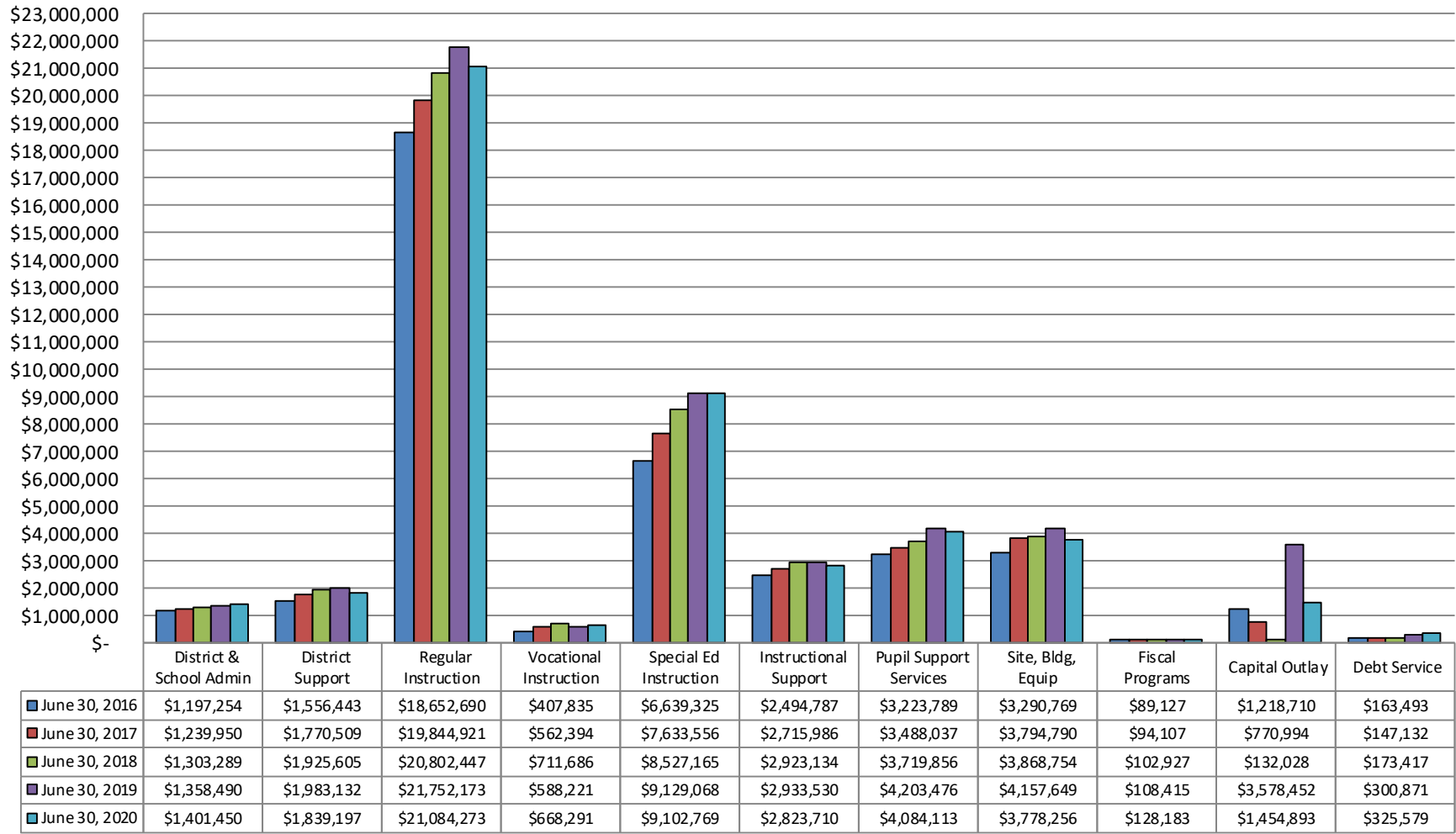
Comparative General Fund Revenues

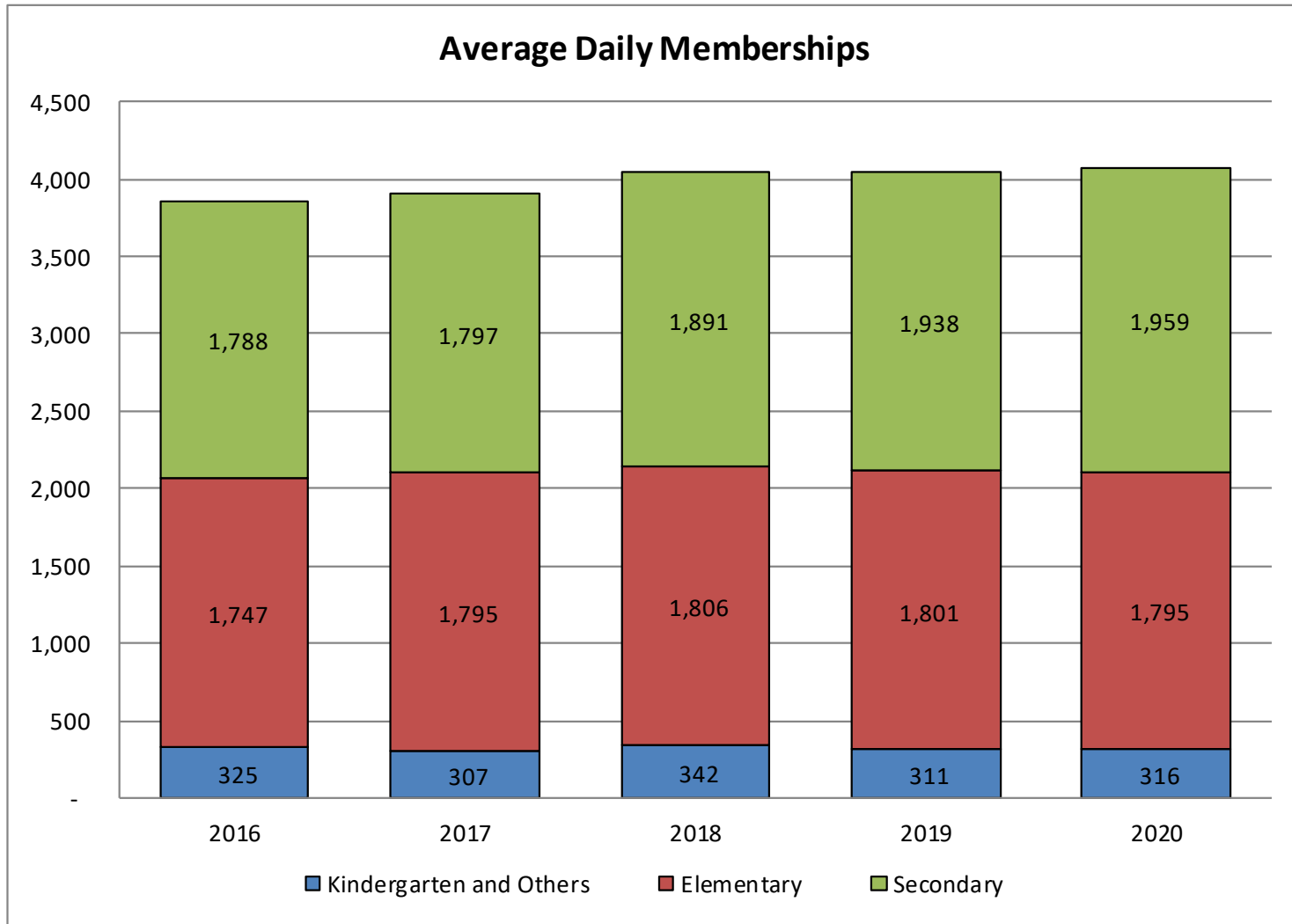


Breakdown of Expenditures by Program for General Fund Year Ended June 30, 2020



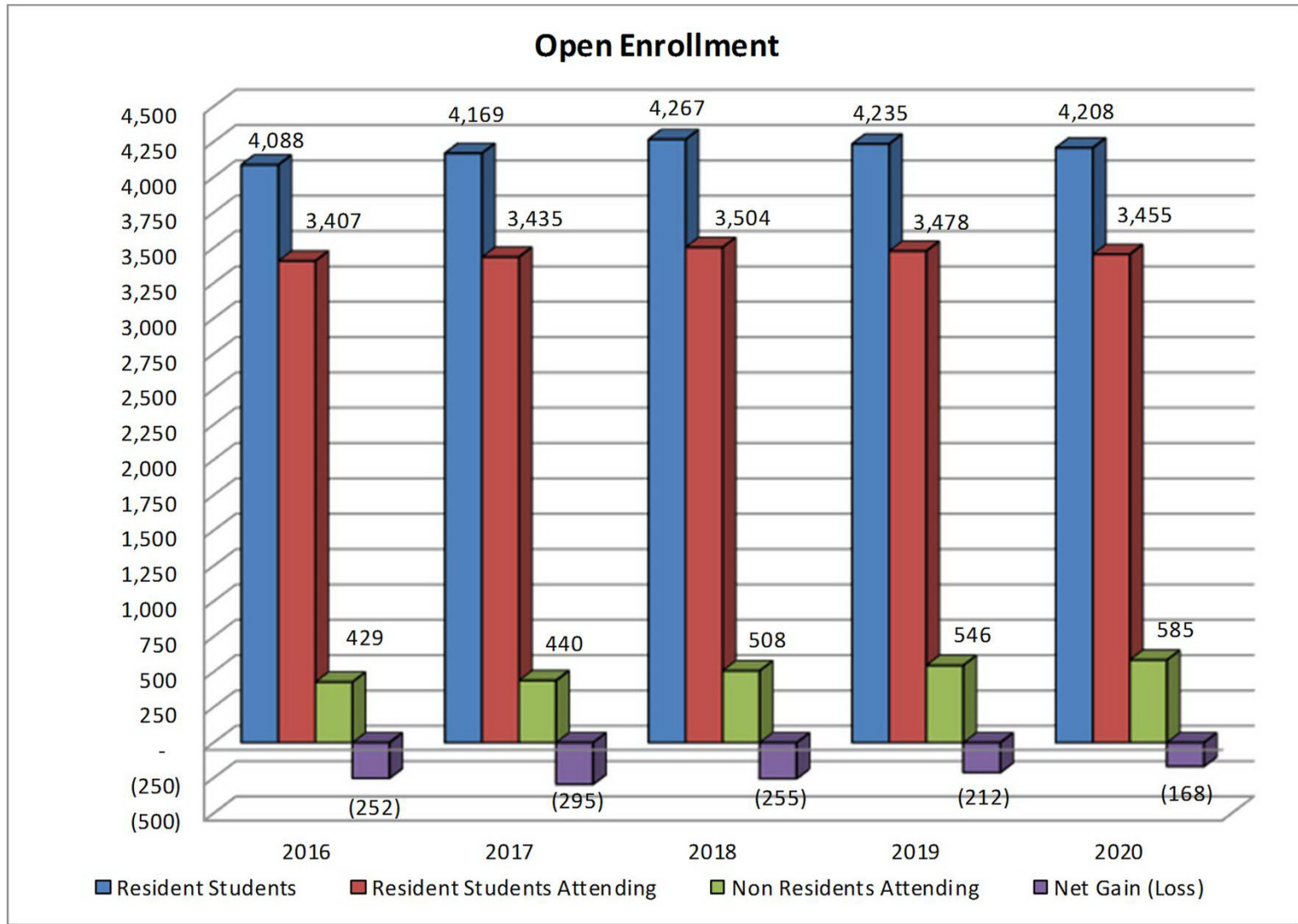
Comparative Expenditures by Program for General Fund





Average Daily Membership (ADM)	2016	2017	2018	2019	2020
Kindergarten and Others	325	307	342	311	316
Elementary	1,747	1,795	1,806	1,801	1,795
Secondary	1,788	1,797	1,891	1,938	1,959
Total ADM	3,860	3,899	4,039	4,051	4,070





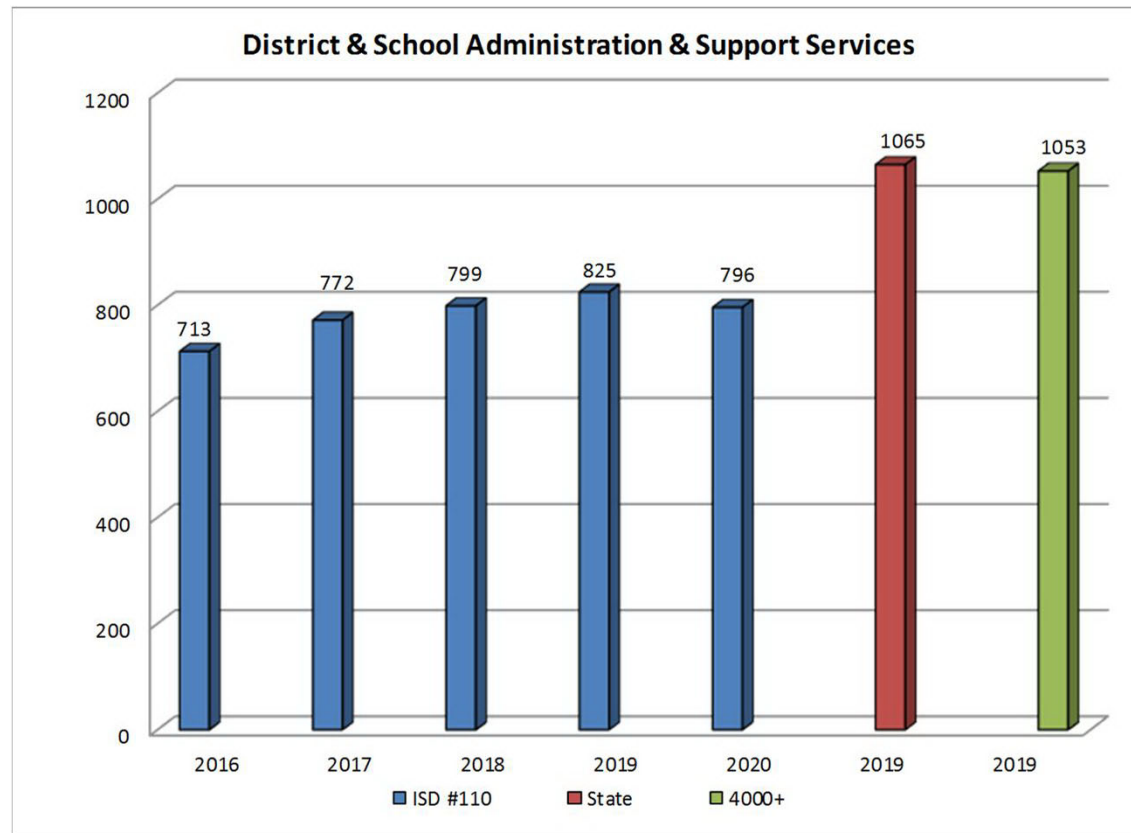
	2016	2017	2018	2019	2020
Resident Students	4,088	4,169	4,267	4,235	4,208
Resident Students Attending	3,407	3,435	3,504	3,478	3,455
Non Residents Attending	429	440	508	546	585
Net Gain (Loss)	(252)	(295)	(255)	(212)	(168)



ISD #110 Waconia

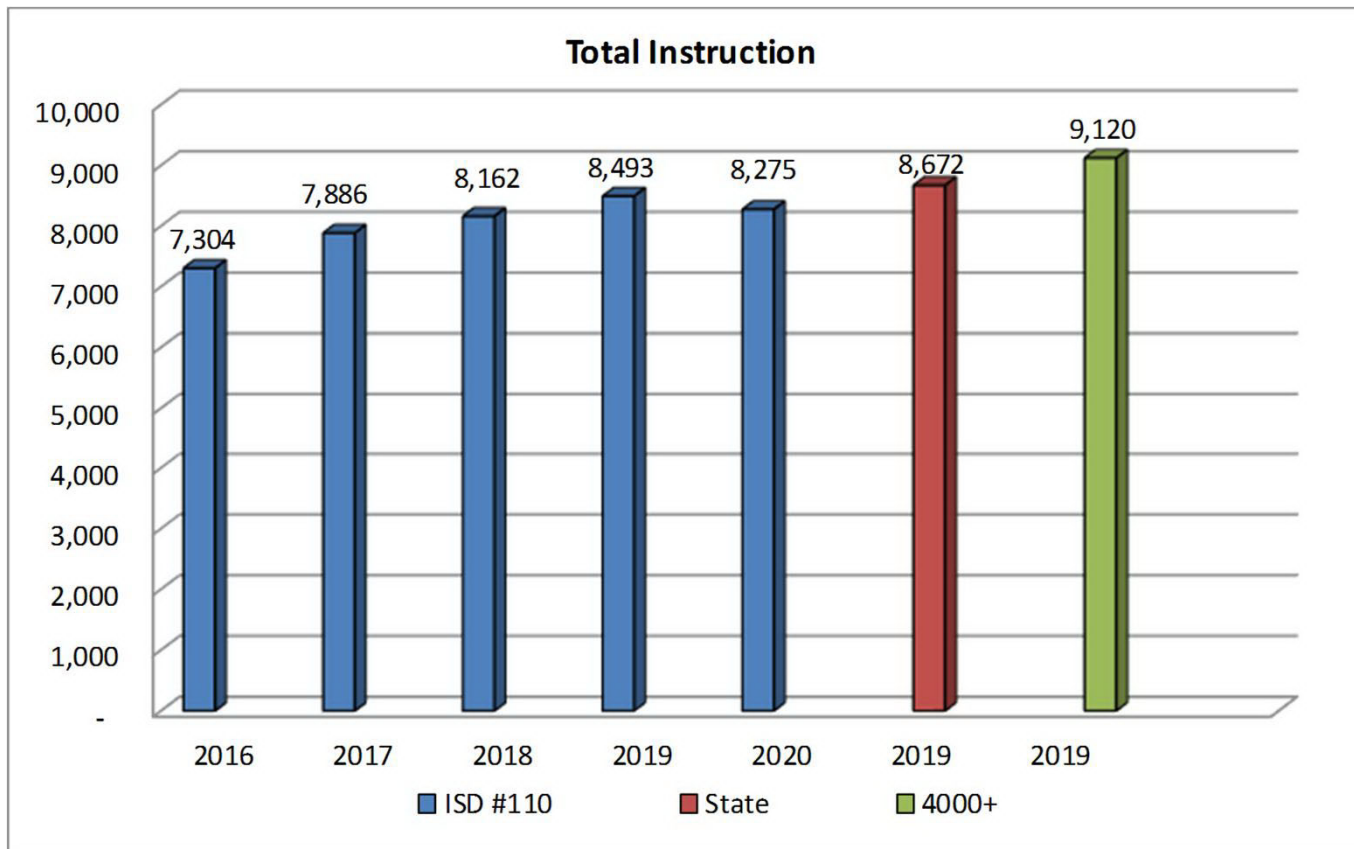
District & School Administration & Support Services

District and School Admin - all costs related to providing administration to the District (Board of Education, Superintendent, Principals, Line administrators, etc.); District Support Services - all activities provided by central office administrators (Business Services, Human Resources, Legal, Data Processing, Other District-Wide Support Activities).



ISD #110 Waconia Total Instruction Per ADM

Total Instruction – includes Vocational Instruction, Special Education Instruction, and Instructional Support Services.





CLAAconnect.com

Thank you!

I'd be glad to answer any questions
you may have.

Contact Information:

Mary Reedy, CPA, CGFM, Principal

320-203-5534

mary.reedy@CLAAconnect.com





CliftonLarsonAllen LLP
CLAconnect.com

November 11, 2020

Board of Education
Independent School District No. 110
Waconia, Minnesota

This Executive Audit Summary and Management Report presents information which we believe is important to you as members of the School Board. We encourage you to review the sections of this report, the audited financial statements, and the auditors' reports.

We would be pleased to furnish additional information with respect to these suggestions and discuss this memorandum with you at your convenience. We wish to express our appreciation to the District for the courtesies, cooperation, and assistance extended to us during the course of our work.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Mary Reedy, CPA, CGFM
Principal

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110**

EXECUTIVE AUDIT SUMMARY (EAS)

JUNE 30, 2020

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TABLE OF CONTENTS
JUNE 30, 2020**

EXECUTIVE AUDIT SUMMARY

AUDIT FINDINGS AND RESULTS	1
FORMAL REQUIRED COMMUNICATIONS	2
APPENDIX A	
FINANCIAL TRENDS OF YOUR DISTRICT	6

**EXECUTIVE AUDIT SUMMARY (EAS) FOR
INDEPENDENT SCHOOL DISTRICT NO. 110
AUDIT FINDINGS AND RESULTS
YEAR ENDED JUNE 30, 2020**

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of Independent School District No. 110's (the District) financial records for the year ended June 30, 2020.

Audit Opinion – The financial statements are fairly stated. We issued what is known as a “clean” audit report.

Internal Control Over Financial Reporting – No internal control over financial reporting findings.

Compliance Findings – No compliance findings noted.

Single Audit Opinion – Major program tested:

Child Nutrition Cluster

Compliance Findings over Major Program – No compliance issues were noted.

Internal Control Deficiencies over Major Program – No control issues were noted.

Minnesota Legal Compliance – No Minnesota Legal Compliance findings noted.



FORMAL REQUIRED COMMUNICATIONS

Board of Education
Independent School District No. 110
Waconia, Minnesota

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waconia ISD #110 (the District) as of and for the year ended June 30, 2020, and have issued our report thereon dated November 11, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

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

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2020.

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

Accounting estimates

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

- Due from Minnesota Department of Education
- Due from federal through the Minnesota Department of Education
- Estimated useful lives of depreciable capital assets
- Actuarial accrued liability and annual other postemployment benefits cost
- Estimate of the net pension liability

Management's estimate of the due from Minnesota Department of Education is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2020. The most significant of these is the aid portion of general education revenue. General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a statewide database, Minnesota Automated Reporting Student System (MARSS). Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for fiscal year 2020 is not finalized until well into the next fiscal year. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of due from federal through the Minnesota Department of Education is based on amounts anticipated to be received through the state for various federal aid entitlements for fiscal 2020. Many federal entitlements require that supporting financial reporting information be provided both in the Uniform Financial Accounting and Reporting Standards (UFARS) accounting system and also the SERVS reporting system. To the extent that these two separate systems are not in agreement and reported in a timely manner, the estimated aid entitlement may be adversely affected. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of the useful lives for depreciable capital assets is based on guidance recommended by the Minnesota Department of Education and other sources. The useful life of a depreciable capital asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

Management's estimate of the actuarial accrued liability and other postemployment benefit cost is based on an actuarially determined calculation, less an actuarially determined estimate of implicit rate subsidy, which is the estimated increased cost of premiums due to inclusion of retirees in the same plan as the District's active employees.

Management's estimate of the pension liability is based on management's expected salary increases, inflation, estimated life expectancy, and actual required contributions upon meeting the eligibility requirements. We reviewed the key assumptions used to estimate the liability in determining that they are reasonable in relation to the financial statements taken as a whole.

We reviewed and tested management's procedures and underlying supporting documentation in the areas discussed above and evaluated the key factors and assumptions used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole. We concluded that the accounting estimates and management judgments appeared to consider all significant factors and resulted in appropriate accounting recognition.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

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

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

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

Management representations

We have requested certain representations from management that are included in the management representation letter dated November 11, 2020.

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

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

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 11, 2020.

With respect to the supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 11, 2020.

Other information is being included in documents containing the audited financial statements and the auditors' report thereon. Our responsibility for such other information does not extend beyond the financial information identified in our auditors' report. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in such documents. As required by professional standards, we read the introductory section and statistical section (other information) in order to identify material inconsistencies between the audited financial statements and other information. We did not identify any material inconsistencies between the other information and the audited financial statements.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Board of Education and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Austin, Minnesota
November 11, 2020

APPENDIX A

FINANCIAL TRENDS OF YOUR DISTRICT

The following graphs reflect financial trends of Independent School District No. 110. Information related to fund balances on pages 7 through 15 was obtained from current and prior year audit reports. Information from Independent School District No. 110, Waconia Public Schools has been included when appropriate for comparison purposes.

The graphs on pages 16 and 17 show expenditures per student served compared to the five most recent years, state averages, and the averages for comparable size school districts (students served of 2,000 – 3,999). Prior year expenditure data and statewide averages were obtained from the Minnesota Department of Education. Current year expenditures were obtained from the current year's audit report.

**INDEPENDENT SCHOOL DISTRICT NO. 110
YEARS ENDED JUNE 30,**

**Independent School District No. 110
Fund Trends**

General Fund

Year Ended June 30,	2016	2017	2018	2019	2020
Total Revenues	\$ 38,256,648	\$ 39,986,392	\$ 39,980,479	\$ 42,819,280	\$ 46,564,514
Total Expenditures	38,934,222	42,062,376	44,190,308	50,093,477	46,690,714
Other Financing Sources	2,800	401,304	(62,065)	593,682	531,003
Net Change in Fund Balance	(674,774)	(1,674,680)	(4,271,894)	(6,680,515)	404,803
Fund Balance - Beginning	6,892,915	6,218,141	4,543,461	271,567	(6,408,948)
Nonspendable Fund Balance	21,030	92,523	51,369	90,882	40,035
Restricted Fund Balance	2,045,743	1,900,198	2,023,502	26,616	214,445
Assigned Fund Balance	453,109	250,000	-	-	-
Unassigned Fund Balance	3,698,294	2,300,740	(1,803,304)	(6,526,446)	(6,258,625)
Fund Balance - Ending June 30	\$ 6,218,141	\$ 4,543,461	\$ 271,567	\$ (6,408,948)	\$ (6,004,145)

Food Service Fund

Year Ended June 30,	2016	2017	2018	2019	2020
Total Revenues	\$ 2,020,462	\$ 2,148,775	\$ 2,288,747	\$ 2,401,836	\$ 2,128,106
Total Expenditures	1,995,554	2,356,472	2,382,406	2,416,936	2,318,325
Other Financing Sources	-	-	-	-	-
Net Change in Fund Balance	24,908	(207,697)	(93,659)	(15,100)	(190,219)
Fund Balance - Beginning	1,066,823	1,091,731	884,034	790,375	775,275
Nonspendable Fund Balance	26,327	22,827	5,122	21,412	53,708
Restricted Fund Balance	1,065,404	861,207	785,253	753,863	531,348
Fund Balance - Ending June 30	\$ 1,091,731	\$ 884,034	\$ 790,375	\$ 775,275	\$ 585,056

Community Service Fund

Year Ended June 30,	2016	2017	2018	2019	2020
Total Revenues	\$ 2,667,767	\$ 2,880,365	\$ 3,103,263	\$ 3,242,114	\$ 2,671,872
Total Expenditures	2,701,669	2,891,117	3,172,103	3,290,698	2,942,511
Other Financing Sources	-	-	74,515	70,621	62,578
Net Change in Fund Balance	(33,902)	(10,752)	5,675	22,037	(208,061)
Fund Balance - Beginning	619,774	585,872	575,120	580,795	602,832
Nonspendable Fund Balance	15,527	6,673	3,235	3,132	500
Restricted Fund Balance	570,345	568,447	577,560	599,700	394,271
Fund Balance - Ending June 30	\$ 585,872	\$ 575,120	\$ 580,795	\$ 602,832	\$ 394,771

**INDEPENDENT SCHOOL DISTRICT NO. 110
YEARS ENDED JUNE 30,**

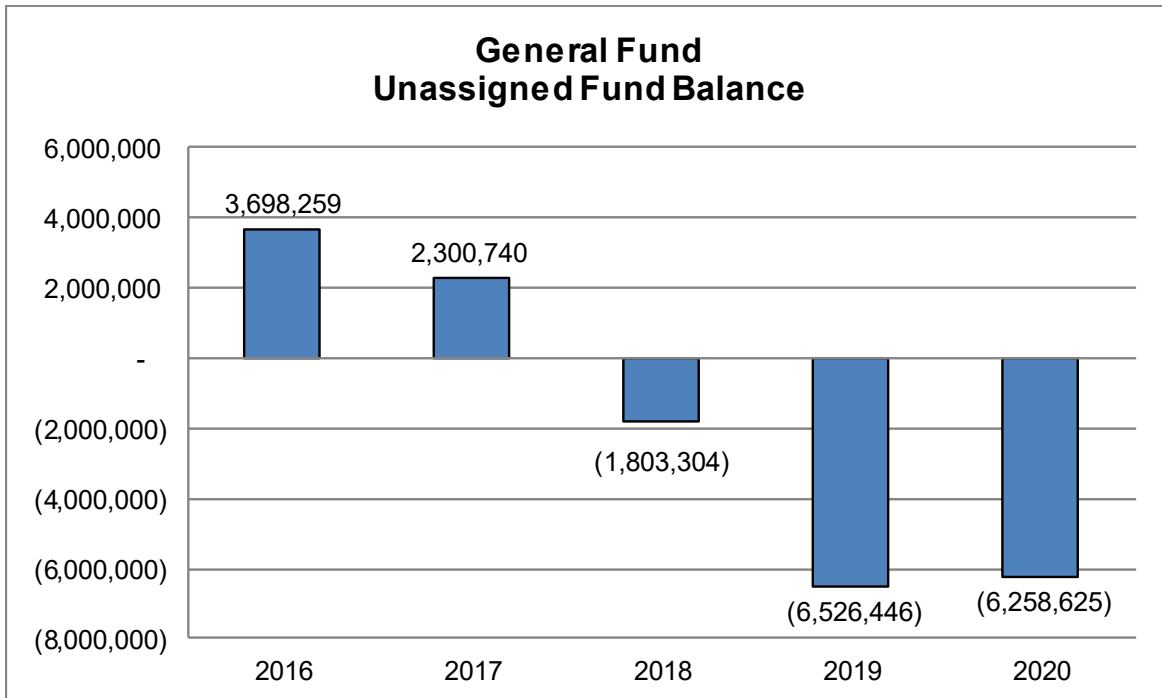
**Independent School District No. 110
Fund Trends**

Capital Projects Fund

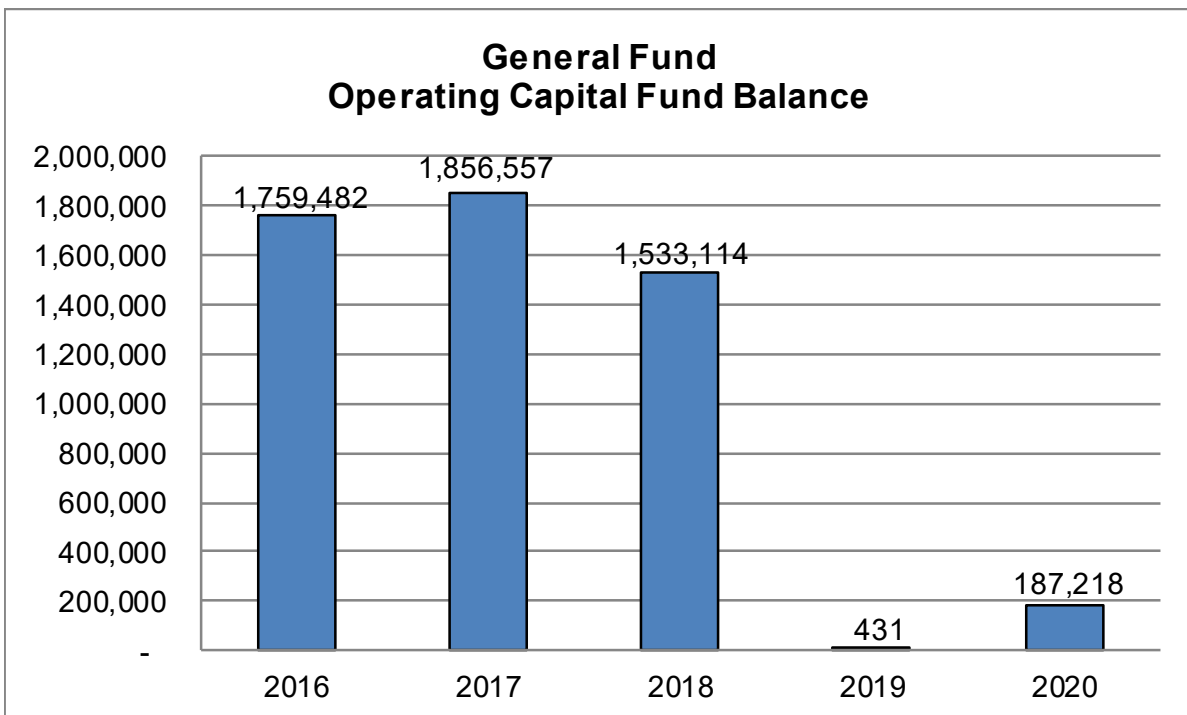
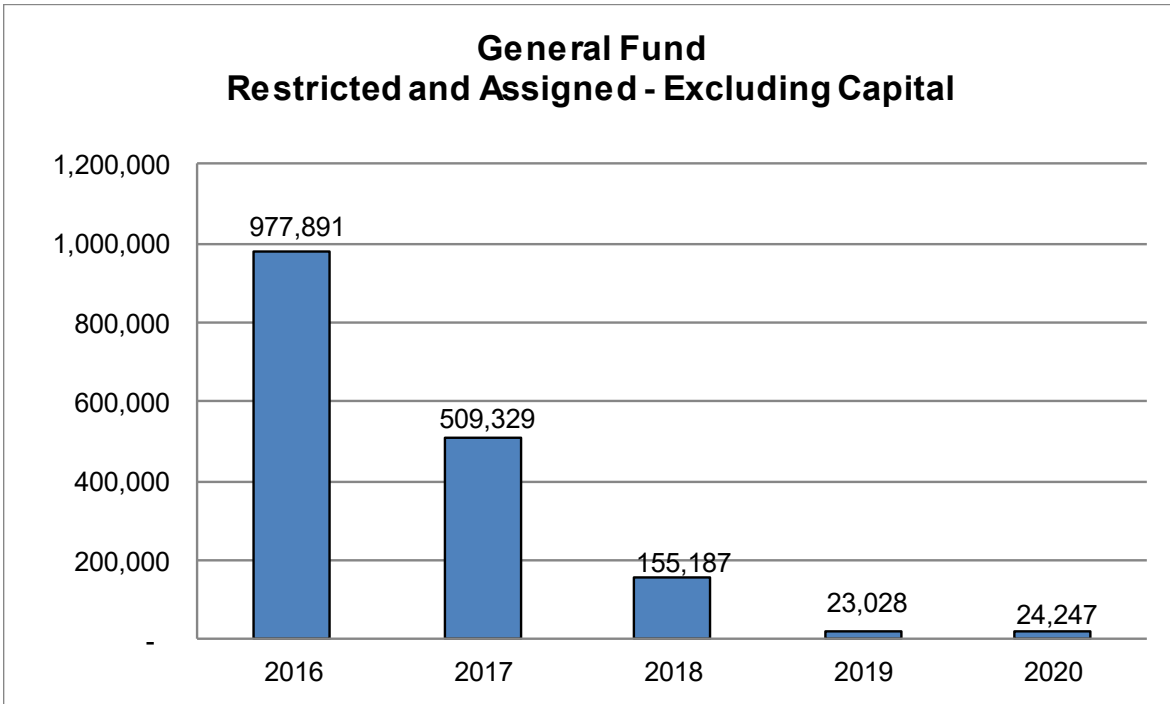
Year Ended June 30,	2016	2017	2018	2019	2020
Total Revenues	\$ 216,396	\$ 239,097	\$ 134,100	\$ 8,523	\$ 189,100
Total Expenditures	28,630,702	37,937,848	23,305,847	1,408,120	1,109,171
Other Financing Sources	-	8,872,050	12,891,311	2,421,650	-
Net Change in Fund Balance	(28,414,306)	(28,826,701)	(10,280,436)	1,022,053	(920,071)
Prior Period Adjustment	-	(1,111,887)	-	-	-
Fund Balance - Beginning	68,507,316	40,093,010	10,154,422	(126,014)	896,039
Restricted Fund Balance - Ending June 30	\$ 40,093,010	\$ 10,154,422	\$ (126,014)	\$ 896,039	\$ (24,032)

Debt Service

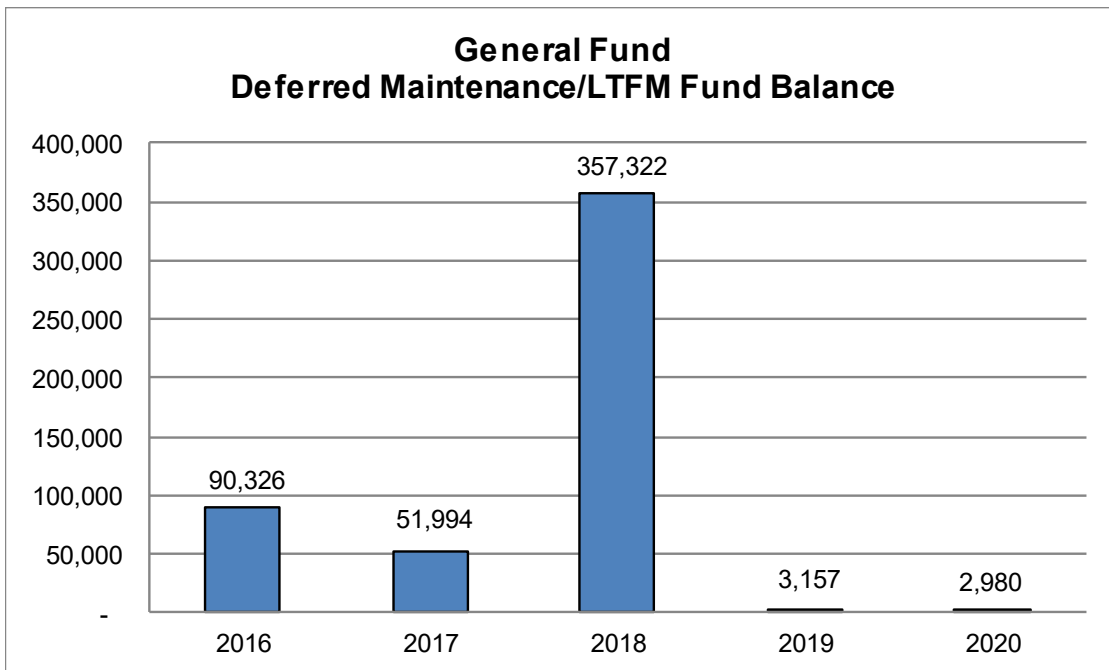
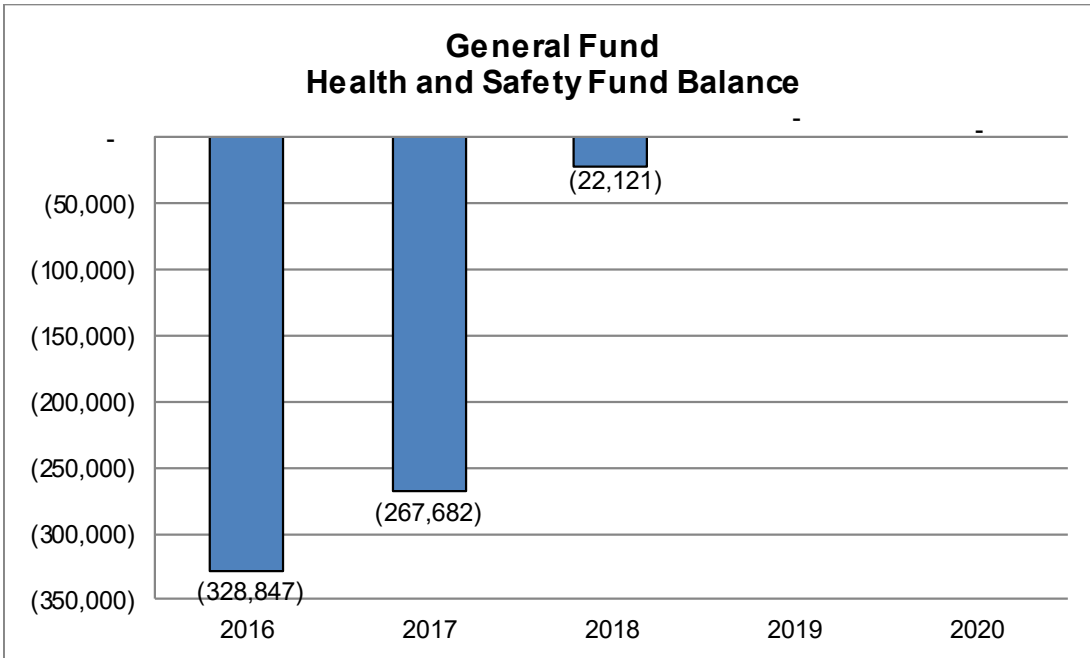
Year Ended June 30,	2016	2017	2018	2019	2020
Total Revenues	\$ 6,940,331	\$ 7,117,396	\$ 7,335,644	\$ 7,948,477	\$ 8,968,177
Total Expenditures	7,087,816	6,814,384	7,198,076	8,704,689	9,261,475
Other Financing Sources	465,958	67,170	-	256,592	-
Net Change in Fund Balance	318,473	370,182	137,568	(499,620)	(293,298)
Fund Balance - Beginning	1,223,371	1,541,844	1,912,026	2,049,594	1,549,974
Restricted Fund Balance - Ending June 30	\$ 1,541,844	\$ 1,912,026	\$ 2,049,594	\$ 1,549,974	\$ 1,256,676



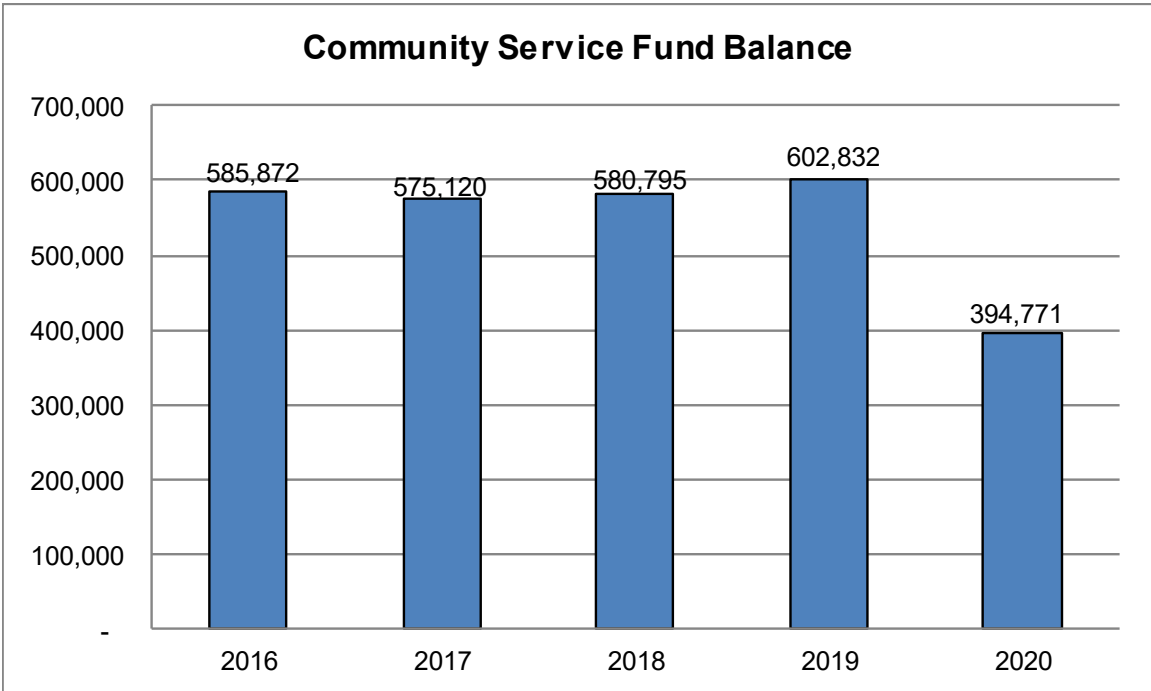
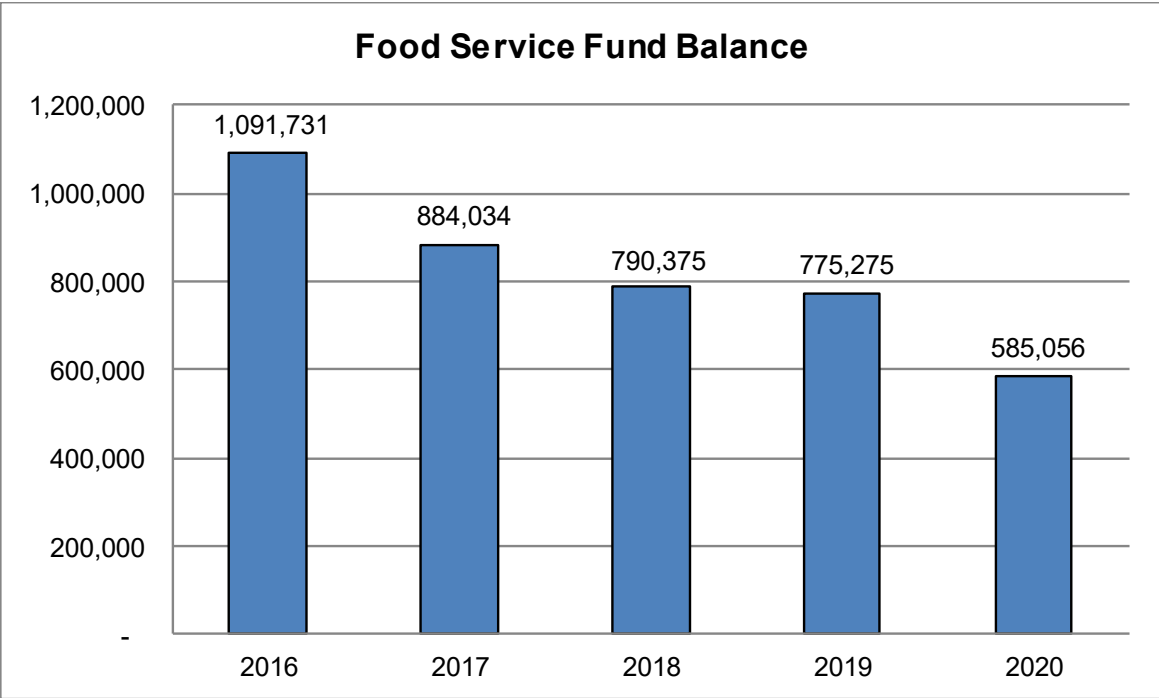
INDEPENDENT SCHOOL DISTRICT NO. 110
YEARS ENDED JUNE 30,



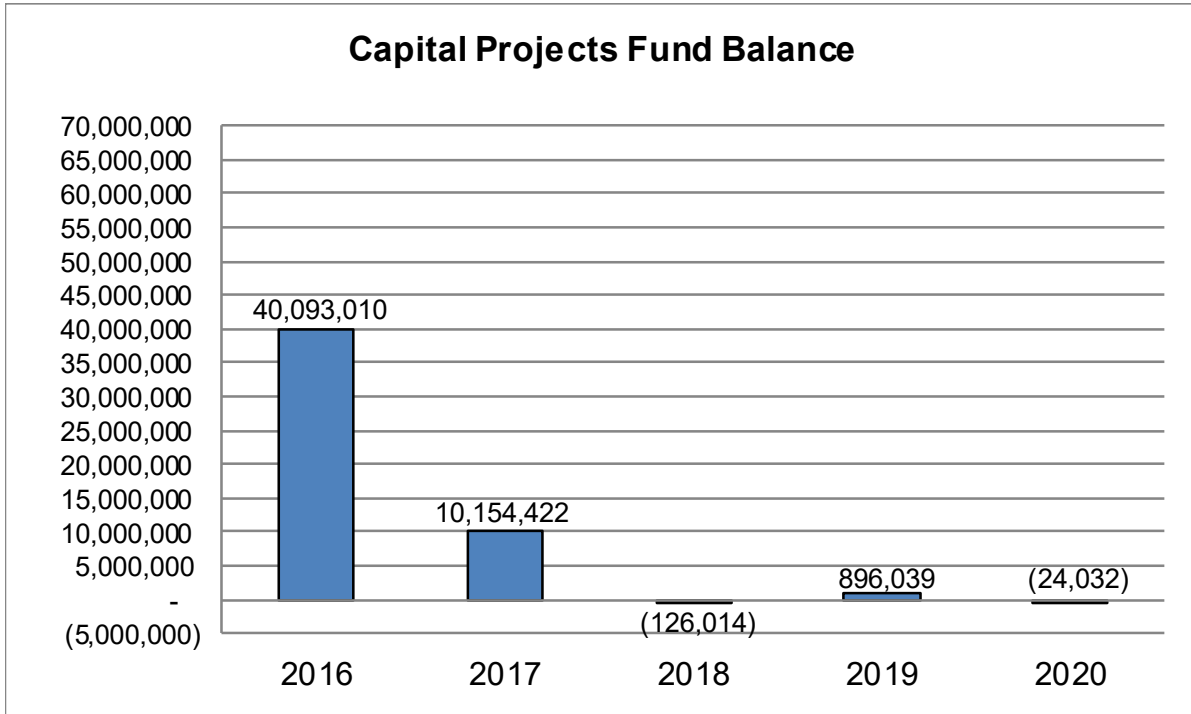
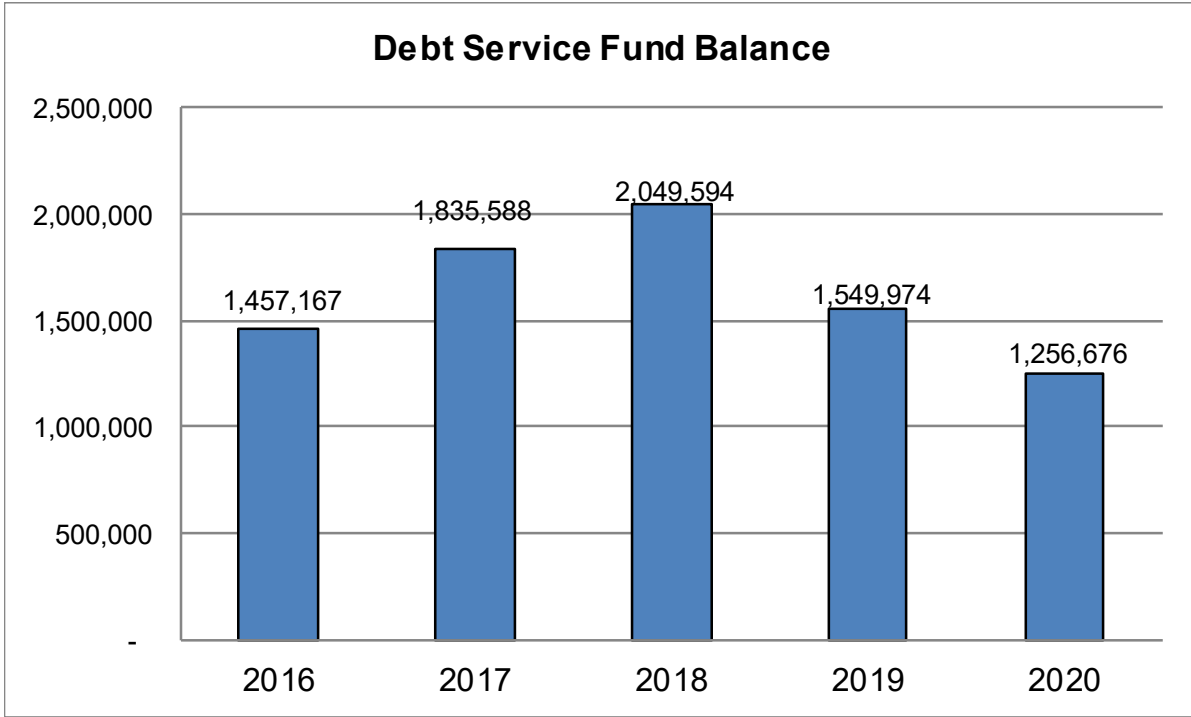
**INDEPENDENT SCHOOL DISTRICT NO. 110
YEARS ENDED JUNE 30,**



**INDEPENDENT SCHOOL DISTRICT NO. 110
YEARS ENDED JUNE 30,**

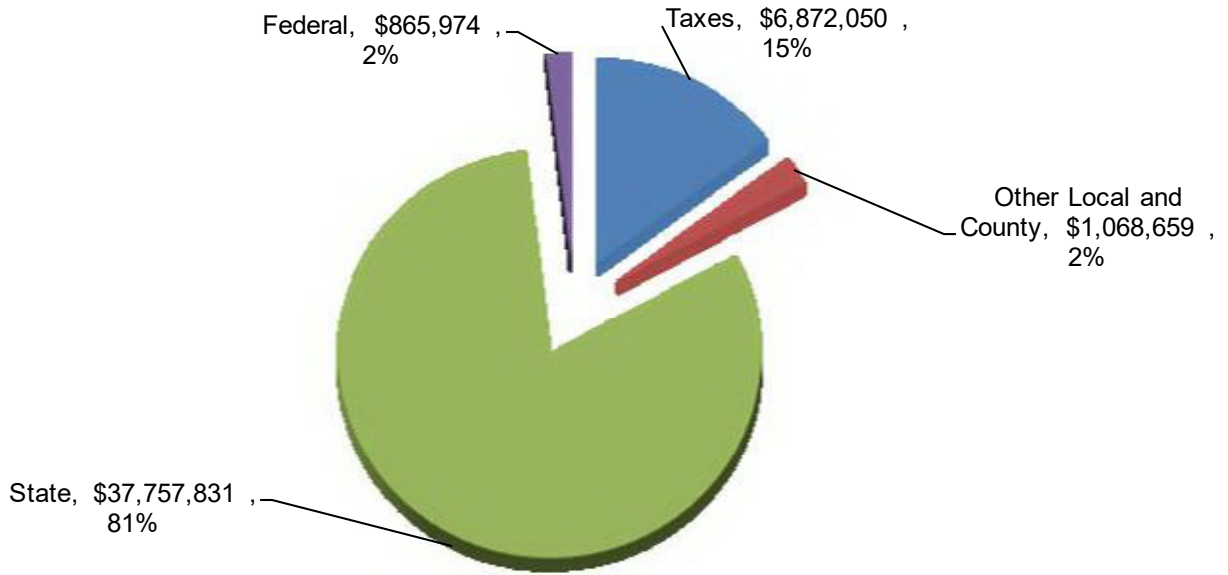


INDEPENDENT SCHOOL DISTRICT NO. 110
YEARS ENDED JUNE 30,

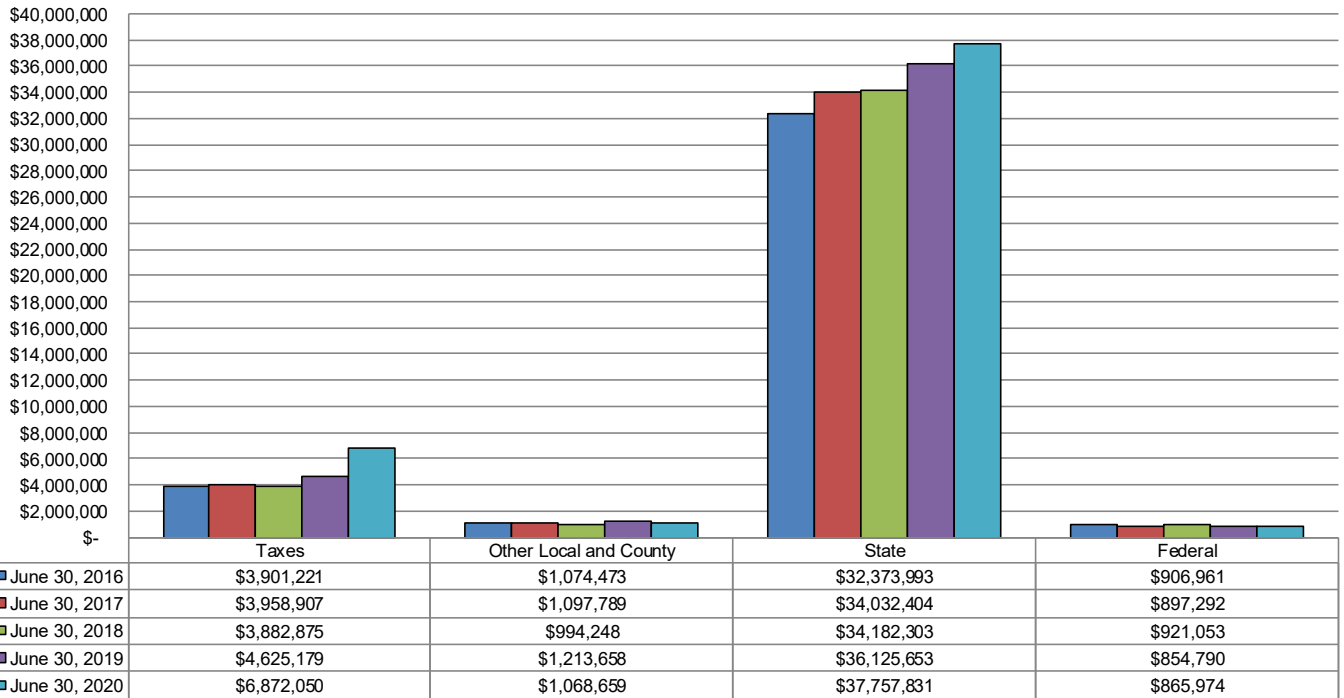


**INDEPENDENT SCHOOL DISTRICT NO. 110
YEARS ENDED JUNE 30,**

**Sources of Revenues for General Fund
Year Ended June 30, 2020**

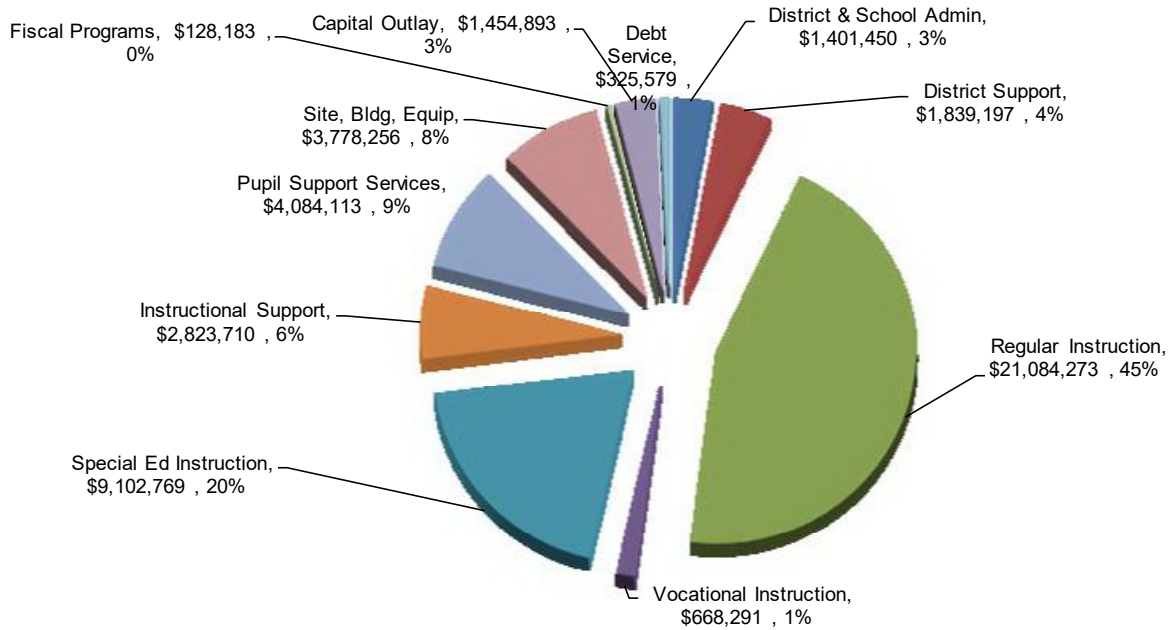


Comparative General Fund Revenues

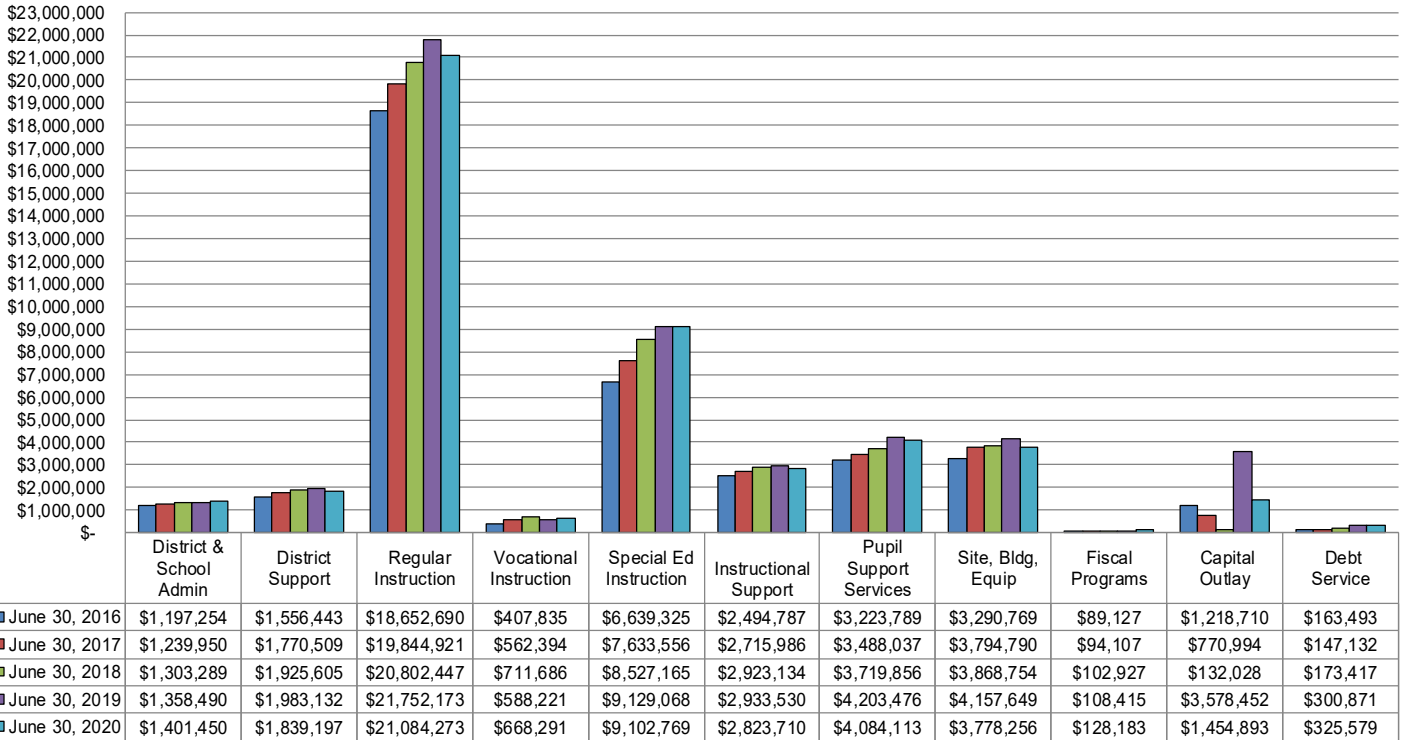


**INDEPENDENT SCHOOL DISTRICT NO. 110
YEARS ENDED JUNE 30,**

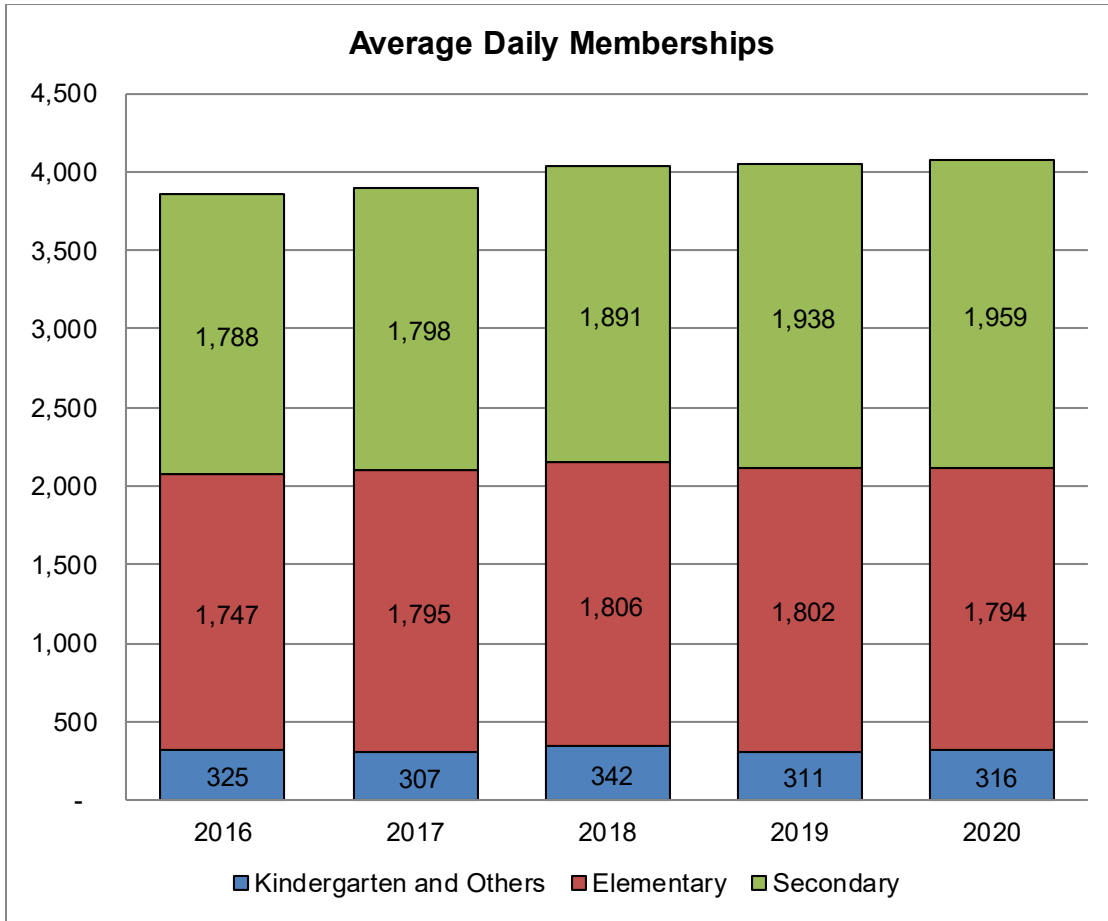
**Breakdown of Expenditures by Program for General Fund
Year Ended June 30, 2020**



Comparative Expenditures by Program for General Fund



**INDEPENDENT SCHOOL DISTRICT NO. 110
YEARS ENDED JUNE 30,**

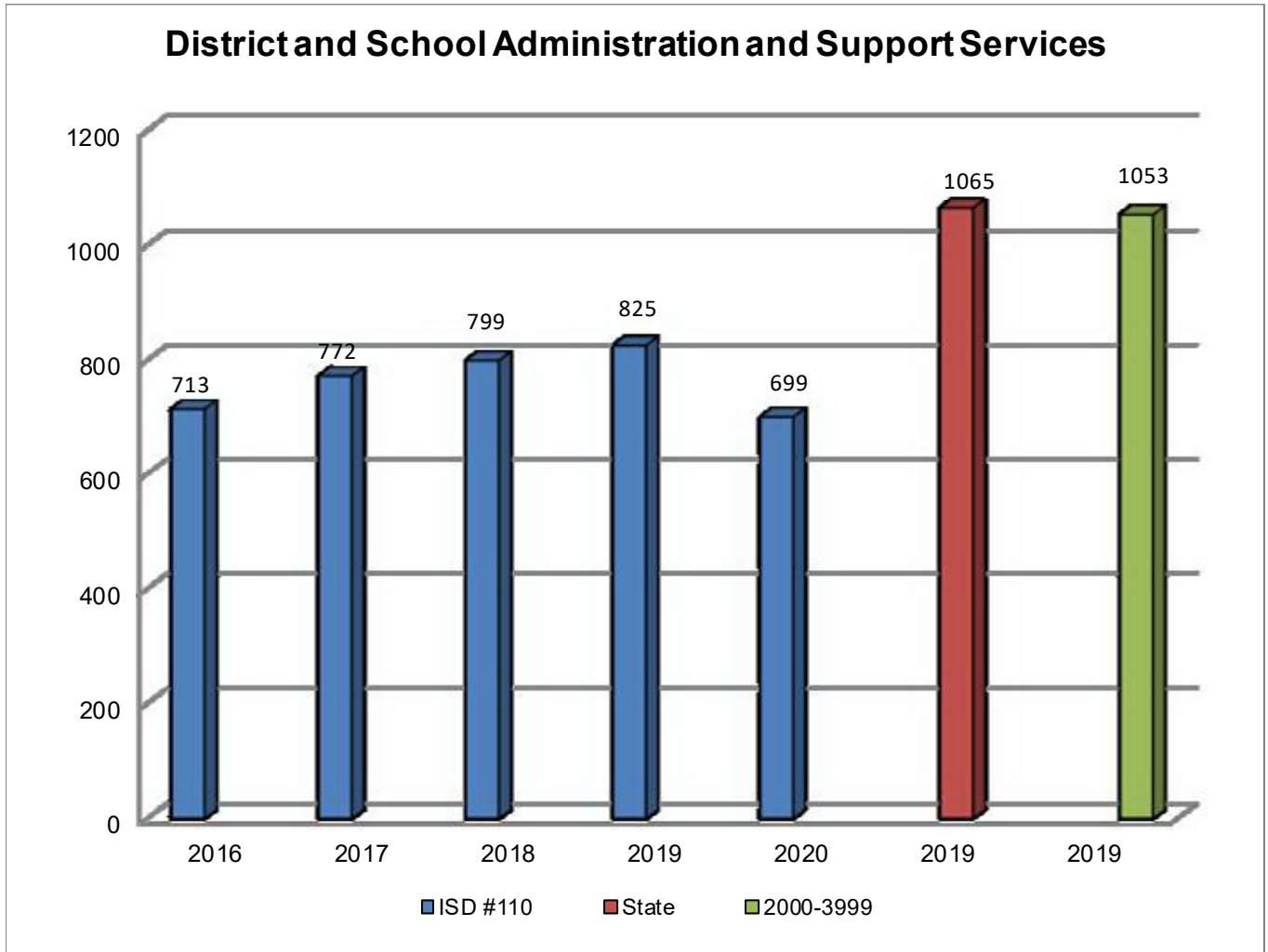


Average Daily Membership (ADM)	2015	2016	2017	2018	2019
Kindergarten and Others	297	325	307	342	311
Elementary	1,725	1,747	1,795	1,806	1,802
Secondary	1,737	1,788	1,798	1,891	1,938
Total ADM	3,759	3,860	3,900	4,039	4,051

**INDEPENDENT SCHOOL DISTRICT NO. 110
YEARS ENDED JUNE 30,**

District and School Admin – all costs related to providing administration to the District (Board of Education, Superintendent, Principals, Line Administrators, etc.).

District Support Services – all activities provided by central office administrators (Business Services, Human Resources, Legal, Data Processing, Other District-Wide Support Activities).



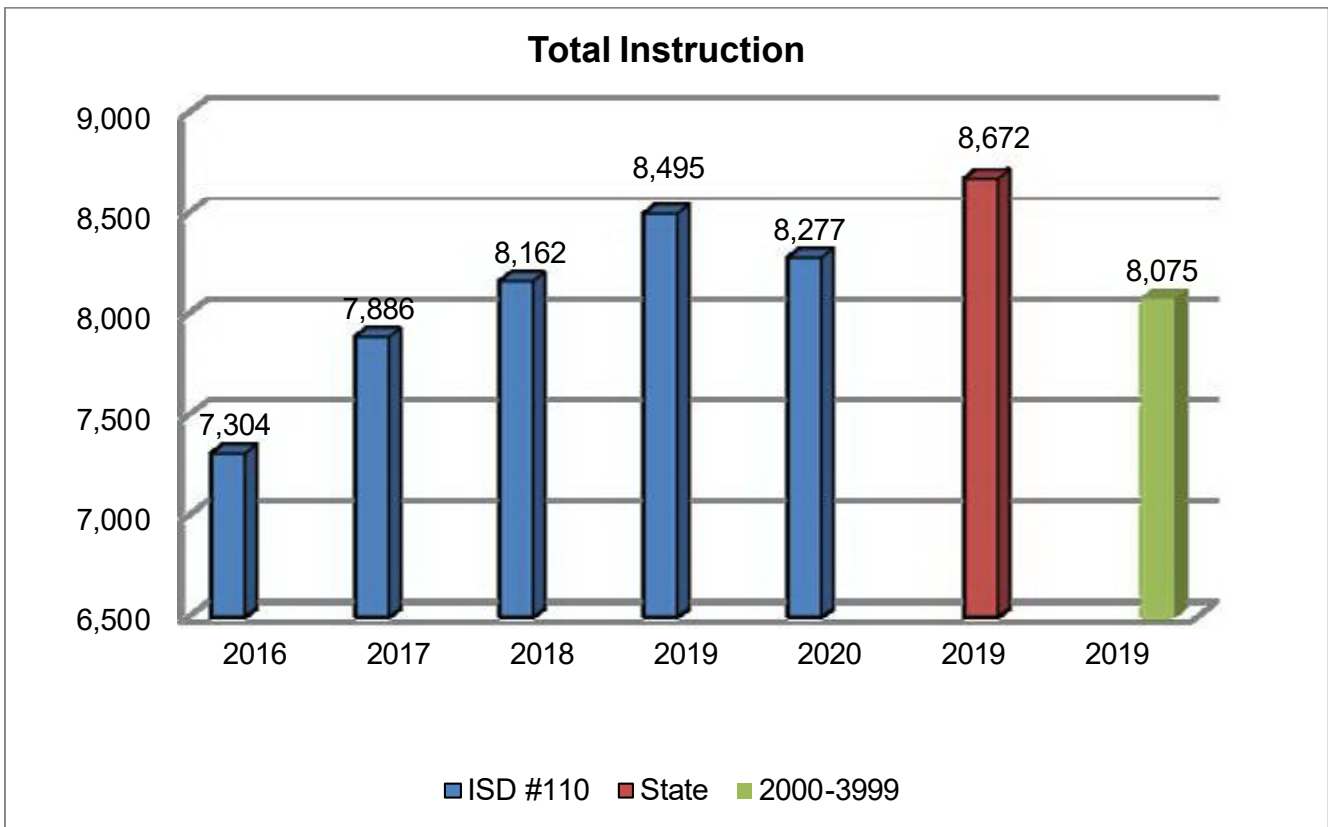
**INDEPENDENT SCHOOL DISTRICT NO. 110
YEARS ENDED JUNE 30,**

Regular Instruction – includes all activities dealing directly with the teaching of pupils including co-curricular and extra-curricular activities.

Special Education Instruction – consists of activities to provide learning experiences for pupils of any age with atypical characteristics or conditions.

Instructional Support Services – activities to assist instructional staff with content and process of learning experiences for pupils in K-12 (curriculum, staff development, etc.).

Vocational Instruction – consists of costs related to career exploration, job-entry skills, job upgrading, and occupational training.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



WACONIA PUBLIC SCHOOLS

Independent School District #110

512 Industrial Boulevard

Waconia, MN 55387

Prepared by

Business Office Staff

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	I
FISCAL YEAR 2019 CERTIFICATE OF EXCELLENCE	VIII
ORGANIZATIONAL CHART	IX
SCHOOL BOARD AND ADMINISTRATION	1

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	2
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	16
STATEMENT OF ACTIVITIES	17
BALANCE SHEET – GOVERNMENTAL FUNDS	18
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	20
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS	21
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	23
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	25
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – FOOD SERVICE FUND	26
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – COMMUNITY SERVICE FUND	27
STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND	28
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND	29
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUND	30
STATEMENT OF FIDUCIARY NET POSITION	31
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	31
NOTES TO BASIC FINANCIAL STATEMENTS	32

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

FINANCIAL SECTION (CONTINUED)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS	69
SCHEDULE OF MONEY WEIGHTED RATE OF RETURN ON PLAN ASSETS	70
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	71
SCHEDULE OF THE DISTRICT CONTRIBUTIONS	73
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION	75

SUPPLEMENTARY INFORMATION

GENERAL FUND

BALANCE SHEET	81
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	82

FOOD SERVICE SPECIAL REVENUE FUND

BALANCE SHEET	85
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES – BUDGET AND ACTUAL	86

COMMUNITY SERVICE SPECIAL REVENUE FUND

BALANCE SHEET	87
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	88

CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND

BALANCE SHEET	89
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	90

DEBT SERVICE FUND

BALANCE SHEET	91
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	92

UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE

93

STATISTICAL SECTION

STATISTICAL SECTION SUMMARY

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

NET POSITION BY COMPONENT	94
CHANGES IN NET POSITION	95
FUND BALANCES, GOVERNMENTAL FUNDS	96
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS	97
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY	98
DIRECT AND OVERLAPPING PROPERTY TAX RATES	99
TEN LARGEST TAXPAYERS – CARVER COUNTY	100
PROPERTY TAX LEVIES AND COLLECTIONS	101
LEGAL DEBT MARGIN INFORMATION	102
RATIOS OF OUTSTANDING DEBT BY TYPE	103
RATIOS OF GENERAL BONDED DEBT OUTSTANDING	104
COMPUTATION OF DIRECT AND OVERLAPPING BOND DEBT	105
DEMOGRAPHIC AND ECONOMIC STATISTICS	106
PRINCIPAL EMPLOYERS	107
FULL-TIME EQUIVALENT EMPLOYEES BY TYPE	108
OPERATING STATISTICS	109
TEACHER SALARIES	110
SCHOOL BUILDING INFORMATION – OWNED BUILDINGS	111
SCHEDULE OF INSURANCE COVERAGE	112

INTRODUCTORY SECTION



November 11, 2020

To: Citizens of Independent School District 110 / Waconia Public Schools
Members of the Board of Education
Employees of the District

INTRODUCTION

The Comprehensive Annual Financial Report of Waconia Public Schools – Independent School District No. 110 (District) is submitted for the fiscal year (FY) ended June 30, 2020. The enclosed information is accurate in all material respects and reported in a manner that fairly presents the District’s financial position and results of operations. The District Administration accepts full responsibility for the accuracy, completeness and fairness of this presentation.

This report is prepared in conformance with United States Generally Accepted Accounting Principles (GAAP). This report is also consistent with legal reporting requirements of the State of Minnesota. In addition to meeting legal requirements, this report is intended to present a comprehensive summary of significant financial data to meet the needs of citizens, taxpayers, employees, financial institutions, and the School Board.

Accounting principles generally accepted in the United States of America require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a 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 comprehensive annual financial report is presented in three sections.

Introductory Section - includes this letter of transmittal, an organization chart, and a list of School Board members and administrative personnel. The Introductory Section is not audited.

Financial Section - includes the independent auditors' report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to the financial statements, required supplementary information, and supplementary information.

Statistical Section - includes selected financial, demographic, and economic information, generally presented on a multi-year comparative basis. The Statistical Section is not audited.

REPORTING ENTITY AND ITS SERVICES

Independent School District No. 110 also known as the Waconia Public Schools, is an instrumentality of the State of Minnesota established to function as an educational institution. The District is an independent entity governed by an elected seven member School Board. The School Board has the power and duty to set budgets, certify tax levies, issue debt, and perform other tasks necessary to the operation of the District. The District is subject to the oversight of the Minnesota Department of Education. The District does not have any component units.

The District, an outer ring Minneapolis suburban school district, serves a general population of approximately 22,738 and covers an area of about 99 square miles. The District owns and operates all of its facilities in the city of Waconia. The District has one high school, one middle school, one alternative school, three elementary schools, and one multi-purpose facility which serve slightly over 4,000 students.

The Waconia Public Schools end of the year average daily membership for FY20 was 4,070. Over the last six years, the District has experienced an increase in enrollment of 310 students or 8.2%. This trend is expected to continue for at least the next six years. More detailed enrollment information is included in the Financial Section in the MD&A.

The District provides a full range of public education services appropriate to our students in grade levels ranging from pre-kindergarten through grade 12. These services include regular and enriched academic education, special education and career/vocational education. Food service and transportation are provided as supporting programs. The District's community education program includes Early Childhood and Family Education programs, Adult Basic Education programs, School Readiness, and a wide variety of classes for lifelong learning experiences for children and adults.

ECONOMIC CONDITION AND OUTLOOK

The District is situated primarily in Carver County with a small portion in south-western Hennepin County. The District has a current estimated population of 22,738 compared with a population of 20,764 as determined by the 2010 census compared with a population of 12,674 from the 2000 census. The school district grew from 3,216 students in FY 2010 to 4,070 in FY 2020 for a growth rate of 26.6% That growth rate is expected to continue in the years to come.

The District is located in an ideal area for growth in the western metropolitan area. Growth in the District is expected to continue at a similar pace over the next ten years. According to the City of Waconia's Land Use Activity and Development Report for 2019 a total of 72 new home units were built in 2019. By comparison, a total of 70 new home units were constructed in 2018 and a total of 71 new home units were constructed in 2017. There are a number of larger developments in various stages of the planning cycle with the city which could lead to a very rapid growth cycle. The potential to add over 1,000 housing units in the next five years is a very real possibility.

FINANCIAL AND BUDGETARY CONTROL

The District complies with the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota schools. UFARS, established in 1976, dictates a modified accrual basis of accounting. An audited annual financial report is required to be provided to the Minnesota Department of Education by December 31, subsequent to the year end on June 30.

The District has established and maintained internal controls designed to ensure that the assets of the District are protected from theft, misuse or losses. These controls are also designed to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) and Minnesota UFARS. The internal control system 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 the costs and benefits requires estimates and judgments by management.

Minnesota school finance law requires that the budget fiscal year begin July 1 and end June 30. The District develops a General Fund Budget, Food Service Fund Budget, Community Service Fund Budget, Debt Service Budget and other necessary budgets on an annual basis.

The budget process is comprised of five phases - planning, preparation, adoption, implementation, and evaluation. Planning and preparation for the FY 2020 budget began in December of 2018 with approval of the budget development plan and analysis of the student enrollment trend. The current enrollment status provided the data to update allocations for site non-payroll budgets. Expenditure estimates were updated both on a site basis and district-wide basis in the spring. An enrollment projection was developed in early April and provided the key data for the budget's revenue projection. The FY 2020 Budget was adopted in June of 2019 and implemented on July 1, 2019. The District completes a budget revision during the fiscal year normally in February and again in June.

To accurately track and report financial activities, with a focus on site responsibility, over 10,000 account codes have been defined in the District's chart of accounts.

The District's budget and financial management practices are evidenced by the following District policies:

Fund Balance Policy #714: The School District will strive to maintain a minimum unassigned general fund balance of not less than 5% and not more than 25% of the General Fund Operating Budget. The policy created new fund balance classifications to allow for more useful fund balance reporting and for compliance with the reporting guidelines specified in Statement No. 54 of the Governmental Accounting Standards Board (GASB). The fund balance categories are nonspendable, restricted, committed, assigned, and unassigned.

Fund Balance Policy #701.1: Establishes procedures for the modification of the School Districts adopted revenue and expenditure budgets.

Unassigned fund balance is the single best measure of overall financial health. The unassigned fund balance was (\$6,282,657) as of June 30, 2020. This means, according to Minnesota Statutes, Section 123B.81, subdivision 2, the District is currently in Statutory Operating Debt (SOD). This occurred because the District is reporting a year-end Net Negative Unreserved General Fund Balance exceeding more than 2.5% of its unreserved/undesignated operating expenditures. The fund balance was (\$6,526,446) as of June 30, 2019 so the District has taken some initial steps towards both a positive unassigned fund balance and regaining a positive fund balance.

District staff along with the school board worked in collaboration with representatives of the state of Minnesota's Department of Education to put together a long-term plan to correct the fund balance deficiency. That plan was presented to the board at its January 27, 2020 meeting for approval and will be updated with new information and a revised plan will be taken back to the board for consideration by January 31, 2021.

District voters approved an operating levy of \$410 per student in the fall of 2020 which will take effect in the 2021-2022 school year. This increase in funding of approximately \$1.8 million per year will significantly assist the District as it begins to grow its fund balance to meet board policy requirements.

The District encourages constituents to look closely at the financial performance and management. The District welcomes the opportunity to be fully accountable to the School Board, Staff and Community.

The District has received the Association of School Business Officials' Certificate of Excellence in Financial Reporting in FY 2011 through FY 2019. District staff is very proud to have achieved this national award for nine straight years.

Waconia Public Schools Mission, Vision, Core Values, & Theory of Action

MISSION STATEMENT- Our Core Purpose

ISD 110 empowers students to explore their passions and create their success by providing opportunities for academic, social, and emotional growth.

VISION STATEMENT - What We Commit to Create

ISD 110 students will:

- ✓ **Achieve academic success** - through choice, rigor, and relevance
- ✓ **Be inspired** - to explore who they are and who they will become
- ✓ **Feel they belong** - in school and in the community - **WEareONET O!**

CORE VALUES - Drivers of Our Words and Actions

- ✓ **Respect**- We honor the perspectives of others and we own our individual actions.
- ✓ **Collaboration**- We work and learn together.
- ✓ **Inclusiveness**- We reach beyond ourselves to value and connect with others.
- ✓ **Empathy**- We respond to others with authentic care.
- ✓ **Resilience** - We work through challenges and setbacks with courage, persistence, and optimism.

THEORY OF ACTION - Our Commitment to Continuous Learning

If we ...

- ✓ **Believe** all students have the ability to learn and achieve to their potential, and
- ✓ **Create** an environment of safety and belonging, and
- ✓ **Respond** to our students' social, emotional, and academic needs, and
- ✓ **Build** trust and genuine partnerships with students, parents, and colleagues, and
- ✓ **Achieve** learning through high expectations, effective instruction, and established outcomes, and
- ✓ **Inspire and engage** students through a shared responsibility for learning, and
- ✓ **Commit** to continuous learning and improvement, **then students will ...**

EXPLORE THEIR PASSIONS AND CREATE THEIR SUCCESS!

Student Achievement

In order to have our mission become a reality, academic standards of the Waconia Public Schools are high. We use the Minnesota state standards in Mathematics, English Language Arts, Social Studies, Science and Art as the core of our curriculum. We use national or international standards in Business, Industrial Technology, Agriculture, World Languages, Health, Physical Education, and Music.

Teaching our students to become contributing members of our society is also a high priority. Students, teachers, and support staff participate in many community-building initiatives, such as service clubs and volunteer activities. Service learning is an integrated and important part of the education of all students.

Our high school offers Advanced Placement (AP) and College in the Schools (CIS) opportunities in numerous subject areas. All students in grades 2 – 8 take the FAST Bridge Learning exams three times a year in reading and mathematics. Growth is measured individually, as well as by classroom and district. Opportunities for remediation and acceleration are available. In addition to national standardized tests and state assessments, formative and summative assessments are an expectation for all classroom teachers for all students.

The federal No Child Left Behind (NCLB) law requires schools to demonstrate that students are meeting Adequate Yearly Progress (AYP) goals. This progress is measured by the Minnesota Comprehensive Assessments (MCA). The District continues to operate all-day, everyday kindergarten for all students as a way to assist in closing the achievement gap early in a child's learning experience.

Student Achievement Programs & Improvements:

- Continue to offer all-day, everyday kindergarten to better serve the needs our young learners as well as to attempt to close the achievement gap early.
- Continue to use FAST testing in math and reading in grades 2-10 as a means of assessing student growth, as well as program and instructional quality.
- Maintain and update a comprehensive strategic work plan that addresses goals and objectives for all District sites.
- Expand foreign language opportunities for students in grades 1-12.
- Curriculum maps are developed according to the curriculum review cycle. They are available on the District website. This provides public awareness of curriculum content, assessment and implementation of standards.
- Continue to offer Project Lead The Way during the 2018-19 school year. Staff continues to be trained in this pre-engineering course of study.
- Maintain an active Curriculum Advisory Committee comprised of interested community members, parents and students.
- Provide Targeted Services summer and after-school programming for students needing academic and social development. Enrollment in the program is very strong.
- The District Site Council is involved in staff development activities and the funding of teacher-generated "Best Practices" initiatives.
- Gifted and Talented Education dollars are used for enrichment activities at the building level. This allows the District to provide additional opportunities for students needing acceleration and enrichments.
- Capitalize on volunteers, foundations, and the Parent-Teacher-Student-Association's willingness to bring value added opportunities to students via curriculum enhancements, student life enhancements, and hundreds of hours of assistance in the classroom.

BUILDING AGE

The District currently owns and operates seven major school facilities. Bayview Elementary was originally constructed in 1918, has a capacity for 640 students, and has undergone significant remodeling over the years with the most recent being a complete remodeling occurring in 2008. Southview Elementary was originally built in 1961, has a capacity for 650 students and underwent significant remodeling in 2008 as well. Laketown Elementary was added in the fall of 2016 as a third elementary school. Waconia Middle School was original built in 1994 as Waconia High School, with a capacity for 800 students, and was added on to in 2008 increasing its capacity to 1,066. It was then remodeled in 2017 to convert it into a middle school with a capacity for 1,082 students. Waconia High School was originally built in 2001 as a middle school, with a capacity for 800 students, and was added on to in 2008 increasing its capacity to 1,066. It was then significantly remodeled and added on to in 2017 increasing its capacity to 1,600 students. In addition, approximately 60 acres of land directly west of the new high school has been purchased and turned into athletic fields. District facilities are generally perceived as being in excellent condition.

INDEPENDENT AUDIT

District policy and state statutes require an annual financial audit by independent certified public accountants. The District engaged CliftonLarsonAllen LLP to conduct the annual audit. The District also engaged CliftonLarsonAllen LLP to perform the audit of its federal programs in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The District's federal programs are discussed in a report separate from the comprehensive annual financial report.

ACKNOWLEDGEMENTS

Preparation of this report could not have been accomplished without the efficient and dedicated services of the Business Office staff. We very much appreciate the hard work and expertise from our auditors, CliftonLarsonAllen LLP. Their work has been instrumental in the preparation of this document.

We would like to express our appreciation to the Board of Education for the interest and support in planning and conducting the operations of the District in a responsible and progressive manner.

Sincerely,



Patrick Devine
Superintendent



Todd Swanson
Director of Finance and Operations



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Waconia Public Schools - ISD #110

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

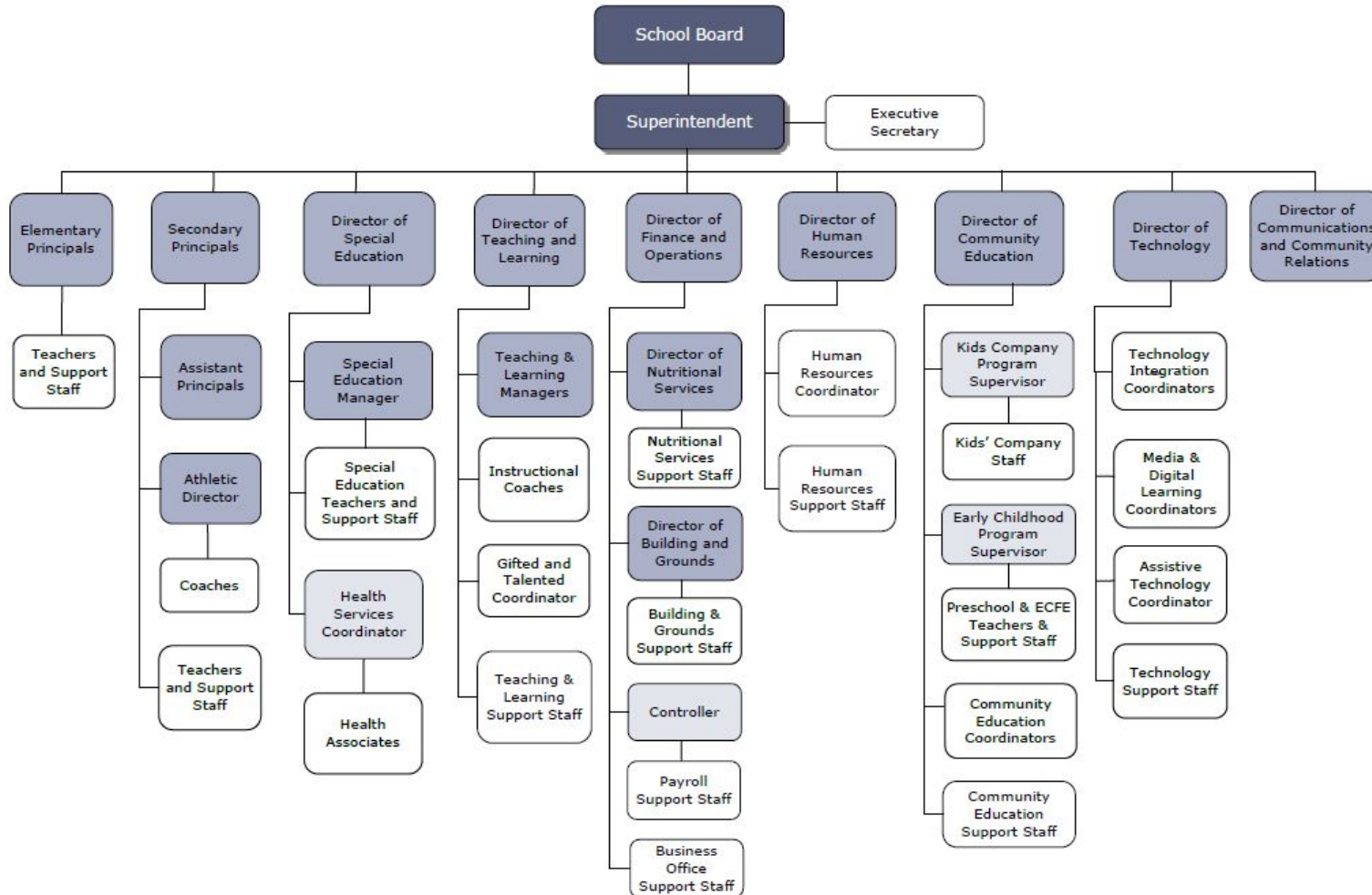
Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
ORGANIZATIONAL CHART
JUNE 30, 2020**

District 110 Organizational Chart



November 2018

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2020**

SCHOOL BOARD

NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Dana Geller	12/31/20	Chairperson
Jackie Johnson	12/31/22	Vice-Chairperson/ Clerk
Mike Bullis	12/31/22	Director
Rachel Myers	12/31/22	Director
John Weinand	12/31/22	Director
Cathy Thom	12/31/20	Treasurer
Kenneth Varble	12/31/20	Director

ADMINISTRATION

Patrick Devine	Superintendent
Todd Swanson	Director of Finance and Operations
Jessica Kilian	Clerk
District Offices:	Independent School District No. 110 Waconia Public Schools 512 Industrial Boulevard Waconia, Minnesota 55387 952-442-0600

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Education
Independent School District No. 110
Waconia Public Schools
Waconia, Minnesota

Report on the Financial Statements

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. 110 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, and the respective changes in financial position and, where applicable, cash flows and respective budgetary comparisons for General Fund, Food Service Fund, and Community Service Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the District's 2019 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and we expressed unmodified audit opinions on those audited financial statements in our report dated November 14, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, individual fund financial statements, the Uniform Financial Accounting and Reporting Standards Compliance Table, and the statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The individual fund financial statements and the Uniform Financial Accounting and Reporting Standards Compliance Table are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2019, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The individual fund financial statements for the year ended June 30, 2019, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the FY 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 FY 2019 are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Austin, Minnesota
November 11, 2020

REQUIRED SUPPLEMENTARY INFORMATION

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

This section of Waconia Schools – Independent School District 110's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2019-2020 fiscal year include the following:

- Total General Fund revenues and other financing sources were \$47,158,095 as compared to \$46,753,292 of expenditures and other financing uses.
- Net position decreased by \$4,647,206 due to changes in the liability related pensions.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities the district operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

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

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, deferred inflows of resources and liabilities. 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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Statements (Continued)

The two government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets, 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 is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the District's activities are shown in one category:

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

Fund Financial Statements

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

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

The District has three kinds of funds:

- Governmental Funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements to explain the relationship or differences.
- Proprietary Funds – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.
 - The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. The District currently has one Internal Service Fund for self-insurance of dental benefits.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

- Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship funds. 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

Net Position

The District's combined net position was (\$37,045,032) on June 30, 2020. This was a decrease of 14.3% from the prior year (see Table A-1). Deferred outflows of resources decreased by approximately \$11,736,000, net pension liability increased by approximately \$592,000, deferred inflows of resources decreased by \$6,955,000, and OPEB liability increased by approximately \$214,000 all related to changes in the assumption.

**Table A-1
The District's Net Position**

	Governmental Activities		Percentage Change
	2020	2019	
Current and Other Assets	\$ 24,803,665	\$ 23,525,471	5.4 %
Capital Assets	139,401,106	143,183,800	(2.6)
Total Assets	<u>164,204,771</u>	<u>166,709,271</u>	(1.5)
Deferred Outflows of Resources	25,975,764	37,712,247	(31.1)
Current Liabilities	20,165,539	17,938,438	12.4
Long-Term Liabilities	154,656,711	159,522,234	(3.1)
Total Liabilities	<u>174,822,250</u>	<u>177,460,672</u>	(1.5)
Deferred Inflows of Resources	<u>52,403,317</u>	<u>59,358,672</u>	(11.7)
Net Position:			
Net Investment in			
Capital Assets	13,856,029	13,506,358	2.6
Restricted	1,196,338	2,324,638	(48.5)
Unrestricted	(52,097,399)	(48,228,822)	8.0
Total Net Position	<u>\$ (37,045,032)</u>	<u>\$ (32,397,826)</u>	14.3

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position

The District's total revenues were \$60,958,570 for the year ended June 30, 2020. Property taxes and state formula aid accounted for 74% of total revenue for the year (see Figure A-1). Another 19% came from operating and capital grants. The remainder came from charges for services, other general revenues combined with investment earnings, and program revenues.

**Table A-2
Change in Net Position**

	Governmental Activities for the Fiscal Year Ended June 30,		Total % Change
	2020	2019	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 4,080,039	\$ 5,441,043	(25.0)%
Operating Grants and Contributions	10,744,917	7,952,867	35.1
Capital Grants and Contributions	871,774	705,430	23.6
<u>General Revenues</u>			
Property Taxes	15,390,092	12,271,397	25.4
Unrestricted State Aid	29,522,767	28,968,648	1.9
Investment Earnings	157,250	136,444	15.2
Other	191,731	48,934	291.8
Total Revenues	<u>60,958,570</u>	<u>55,524,763</u>	9.8
Expenses			
Administration	1,727,419	1,088,388	58.7
District Support Services	1,978,334	2,027,108	(2.4)
Regular Instruction	28,868,573	20,240,223	42.6
Vocational Education Instruction	732,344	388,526	88.5
Special Education Instruction	10,279,492	7,324,225	40.3
Instructional Support Services	3,261,940	1,782,424	83.0
Pupil Support Services	4,276,406	3,965,866	7.8
Sites and Buildings	5,152,061	4,573,584	12.6
Fiscal and Other Fixed Cost Programs	95,320	108,415	(12.1)
Food Service	2,315,111	2,403,003	(3.7)
Community Service	3,088,355	3,117,378	(0.9)
Interest and Fiscal Charges on Long-Term Liabilities	<u>3,830,421</u>	<u>4,675,200</u>	(18.1)
Total Expenses	<u>65,605,776</u>	<u>51,694,340</u>	26.9
Change in Net Position	(4,647,206)	3,830,423	
Beginning Net Position	(32,397,826)	(36,228,249)	
Ending Net Position	<u>\$ (37,045,032)</u>	<u>\$ (32,397,826)</u>	

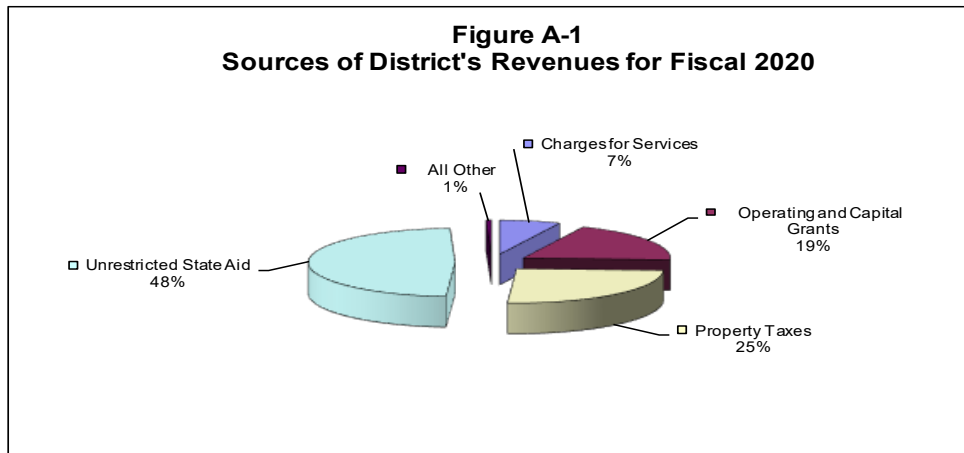
The total cost of all programs and services including interest and fiscal charges was \$65,605,776. Total expenses exceeded revenues by \$4,647,206. The large increase in expenses is due to the change in the net pension liability and the change in funding.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

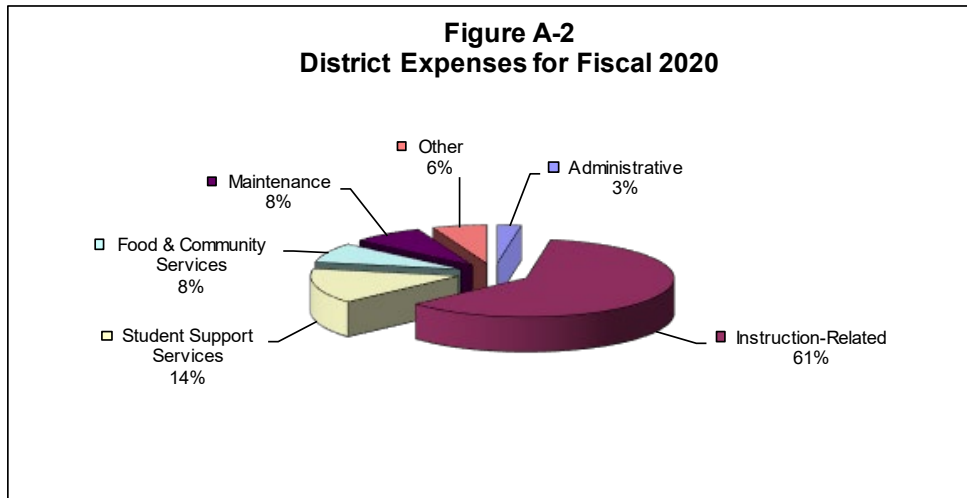
The total revenue for all governmental activities this year was \$60,958,570 as depicted in Figure A-1 below.

- Some of the revenue was paid by the users of the District's programs of 7%.
- The federal and state governments subsidized certain programs with grants and contributions of 19%.
- The remainder of the District's revenue came from the District taxpayers, 25%, and the taxpayers of our state, 48%, through unrestricted state aids.
- The remaining less than 1% is other revenue.



The total cost of all programs and services were \$65,605,776 as depicted in Figure A-2 below.

- Instruction Related Costs incur 61% of expenses.
- Student Support Services incur another 14% of expenses.
- Food Service and Community Services incur 8% of expenses.
- Maintenance costs incur 8% of expenses.
- Administrative costs account for 3% of expenses.
- The remaining 7% is other expenses.



**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Typically, the District does not include in an analysis of all governmental funds a breakout of expenses as depicted in Figure A-2. To do so distorts the latitude available to the District to allocate resources to instruction. All governmental funds include not only funds received for the general operation of the district, which are used for classroom instruction, but also includes resources from the entrepreneurial-type funds of Food Service and Community Education, and from resources for fiscal service transactions. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance classroom instruction resources. The District cannot take funds from these restricted areas and use the funds to hire teachers to enhance instruction. The above graph, by pooling all expenses, implies that the District does have equal access to all funds to impact classroom instruction. In Minnesota, that is simply not an option.

The total cost of governmental activities, as well as the net cost of these activities, is represented in Table A-3. The net cost represents total cost less program revenues applicable to each category.

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2020	2019		2020	2019	
Administration	\$ 1,727,419	\$ 1,088,388	58.7 %	\$ 1,721,110	\$ 1,150,672	49.6 %
District Support Services	1,978,334	2,027,108	(2.4)	1,898,224	1,934,819	(1.9)
Regular Instruction	28,868,573	20,240,223	42.6	25,764,171	18,225,107	41.4
Vocational Education Instruction	732,344	388,526	88.5	575,253	408,368	40.9
Special Education Instruction	10,279,492	7,324,225	40.3	3,294,640	1,696,420	94.2
Instructional Support Services	3,261,940	1,782,424	83.0	3,178,576	1,816,052	75.0
Pupil Support Services	4,276,406	3,965,866	7.8	4,144,282	3,883,614	6.7
Sites and Buildings	5,152,061	4,573,584	12.6	4,480,724	3,778,375	18.6
Fiscal and Other Fixed Cost Programs	95,320	108,415	(12.1)	95,320	108,415	(12.1)
Food Service	2,315,111	2,403,003	(3.7)	199,245	11,333	1658.1
Community Service	3,088,355	3,117,378	(0.9)	727,080	211,867	243.2
Interest and Fiscal Charges on Long-Term Liabilities	3,830,421	4,675,200	(18.1)	3,830,421	4,369,958	(12.3)
Total	\$ 65,605,776	\$ 51,694,340	26.9	\$ 49,909,046	\$ 37,595,000	32.8

The total cost of all governmental activities for the year ended June 30, 2020 was \$65,605,776.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of (\$3,791,674), which is \$1,206,846 less than last year's ending fund balance of (\$2,584,828). The decrease relates to the spend down of capital projects money, a decrease in revenue related to the District being shut down for three months and an increase in debt service expenditures.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

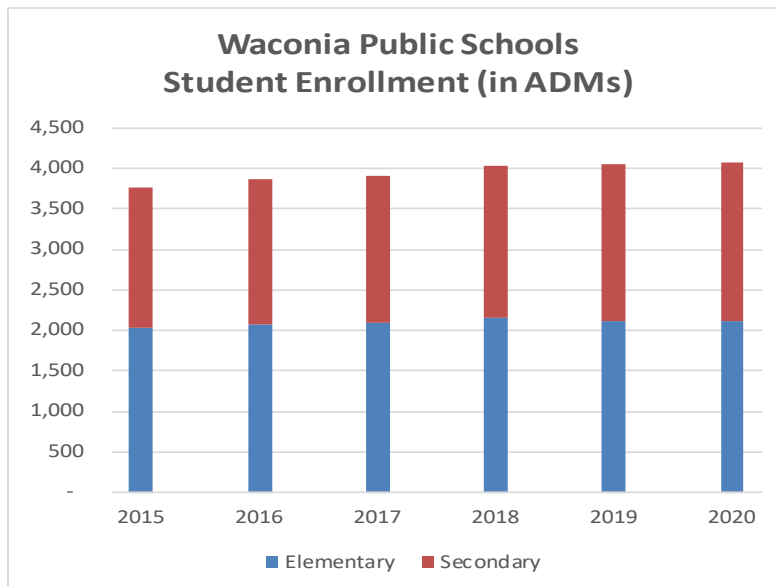
Approximately 97% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model which used to provide approximately 68%, but which has dropped to provide less than 60% of personnel expenditures. Other state formulas then determine what portion of the revenue will be provided by property taxes and what portion will come from state aid.

ENROLLMENT

Enrollment is a critical factor in determining revenue with approximately 95% of General Fund revenue being determined by enrollment. The following chart shows that the number of students has increased slightly over the last five years.

**Table A-4
Six-Year Enrollment Trend
Average Daily Membership (ADM)**

	2015	2016	2017	2018	2019	2020
Elementary	2,022	2,072	2,102	2,148	2,113	2,111
Secondary	1,738	1,788	1,797	1,891	1,938	1,959
Total Students for Aid	3,760	3,860	3,899	4,039	4,051	4,070
Percent Change	3.47%	2.66%	1.01%	3.59%	0.30%	0.47%



**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

GENERAL FUND (CONTINUED)

Over the last five years, the District has experienced an increase in average daily membership of 310 students or 8.2%. It is anticipated that this trend will continue for the next five years.

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

Fund	Year Ended		Change	
	June 30, 2020	June 30, 2019	Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 6,872,050	\$ 4,625,179	\$ 2,246,871	48.6 %
Earnings on Investments	63,196	10,130	53,066	523.8
Other	1,005,463	1,203,528	(198,065)	(16.5)
State Sources	37,757,831	36,125,653	1,632,178	4.5
Federal Sources	865,974	854,790	11,184	1.3
Total General Fund Revenue	<u>\$ 46,564,514</u>	<u>\$ 42,819,280</u>	<u>\$ 3,745,234</u>	8.7

Total General Fund Revenue increased by \$3,745,234 or 8.7% over the previous year. Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year to year without any net change in total revenue. The state basic general education revenue formula per student increased compared to the prior year. State aid for special education increased compared to the prior year. However, Special Education funding is falling well short in recent years of the funding needed to cover the increases in costs in the program. The District's recent financial downturn can be traced back to the changes in Special Education funding at the state level in recent years. District officials have begun discussions with lawmakers to get adjustments made to the Special Education funding laws to help correct these funding deficiencies.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2020	June 30, 2019		
Salaries	\$ 27,402,738	\$ 27,913,727	\$ (510,989)	(1.8)%
Employee Benefits	10,012,565	9,635,341	377,224	3.9
Purchased Services	5,802,879	6,573,581	(770,702)	(11.7)
Supplies and Materials	1,424,463	1,830,283	(405,820)	(22.2)
Capital Expenditures	1,454,893	3,577,096	(2,122,203)	(59.3)
Other Expenditures	593,176	563,449	29,727	5.3
Total Expenditures	<u>\$ 46,690,714</u>	<u>\$ 50,093,477</u>	<u>\$ (3,402,763)</u>	(6.8)

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

GENERAL FUND (CONTINUED)

Total General Fund expenditures decreased by \$3,402,763 or 6.8% from the previous year. Most of this decrease was due to a decline in expenditures of \$2,300,844 in FY20 out of Operating Capital and Long-Term Facilities Maintenance. Much of the expenditures in FY19 were in support of the final building phase of the 2014 building bond projects which is now complete. The rest of the decrease was due to the reduction in programming and staff in various programming to bring the budget back into structural balance and create a surplus to begin paying down the negative fund balance.

The unassigned fund balance for the General Fund was (\$6,258,625) as of June 30, 2020. This means, according to Minnesota Statutes, Section 123B.81, subdivision 2, the District is currently in Statutory Operating Debt (SOD). This occurred because the District is reporting a year-end net negative unreserved General Fund fund balance exceeding more than 2.5% of its unreserved/undesignated operating expenditures. The unassigned fund balance was (\$6,258,625) as of June 30, 2020 as compared to an unassigned fund balance of (\$6,526,445) as of June 30, 2019. This means that the District has made some positive initial steps at reducing the negative fund balance on its way towards emerging from Statutory Operating Debt (SOD).

General Fund Budgetary Highlights

Following approval of the budget prior to the beginning of the fiscal year, the District revises the annual operating budget in mid-year. These budget amendments typically fall into two categories:

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating unexpended funds being carried over, and budgeting for student population increases.
- Legislation passes subsequent to budget adoption, changes necessitated by collective bargaining agreements, and increases in appropriations for significant unbudgeted costs.

Actual revenues were \$443,478 less than expected primarily due to a decrease in revenue budgeted for students with special needs. This, combined with adjustments for lower than expected enrollment of general education students, resulted in a decrease in state aid.

The actual expenditures were \$159,111 more than budgeted primarily due to an increase in regular instruction and capital outlay costs.

District staff are currently working on creating a long term plan to correct the fund balance deficiency. That plan will be presented to the board by January 31, 2021 for approval.

District voters approved an operating levy of \$410 per student in the fall of 2020 which will take effect in the 2021-2022 school year. This increase in funding of approximately \$1.8 million per year will significantly assist the District as it begins to grow its fund balance to meet board policy requirements.

DEBT SERVICE FUNDS

The Debt Service Fund expenditures exceeded revenues and other financing sources by \$294,155 in FY2020. The remaining fund balance of \$1,182,968 at June 30, 2020 is available for meeting future debt service obligations.

The OPEB Debt Service Fund had \$73,708 in fund balance at June 30, 2020. This fund was established to make the debt service payment related to the OPEB bonds.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

CAPITAL PROJECTS FUND

The Capital Projects Fund expenditures exceeded revenues and other financing sources by \$920,071 in FY2020. This decrease is due to the purchase of capital outlay. The remaining fund balance is (\$24,032) at June 30, 2020.

OTHER MAJOR FUNDS

Expenditures exceeded revenues in Food Service Fund by \$190,219 and in the Community Education Fund revenues and other financing sources exceeded expenditures by \$208,061.

From the standpoint of maintaining current operating expenditures within the range of annual revenue and maintaining a sound fund balance, both the Community Service and Food Service Funds continue to operate on a sound financial basis.

INTERNAL SERVICE FUND

Proprietary funds such as the Internal Service Fund are reported using the economic resources measurement focus and the accrual basis of accounting.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2020, the District had invested over \$197 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 4 to the financial statements.)

**Table A-7
The District's Capital Assets**

	2020	2019	Percentage Change
Land	\$ 5,524,742	\$ 5,524,742	-
Construction in Progress	2,396,564	\$ 879,800	N/A
Land Improvements	4,215,464	4,215,464	-
Buildings and Improvements	175,108,846	175,052,248	0.0
Equipment	9,529,949	9,505,649	0.3
Less: Accumulated Depreciation	(57,374,459)	(51,994,103)	10.3
Total	<u>\$ 139,401,106</u>	<u>\$ 143,183,800</u>	(2.6)

Facilities – Next Five Years

The District has most recently finished construction of a new High School campus. This new campus will go a long way towards providing for the needs of the students attending the District well into the future. The District has also finished the remodeling of the old high school campus into a middle school campus which also has quite a bit of room for growth and is functioning very well for grades 6-8 utilizing the facility. The addition of the new Laketown Elementary School in the fall of 2016 gives the District three K-5 elementary schools. There is currently room for growth at all of our school campuses and the District is in a great position to handle any growth which may come its way in the near future.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities

At year-end, the District had approximately \$125,375,000 in long-term debt, a decrease of 4% from last year – as shown in Note 6 to financial statements. This is due to payments on bonds that were slightly offset by new capital leases.

**Table A-8
The District's Long-Term Liabilities**

	2020	2019	Percentage Change
General Obligation Bonds	\$ 114,755,000	\$ 119,550,000	(4.0)%
Net Bond Premium and Discount	4,102,461	4,678,496	(12.3)
Certificates of Participation Payable	2,915,000	3,040,000	(4.1)
Obligations Under Capital Leases	738,019	205,454	259.2
Obligations Under Lease Purchase Agreement	2,864,440	2,926,713	(2.1)
Total	<u>\$ 125,374,920</u>	<u>\$ 130,400,663</u>	(3.9)
Long-Term Liabilities:			
Due within One Year	\$ 5,683,704	\$ 5,037,843	
Due in More than One Year	<u>119,691,216</u>	<u>125,362,820</u>	
Total	<u>\$ 125,374,920</u>	<u>\$ 130,400,663</u>	

FACTORS BEARING ON THE DISTRICT'S FUTURE

Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs and increased costs due to inflation. The District is currently settled with all of its bargaining units. The future revenues of the District and other Minnesota school districts will depend heavily on the future actions of the legislature. The rising costs of Special Education services coupled with a new funding formula adopted by the state that does not adequately address those rising costs is a significant factor in the long term financial health of the District. The COVID-19 pandemic continues to have major impacts to many aspects of the District including instruction, enrollment, daily maintenance and operations, transportation services, food service programming, and community education programming. District staff will be working closely with State representatives in the coming months to address these issues.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District 110, 512 Industrial Boulevard, Waconia, Minnesota 55387.

BASIC FINANCIAL STATEMENTS

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF NET POSITION
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	Governmental Activities	
	2020	2019
ASSETS		
Cash and Investments	\$ 11,224,978	\$ 11,017,624
Receivables:		
Property Taxes	9,040,225	8,393,744
Due From Other Governments	4,032,486	3,784,262
Other	411,733	214,415
Prepaid Items	40,535	94,014
Inventories	53,708	21,412
Capital Assets:		
Land and Construction in Progress	7,921,306	6,404,542
Other Capital Assets, Net of Depreciation	131,479,800	136,779,258
Total Assets	<u>164,204,771</u>	<u>166,709,271</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	25,837,475	37,538,457
OPEB Related	138,289	173,790
Total Deferred Outflows of Resources	<u>25,975,764</u>	<u>37,712,247</u>
LIABILITIES		
Short Term Indebtedness	7,000,000	4,985,000
Salaries Payable	3,614,048	3,756,736
Accounts and Contracts Payable	490,041	1,171,805
Accrued Interest	1,886,478	1,924,798
Due to Other Governmental Units	274,463	156,006
Unearned Revenue:		
Local Sources	857,078	537,030
Long-Term Liabilities:		
Net Pension Liability	30,345,931	29,753,576
Net OPEB Liability	4,619,564	4,405,838
Portion Due Within One Year	6,043,431	5,407,063
Portion Due in More Than One Year	119,691,216	125,362,820
Total Liabilities	<u>174,822,250</u>	<u>177,460,672</u>
DEFERRED INFLOWS OF RESOURCES		
Gain on Refunding	85,712	101,956
OPEB Related	718,670	82,347
Pension Related	35,766,274	44,114,377
Property Taxes Levied for Subsequent Year	15,832,661	15,059,992
Total Deferred Inflows of Resources	<u>52,403,317</u>	<u>59,358,672</u>
NET POSITION		
Net Investment in Capital Assets	13,856,029	13,506,358
Restricted for:		
Operating Capital Purposes	187,218	431
State-Mandated Restrictions	27,227	26,185
Food Service	585,056	775,275
Community Service	396,837	626,708
Capital Projects - Building Construction	-	896,039
Unrestricted	<u>(52,097,399)</u>	<u>(48,228,822)</u>
Total Net Position	<u>\$ (37,045,032)</u>	<u>\$ (32,397,826)</u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

Functions	2020				2019	
	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions		Revenue and Changes in Net Position	Revenue and Changes in Net Position
				Total Governmental Activities	Total Governmental Activities	
Governmental Activities						
Administration	\$ 1,727,419	\$ -	\$ 6,309	\$ -	\$ (1,721,110)	\$ (1,150,672)
District Support Services	1,978,334	-	62,406	17,704	(1,898,224)	(1,934,819)
Regular Instruction	28,868,573	507,581	2,335,092	261,729	(25,764,171)	(18,225,107)
Vocational Education Instruction	732,344	-	157,091	-	(575,253)	(408,368)
Special Education Instruction	10,279,492	147,005	6,828,485	9,362	(3,294,640)	(1,696,420)
Instructional Support Services	3,261,940	-	8,514	74,850	(3,178,576)	(1,816,052)
Pupil Support Services	4,276,406	-	132,124	-	(4,144,282)	(3,883,614)
Sites and Buildings	5,152,061	163,208	-	508,129	(4,480,724)	(3,778,375)
Fiscal and Other Fixed Cost Programs	95,320	-	-	-	(95,320)	(108,415)
Food Service	2,315,111	1,240,881	874,985	-	(199,245)	(11,333)
Community Service	3,088,355	2,021,364	339,911	-	(727,080)	(211,867)
Interest and Fiscal Charges on Long-Term Liabilities	3,830,421	-	-	-	(3,830,421)	(4,369,958)
Total School District	\$ 65,605,776	\$ 4,080,039	\$ 10,744,917	\$ 871,774	(49,909,046)	(37,595,000)
General Revenues						
Property Taxes Levied for:						
General Purposes					6,874,968	4,657,153
Community Service					232,533	219,673
Debt Service					8,282,591	7,394,571
State Aid Not Restricted to Specific Purposes					29,522,767	28,968,648
Earnings on Investments					157,250	136,444
Gain on Sale of Capital Assets					200	3,604
Miscellaneous					191,531	45,330
Total General Revenues					<u>45,261,840</u>	<u>41,425,423</u>
Change in Net Position					(4,647,206)	3,830,423
Net Position - Beginning of Year					<u>(32,397,826)</u>	<u>(36,228,249)</u>
Net Position - End of Year					<u>\$ (37,045,032)</u>	<u>\$ (32,397,826)</u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	Major		
	General	Food Service	Community Service
ASSETS			
Cash and Investments	\$ 4,520,971	\$ 453,297	\$ 689,376
Receivables:			
Current Property Taxes	3,827,810	-	149,667
Delinquent Property Taxes	46,277	-	2,066
Due from Other Minnesota School Districts	-	-	-
Due from Minnesota Department of Education	3,431,250	19,052	47,913
Due from Federal through Minnesota Department of Education	35,740	230,770	-
Due from Other Governmental Units	64,500	-	-
Other Receivables	279,345	9,293	123,095
Prepaid Items	40,035	-	500
Inventory	-	53,708	-
Total Assets	<u>\$ 12,245,928</u>	<u>\$ 766,120</u>	<u>\$ 1,012,617</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Salaries Payable	\$ 3,472,614	\$ 55,400	\$ 86,034
Accounts and Contracts Payable	251,357	7,509	133,552
Due to Other Governmental Units	133,809	-	-
Accrued Interest Payable	129,205	-	-
Short Term Indebtedness	7,000,000	-	-
Unearned Revenue	619,508	118,155	119,415
Total Liabilities	<u>11,606,493</u>	<u>181,064</u>	<u>339,001</u>
Deferred Inflows of Resources:			
Property Taxes Levied for Subsequent Year	6,606,697	-	276,779
Unavailable Revenue - Delinquent Property Taxes	36,883	-	2,066
Total Deferred Inflows of Resources	<u>6,643,580</u>	<u>-</u>	<u>278,845</u>
Fund Balance:			
Nonspendable	40,035	53,708	500
Restricted for:			
Gifted and Talented	-	-	-
Basic Skills Programs	-	-	-
Operating Capital	187,218	-	-
Safe Schools	15,664	-	-
Community Education Programs	-	-	197,305
Early Childhood and Family Educations Programs	-	-	83,345
School Readiness	-	-	57,291
Projects Funded by COP	-	-	-
Long-Term Facilities Maintenance	2,980	-	-
Medical Assistance	8,583	-	-
Other Purposes	-	531,348	56,330
Unassigned	(6,258,625)	-	-
Total Fund Balance	<u>(6,004,145)</u>	<u>585,056</u>	<u>394,771</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 12,245,928</u>	<u>\$ 766,120</u>	<u>\$ 1,012,617</u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

Capital Projects	Funds		Total Governmental Funds	
	Debt Service	OPEB Debt Service	2020	2019
\$ 60,413	\$ 5,122,004	\$ 73,708	\$ 10,919,769	\$ 10,719,108
-	4,947,542	-	8,925,019	8,300,052
-	65,213	1,650	115,206	93,692
-	-	-	-	6,784
-	62,607	-	3,560,822	3,516,463
-	-	-	266,510	974
-	-	-	64,500	260,041
-	-	-	411,733	214,415
-	-	-	40,535	94,014
-	-	-	53,708	21,412
<u>\$ 60,413</u>	<u>\$ 10,197,366</u>	<u>\$ 75,358</u>	<u>\$ 24,357,802</u>	<u>\$ 23,226,955</u>
\$ -	\$ -	\$ -	\$ 3,614,048	\$ 3,756,736
84,445	-	-	476,863	1,160,393
-	-	-	133,809	156,006
-	-	-	129,205	62,934
-	-	-	7,000,000	4,985,000
-	-	-	857,078	537,030
<u>84,445</u>	<u>-</u>	<u>-</u>	<u>12,211,003</u>	<u>10,658,099</u>
-	8,949,185	-	15,832,661	15,059,992
-	65,213	1,650	105,812	93,692
-	<u>9,014,398</u>	<u>1,650</u>	<u>15,938,473</u>	<u>15,153,684</u>
-	-	-	94,243	115,426
-	-	-	-	230
-	-	-	-	431
-	-	-	187,218	15,813
-	-	-	15,664	-
-	-	-	197,305	440,178
-	-	-	83,345	63,456
-	-	-	57,291	44,165
-	-	-	-	896,039
-	-	-	2,980	3,157
-	-	-	8,583	6,985
-	1,182,968	73,708	1,844,354	2,355,738
(24,032)	-	-	(6,282,657)	(6,526,446)
<u>(24,032)</u>	<u>1,182,968</u>	<u>73,708</u>	<u>(3,791,674)</u>	<u>(2,584,828)</u>
<u>\$ 60,413</u>	<u>\$ 10,197,366</u>	<u>\$ 75,358</u>	<u>\$ 24,357,802</u>	<u>\$ 23,226,955</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	2020	2019
Total Fund Balance for Governmental Funds	\$ (3,791,674)	\$ (2,584,828)
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	5,524,742	5,524,742
Construction in Progress	2,396,564	879,800
Land Improvements, Net of Accumulated Depreciation	834,879	992,690
Buildings and Improvements, Net of Accumulated Depreciation	129,065,524	133,746,815
Equipment, Net of Accumulated Depreciation	1,579,397	2,039,753
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current-period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.		
	105,812	93,692
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(1,757,273)	(1,861,864)
The District's Other Post Employment Benefit (OPEB) Liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:		
Net OPEB Liability	(4,619,564)	(4,405,838)
Deferred Inflows of Resources - OPEB Related	(718,670)	(82,347)
Deferred Outflows of Resources - OPEB Related	138,289	173,790
The District's Net Pension Liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:		
Net Pension Liability	(30,345,931)	(29,753,576)
Deferred Inflows of Resources - Pension Related	(35,766,274)	(44,114,377)
Deferred Outflows of Resources - Pension Related	25,837,475	37,538,457
Internal service funds are used by management to charge the costs of dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. Internal service fund net position at year-end is:		
	292,031	287,104
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position. Balances at year-end are:		
Bonds Payable	(114,755,000)	(119,550,000)
Unamortized Premiums	(4,102,461)	(4,678,496)
Certificates of Participation Payable	(2,915,000)	(3,040,000)
Unamortized Deferred Loss (Gain) on Refunding	(85,712)	(101,956)
Obligations Under Capital Leases	(738,019)	(205,454)
Obligations Under Lease Purchase Agreement	(2,864,440)	(2,926,713)
Compensated Absences Payable	(359,727)	(369,220)
Total Net Position of Governmental Activities	\$ (37,045,032)	\$ (32,397,826)

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	General	Major Food Service	Community Service
REVENUES			
Local Sources:			
Property Taxes	\$ 6,872,050	\$ -	\$ 232,305
Earnings on Investments	63,196	9,740	11,425
Other	1,005,463	1,243,381	2,022,064
State Sources	37,757,831	116,247	406,078
Federal Sources	865,974	758,738	-
Total Revenues	<u>46,564,514</u>	<u>2,128,106</u>	<u>2,671,872</u>
EXPENDITURES			
Current:			
Administration	1,401,450	-	-
District Support Services	1,839,197	-	-
Regular Instruction	21,084,273	-	-
Vocational Education Instruction	668,291	-	-
Special Education Instruction	9,102,769	-	-
Instructional Support Services	2,823,710	-	-
Pupil Support Services	4,084,113	-	-
Sites and Buildings	3,778,256	-	-
Fiscal and Other Fixed Cost Programs	128,183	-	-
Food Service	-	2,291,668	-
Community Service	-	-	2,938,839
Capital Outlay	1,454,893	26,657	2,285
Debt Service:			
Principal	116,641	-	1,203
Interest and Fiscal Charges	208,938	-	184
Bond Issuance Costs	-	-	-
Total Expenditures	<u>46,690,714</u>	<u>2,318,325</u>	<u>2,942,511</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(126,200)	(190,219)	(270,639)
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	200	-	-
Issuance of Bonds	-	-	-
Insurance Recovery Proceeds	5,245	-	-
Issuance of Capital Lease	588,136	-	-
Lease Purchase Agreement Proceeds	-	-	-
Bond Premium	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-
Transfers In	-	-	62,578
Transfers Out	(62,578)	-	-
Total Other Financing Sources (Uses)	<u>531,003</u>	<u>-</u>	<u>62,578</u>
NET CHANGE IN FUND BALANCE	404,803	(190,219)	(208,061)
Fund Balance - Beginning of Year	<u>(6,408,948)</u>	<u>775,275</u>	<u>602,832</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (6,004,145)</u></u>	<u><u>\$ 585,056</u></u>	<u><u>\$ 394,771</u></u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

Capital Projects	Funds		Total Governmental Funds	
	Debt Service	OPEB Debt Service	2020	2019
\$ -	\$ 8,273,617	\$ -	\$ 15,377,972	\$ 12,219,836
506	67,647	857	153,371	129,831
188,594	-	-	4,459,502	5,498,498
-	626,056	-	38,906,212	37,144,877
-	-	-	1,624,712	1,427,188
<u>189,100</u>	<u>8,967,320</u>	<u>857</u>	<u>60,521,769</u>	<u>56,420,230</u>
-	-	-	1,401,450	1,358,490
-	-	-	1,839,197	1,983,132
-	-	-	21,084,273	21,752,173
-	-	-	668,291	588,221
-	-	-	9,102,769	9,129,068
-	-	-	2,823,710	2,933,530
-	-	-	4,084,113	4,203,476
-	-	-	3,778,256	4,157,649
-	-	-	128,183	108,415
-	-	-	2,291,668	2,384,528
-	-	-	2,938,839	3,286,611
1,109,171	-	-	2,593,006	5,020,346
-	4,920,000	-	5,037,844	4,355,897
-	4,341,475	-	4,550,597	4,557,799
-	-	-	-	94,585
<u>1,109,171</u>	<u>9,261,475</u>	<u>-</u>	<u>62,322,196</u>	<u>65,913,920</u>
(920,071)	(294,155)	857	(1,800,427)	(9,493,690)
-	-	-	200	3,604
-	-	-	-	7,105,000
-	-	-	5,245	-
-	-	-	588,136	160,699
-	-	-	-	3,008,000
-	-	-	-	305,242
-	-	-	-	(7,240,000)
-	-	-	62,578	70,621
-	-	-	(62,578)	(70,621)
-	-	-	<u>593,581</u>	<u>3,342,545</u>
(920,071)	(294,155)	857	(1,206,846)	(6,151,145)
<u>896,039</u>	<u>1,477,123</u>	<u>72,851</u>	<u>(2,584,828)</u>	<u>3,566,317</u>
<u>\$ (24,032)</u>	<u>\$ 1,182,968</u>	<u>\$ 73,708</u>	<u>\$ (3,791,674)</u>	<u>\$ (2,584,828)</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	2020	2019
Net Change in Fund Balance-Total Governmental Funds	\$ (1,206,846)	\$ (6,151,145)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	1,597,662	5,634,612
Depreciation Expense	(5,380,356)	(5,378,742)

Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the Statement of Net Position.

Other Financing Source - Capital Lease	(588,136)	(160,699)
Principal Payments - Capital Leases	55,571	164,610

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the Statement of Activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General Obligation Bond Proceeds	-	(7,105,000)
Lease Purchase Proceeds	-	(3,008,000)
Bond Premium	-	(305,242)
Deferred Loss (Gain) on Refunding	-	(196,651)
Repayment of Bond Principal	4,795,000	11,230,000
Repayment of Certificate of Participation	125,000	120,000
Repayment of Lease Purchase Principal	62,273	81,287
Change in Accrued Interest Expense - General Obligation Bonds	104,591	(109,617)
Amortization of Bond Premium	576,035	636,410
Amortization of Bond Discount	-	(494)
Amortization of Gain (Loss) on Refunding	16,244	(56,983)

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current-period's expenditures and, therefore, are unavailable in the funds.	\$ 12,120	\$ 51,561
Payment of OPEB benefits are recognized as expenditures at the fund level while the change in the Net OPEB obligation is recognized in the Statement of Net Position.	(885,550)	(714,059)
Pension expenditures on the governmental funds are measured by current year employee contributions. Pension expenses on the Statement of Activities is measured by the change in Net Pension Liability and the related deferred inflows and outflows of resources.	(3,945,234)	9,243,685
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	9,493	(85,660)
Internal service funds are used by the District to charge the costs of employee dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.	<u>4,927</u>	<u>(59,450)</u>
Change in Net Position of Governmental Activities	<u>\$ (4,647,206)</u>	<u>\$ 3,830,423</u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 6,870,071	\$ 6,852,291	\$ 6,872,050	\$ 19,759
Earnings on Investments	80,000	80,000	63,196	(16,804)
Other	1,183,376	1,009,374	1,005,463	(3,911)
State Sources	37,835,798	38,218,351	37,757,831	(460,520)
Federal Sources	773,624	847,976	865,974	17,998
Total Revenues	<u>46,742,869</u>	<u>47,007,992</u>	<u>46,564,514</u>	<u>(443,478)</u>
EXPENDITURES				
Current:				
Administration	1,336,675	1,338,910	1,401,450	62,540
District Support Services	1,842,941	1,806,039	1,839,197	33,158
Elementary and Secondary Regular Instruction	20,801,758	20,837,939	21,084,273	246,334
Vocational Education Instruction	542,313	554,813	668,291	113,478
Special Education Instruction	9,317,847	9,350,886	9,102,769	(248,117)
Instructional Support Services	2,939,931	2,887,809	2,823,710	(64,099)
Pupil Support Services	3,819,002	4,387,793	4,084,113	(303,680)
Sites and Buildings	3,909,807	3,797,727	3,778,256	(19,471)
Fiscal and Other Fixed Cost Programs	7,337,760	335,144	128,183	(206,961)
Capital Outlay	380,825	794,325	1,454,893	660,568
Debt Service:				
Principal	425,218	425,218	116,641	(308,577)
Interest and Fiscal Charges	85,000	15,000	208,938	193,938
Total Expenditures	<u>52,739,077</u>	<u>46,531,603</u>	<u>46,690,714</u>	<u>159,111</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,996,208)	476,389	(126,200)	(602,589)
OTHER FINANCING SOURCES				
Sale of Capital Assets	2,000	200	200	-
Insurance Recovery Proceeds	-	-	5,245	5,245
Bond Proceeds	7,000,000	-	-	-
Issuance of Capital Lease	-	-	588,136	588,136
Transfers Out	(75,000)	(75,000)	(62,578)	12,422
Total Other Financing Sources	<u>6,927,000</u>	<u>(74,800)</u>	<u>531,003</u>	<u>605,803</u>
NET CHANGE IN FUND BALANCE	<u>\$ 930,792</u>	<u>\$ 401,589</u>	404,803	<u>\$ 3,214</u>
FUND BALANCE				
Beginning of Year			<u>(6,408,948)</u>	
End of Year			<u>\$ (6,004,145)</u>	

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Earnings on Investments	\$ 10,000	\$ 15,000	\$ 9,740	\$ (5,260)
Other - Primarily Meal Sales	1,762,850	1,178,100	1,243,381	65,281
State Sources	120,850	169,703	116,247	(53,456)
Federal Sources	515,150	680,250	758,738	78,488
Total Revenues	<u>2,408,850</u>	<u>2,043,053</u>	<u>2,128,106</u>	<u>85,053</u>
EXPENDITURES				
Current:				
Food Service	2,373,195	2,221,279	2,291,668	70,389
Capital Outlay	45,000	124,000	26,657	(97,343)
Total Expenditures	<u>2,418,195</u>	<u>2,345,279</u>	<u>2,318,325</u>	<u>(26,954)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (9,345)</u>	<u>\$ (302,226)</u>	(190,219)	<u>\$ 112,007</u>
FUND BALANCE				
Beginning of Year			<u>775,275</u>	
End of Year			<u>\$ 585,056</u>	

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 240,379	\$ 239,664	\$ 232,305	\$ (7,359)
Earnings on Investments	12,000	15,000	11,425	(3,575)
Other - Primarily Tuition and Fees	2,672,750	2,119,250	2,022,064	(97,186)
State Sources	<u>383,920</u>	<u>368,128</u>	<u>406,078</u>	<u>37,950</u>
Total Revenues	3,309,049	2,742,042	2,671,872	(70,170)
EXPENDITURES				
Current:				
Community Service	3,352,956	3,095,547	2,938,839	(156,708)
Capital Outlay	3,000	4,000	2,285	(1,715)
Debt Service:				
Principal	3,500	3,000	1,203	(1,797)
Interest and Fiscal Charges	-	-	184	184
Total Expenditures	<u>3,359,456</u>	<u>3,102,547</u>	<u>2,942,511</u>	<u>(160,036)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,407)	(360,505)	(270,639)	89,866
OTHER FINANCING SOURCES				
Transfer In	<u>75,000</u>	<u>70,000</u>	<u>62,578</u>	<u>(7,422)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 24,593</u>	<u>\$ (290,505)</u>	(208,061)	<u>\$ 82,444</u>
FUND BALANCE				
Beginning of Year			<u>602,832</u>	
End of Year			<u>\$ 394,771</u>	

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
 INDEPENDENT SCHOOL DISTRICT NO. 110
 STATEMENT OF NET POSITION
 PROPRIETARY FUND
 INTERNAL SERVICE FUND
 JUNE 30, 2020
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	Governmental Activities - Internal Service Funds	
	2020	2019
ASSETS		
Current Assets:		
Cash and Investments	\$ 305,209	\$ 298,516
LIABILITIES		
Current Liabilities:		
Accounts Payable	13,178	11,412
NET POSITION		
Unrestricted	\$ 292,031	\$ 287,104

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	Governmental Activities - Internal Service Funds	
	2020	2019
OPERATING REVENUES		
Charges for Services	\$ 387,715	\$ 368,267
OPERATING EXPENSES		
Dental Insurance Claim Payments	386,667	434,330
OPERATING INCOME	1,048	(66,063)
NONOPERATING INCOME		
Earnings on Investments	3,879	6,613
CHANGE IN NET POSITION	4,927	(59,450)
Total Net Position - Beginning of Year	287,104	346,554
TOTAL NET POSITION - END OF YEAR	\$ 292,031	\$ 287,104

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	Governmental Activities - Internal Service Funds	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Interfund Services Provided	\$ 387,715	\$ 368,267
Payments for Dental Fees and Insurance Claims	(384,901)	(432,732)
Net Cash Provided (Used) by Operating Activities	2,814	(64,465)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	3,879	6,613
Net Increase (Decrease) in Cash and Cash Equivalents	6,693	(57,852)
Cash and Cash Equivalents - Beginning of Year	298,516	356,368
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 305,209	\$ 298,516
Displayed on Statements of Fund Net Position as Cash and Investments	\$ 305,209	\$ 298,516
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income	\$ 1,048	\$ (66,063)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Increase in Accounts Payable	1,766	1,598
Net Cash Provided (Used) by Operating Activities	\$ 2,814	\$ (64,465)

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

	Scholarship Custodial Fund	Irrevocable OPEB Trust
ASSETS		
Cash	\$ 110,194	\$ 645,683
Government and Municipal Securities	-	264,065
Nonnegotiable Certificate of Deposits	-	1,047,200
Interest Receivable	-	30,607
Total Assets	110,194	1,987,555
NET POSITION		
Restricted for Scholarships	110,194	-
Restricted for OPEB Benefits	-	1,987,555
Total Net Position	\$ 110,194	\$ 1,987,555

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2020**

	Scholarship Custodial Fund	Irrevocable OPEB Trust
ADDITIONS		
Employer Contributions	\$ -	\$ 42,594
Gifts and Donations	8,705	-
Investment Income:		
Net Increase (Decrease) in Fair Value of Investments	-	6,624
Interest and Dividends	1,168	30,865
Less Investment Expense	-	(250)
Net Investment Income	1,168	37,239
Total Additions	9,873	79,833
DEDUCTIONS		
OPEB Health Insurance Payments	-	231,614
Scholarships Awarded	14,694	-
Total Deductions	14,694	231,614
CHANGE IN NET POSITION	(4,821)	(151,781)
Net Position - Beginning of Year	115,015	2,139,336
NET POSITION - END OF YEAR	\$ 110,194	\$ 1,987,555

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 110 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. The GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments.

B. Financial Reporting Entity

The District is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

Accounting principles generally accepted in the United States of America (GAAP) require that the District's financial statements include all funds, account groups, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. These financial statements include all fund and account groups of the District. There are no other entities for which the District is financially accountable.

Student activities of the District are under the School Board's control, therefore, activity is included within the General Fund.

C. Basic Financial Statement Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary fund. The Fiduciary Funds are only reported in the statements of Fiduciary Net Position at the fund financial statement level.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position is available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

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. Fiduciary funds are presented in the fiduciary fund financial statements by type: private purpose trust and irrevocable OPEB trust. Since by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide statements.

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

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

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for amounts 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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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

1. Revenue Recognition

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and accounting principles generally accepted in the United States of America. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

Description of Funds

The existence of the various District funds has been established by the State of Minnesota, Department of Education. The accounts of the district are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is as follows:

Major Governmental Funds

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the district, as well as the capital related activities such as maintenance of facilities equipment purchases, health and safety projects, and disabled accessibility projects.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Major Governmental Funds (Continued)

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenues consist of user fees, and state and federal reimbursements restricted for the Food Service Fund.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs or other similar services. Revenues consist of local property taxes, state tax credits, user fees, and state aids restricted for the Community Service 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. The Fund was established for building construction activity authorized by specific voter-approved bond issues.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs.

Other Postemployment Benefits Debt Service Fund

The Other Postemployment Benefits (OPEB) Debt Service Fund is used to account for the accumulation of resources for, and payment of, OPEB obligation bond principal, interest, and related costs.

Proprietary Fund

Internal Service Fund

The Internal Service Fund accounts for financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District's Internal Service Fund includes its self-insured dental insurance plan for its employees.

Fiduciary Funds

Scholarship Custodial Fund

The Scholarship Custodial Fund is used to account for money held by the District in the capacity of trustee or custodian, where both the principal and interest may be spent.

Other Postemployment Benefits Irrevocable Trust Fund

The Other Postemployment Benefits Irrevocable Fund is used for reporting resources set aside and held in an irrevocable trust arrangement for postemployment benefits.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper by October 1 of each year. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board. Individual amendments were not material in relation to the original appropriations.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

F. Cash and Investments

Cash and investments consist of interest bearing accounts, certificates of deposit, government agency investments, and deposits in the Minnesota Trust Investment Shares Portfolio.

Cash balances from all funds, except the OPEB Irrevocable Trust Fund, are combined and invested to the extent available in various securities as authorized by Minnesota Statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors.

G. Accounts Receivable

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary. The only receivables not expected to be collected within one year are property taxes receivable.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed during the periods benefitted. Prepaid items are recorded using the consumption method of accounting.

J. Property Taxes

Property tax levies are established by the School Board in December each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes and are responsible for spreading all levies over taxable property. Such taxes become a lien on January 1. Taxes are generally due on May 15 and October 15, and counties generally remit taxes to Districts at periodic intervals as they are collected. A portion of property taxes levied is paid through state credits which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as unavailable revenue (property taxes levied for subsequent year). The majority of District revenue in the General Fund (and to a lesser extent in the District's Community Service Special Revenue Fund) is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift." In the Debt Service Fund, all property taxes collected in a calendar year are recorded as revenue in the fiscal year which begins July 1 of that calendar year.

In accordance with state law, the current tax shift consists of an amount equal to 31% of the operating levy that was in place for the District's 2000 Pay 2001 levy, which is frozen at \$310,967. Certain other portions of the District's 2019 Pay 2020 levy, normally revenue for the 2020-2021 fiscal year, are also advance recognized at June 30, 2020, as required by state statute to match revenue with the same fiscal year as the related expenditures.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes (Continued)

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 unavailable because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the State which will be recognized as revenue in the next fiscal year beginning July 1, 2020, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

K. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. 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 statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

L. Deferred Outflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period. The District will not recognize the related outflows until a future event occurs.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations (Continued)

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

N. Accrued Employee Benefits

1. Compensated Absences

Vacation Pay and Sick Leave

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. These benefits are reported as liabilities in the government-wide financial statements and as expenditures when taken in the fund financial statements. At June 30, 2020, a liability for vacation pay totaling \$293,684 is recorded in the Statement of Net Position.

The District has a sick leave bank to which employees contribute earned sick leave. Participating employees use sick leave from this bank upon depletion of their own sick leave balances. At June 30, 2020, a liability for this sick leave bank of \$53,094 is recorded in the Statement of Net Position.

Severance Payable

Various bargaining groups, other than teachers, have contract language providing for severance benefits upon meeting the defined requirements. The amount paid varies based on years of service and is based on accumulated sick leave. The vested amount for all eligible employees at year-end totals \$12,949 and is recorded as a liability on the government-wide financial statements.

2. Other Postemployment Benefits

Under the terms of certain collectively bargained employment contracts, including the teachers' and administrators' contracts, the District is required to pay fixed amounts (generally \$350 per month) toward the health insurance premiums of retired employees until they reach specified age requirements such as Medicare eligibility.

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time.

P. Pensions

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

Q. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the District considers all highly liquid debt instruments with an original maturity from the time of purchase by the District of three months or less to be cash equivalents.

R. Fund Balance

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance related to prepaids and inventory. Restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Education. The District currently does not report any committed fund balance. The Board of Education passed a resolution authorizing the Director of Finance and Operations the ability to assign fund balances and its intended uses. Unassigned fund balance is considered the remaining amounts, usually in the General Fund only. A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned for those purposes.

In accordance with the District's fund balance policy, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned and unassigned fund balance is available, it is the District's policy to use committed first, then assigned and finally unassigned fund balance.

The District has a minimum fund balance policy, which identifies a minimum unassigned fund balance in the General Fund of no less than 5% and not more than 25% of the general fund operating budgeted expenditures.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Net Position

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

T. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level required for a presentation in conformity with accounting principles generally accepted in the United States of America.

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

A. Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following fund at June 30, 2020.

	Budget	Expenditures	Excess
General Fund	\$ 46,531,603	\$ 46,690,714	\$ 159,111

All related expenditures were approved by the District's Board.

B. Transfers in/Transfers Out

	Transfer In: Community Service Fund	
Transfer Out:		
General Fund	\$	62,578

The transfer from General Fund to the Community Service Fund is related to the expenses associated with Special Education reimbursing pre-school for spots in the pre-school that are held for ECSE students.

C. Deficit Fund Balance

The General Fund had a deficit fund balance of \$6,004,145 as of the end of the year. This deficit will be eliminated through a decrease in expenditures and an increase in revenues.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS

A. Deposits

The School District maintains a cash and investment pool that is available for use by all funds, except the OPEB Irrevocable Trust Fund. Each fund type's portion of this pool is displayed in the financial statements as "Cash and Investments." In accordance with Minnesota Statutes the School District maintains deposits at financial institutions which are authorized by the School District Board.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a specific deposit policy for custodial credit risk but rather follows Minnesota Statutes for deposits.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust departments of a commercial bank or other financial institution not owned or controlled by the depository.

The District's deposits in banks at June 30, 2020 were entirely covered by federal depository insurance or by collateral in accordance with Minnesota Statutes.

B. Investments

The District does not have an investment policy and invests its idle funds as authorized by Minnesota Statutes as follows:

- 1) Direct obligations or obligations guaranteed by the United States or its agencies
- 2) Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less
- 3) General obligations rated "A" or better; revenue obligations rated "AA" or better
- 4) General obligations of the Minnesota Housing Finance Agency rate "A" or better
- 5) Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System
- 6) Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- 7) Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- 8) Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

In addition, investments held by the OPEB Irrevocable Trust Fund may be invested as authorized by Minnesota State Statute Section 356A.06, Subdivision 7.

External Investment Pools -

	Amount
MN Trust Shares Portfolio	\$ 11,438,968

The MN Trust is a money market account that is valued at amortized cost with maturities of investments of one year or less.

Investments Held with Broker –

Interest Rate Risk –

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities to meet cash requirements for ongoing operations. Information about the sensitivity of the fair values of the District’s investments to market interest rate risk fluctuations is provided by the following table that shows the distribution of the School District’s investments by maturity:

Type	Total	6 Months or Less	7 to12 Months	13 to 36 Months
MN Trust Investment Shares Portfolio	\$ 11,438,968	\$ 11,438,968	\$ -	\$ -
State and Local Obligations	264,065	264,065	-	-
Total	\$ 11,703,033	\$ 11,703,033	\$ -	\$ -

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Custodial Credit Risk –

For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's bond documents require insurance covering all balances held in each investment account. As of June 30, 2020, the investment balances were fully covered by insurance for each brokerage firm.

Credit Risk –

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for the District's investments as rated by Moody's Investors Service:

<u>Type</u>	<u>Quality Rating</u>	<u>Amount</u>
MN Trust Investment Shares Portfolio	AAAm	\$ 11,438,968
State and Local Obligations	Aa2/AA-	264,065
Total		<u>\$ 11,703,033</u>

The deposits and investments are presented in these financial statements as follows:

Total Deposits	\$ 1,589,087
MN Trust Shares Portfolio	11,438,968
State and Local Obligations	264,065
Total	<u>\$ 13,292,120</u>
Statement of Net Position	
Cash and Investments	\$ 11,224,978
Trust Fund Cash and Investments	2,067,142
	<u>\$ 13,292,120</u>

C. Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements (Continued)

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statement of financial position are categorized based on the inputs to the valuation techniques as follows:

- *Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.
- *Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.
- *Level 3* – Financial asset and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions market participants and would use a pricing the asset.

Assets measured at fair value on a recurring basis:

<u>Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government/Agency Obligations	<u>\$ 264,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,065</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,524,742	\$ -	\$ -	\$ 5,524,742
Construction in Progress	879,800	1,573,362	(56,598)	2,396,564
Total Capital Assets, Not Being Depreciated	<u>6,404,542</u>	<u>1,573,362</u>	<u>(56,598)</u>	<u>7,921,306</u>
Capital Assets, Being Depreciated:				
Land Improvements	4,215,464	-	-	4,215,464
Buildings and Improvements	175,052,248	56,598	-	175,108,846
Equipment	9,505,649	24,300	-	9,529,949
Total Capital Assets, Being Depreciated	<u>188,773,361</u>	<u>80,898</u>	<u>-</u>	<u>188,854,259</u>
Accumulated Depreciation for:				
Land Improvements	(3,222,774)	(157,811)	-	(3,380,585)
Buildings and Improvements	(41,305,433)	(4,737,889)	-	(46,043,322)
Equipment	(7,465,896)	(484,656)	-	(7,950,552)
Total Accumulated Depreciation	<u>(51,994,103)</u>	<u>(5,380,356)</u>	<u>-</u>	<u>(57,374,459)</u>
Total Capital Assets, Being Depreciated, Net	<u>136,779,258</u>	<u>(5,299,458)</u>	<u>-</u>	<u>131,479,800</u>
Governmental Activities Capital Assets, Net	<u>\$ 143,183,800</u>	<u>\$ (3,726,096)</u>	<u>\$ (56,598)</u>	<u>\$ 139,401,106</u>

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

Governmental Activities	
Administrative Services	\$ 145,846
District Support Services	49,062
Regular Instruction	4,653,203
Vocational Instruction	2,581
Community Education	2,831
Instructional Support	47,609
Food Service	23,738
Sites, Buildings, and Equipment	455,486
Total Depreciation Expense, Governmental Activities	<u>\$ 5,380,356</u>

NOTE 5 AID ANTICIPATION CERTIFICATES

On September 29, 2019, the District Sold General Obligation Aid Anticipation Certificates, Series 2019B and 2019C in the amount of \$3,300,000 and \$3,700,000, respectively at an interest rate of 2.50% and 2.35%. These Certificates mature September 30, 2020 and will have interest expense of \$62,906.

	2019	Additions	Retirements	2020
2019A Aid Anticipation Certificate	\$ 4,985,000	\$ -	\$ 4,985,000	\$ -
2019B Aid Anticipation Certificate	-	3,300,000	-	3,300,000
2019C Aid Anticipation Certificate	-	3,700,000	-	3,700,000
	<u>\$ 4,985,000</u>	<u>\$ 7,000,000</u>	<u>\$ 4,985,000</u>	<u>\$ 7,000,000</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 LONG-TERM LIABILITIES

The District has issued general obligation school building bonds to finance the construction of capital facilities or to refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies are dedicated for the retirement of these bonds and loans. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

A. Components of Long-Term Debt

Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
				Due Within One Year	Total
5/1/2013	2.00% - 2.13%	1,435,000	2/1/2024	\$ 130,000	\$ 540,000
1/13/2015	3.00% - 5.00%	17,555,000	2/1/2026	1,225,000	15,395,000
2/18/2015	3.00% - 5.00%	75,000,000	2/1/2039	-	75,000,000
12/30/2015	2.50% - 4.00%	6,830,000	2/1/2025	510,000	4,825,000
9/29/2016	3.00% - 5.00%	5,405,000	2/1/2028	560,000	4,680,000
9/14/2017	2.00% - 3.00%	5,040,000	2/1/2033	305,000	4,500,000
9/14/2017	2.00% - 4.00%	7,290,000	2/1/2033	420,000	6,575,000
10/22/2018	5.00%	7,105,000	2/1/2022	2,035,000	3,240,000
Total General Obligation Bonds				5,185,000	114,755,000
Bond Premium - Net				-	4,102,461
Certificates of Participation				130,000	2,915,000
Lease Purchase Obligations				220,101	2,864,440
Capital Lease Obligations				148,603	738,019
Total Leases Purchase Obligations					
Compensated Absences Payable				359,727	359,727
Total				\$ 6,043,431	\$ 125,734,647

1. General Obligation School Building Bonds

On February 18, 2015, the District issued \$75,000,000 General Obligation School Bonds, Series 2015B. These bonds were issued to finance acquisition and betterment of school sites and facilities.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt (Continued)

2. General Obligation Capital Facilities Bonds

On May 1, 2013, the District issued \$1,435,000 of General Obligation Capital Facilities Bonds, Series 2013A. These bonds were issued to finance acquisition and/or construction/improvement of capital facilities.

On September 29, 2016, the District issued \$5,405,000 General Obligation Facility Series 2016A. These bonds were issued for general maintenance projects.

On September 14, 2017, the District issued \$7,290,000 General Obligation Facilities Bonds, Series 2017C. These bonds were issued to finance construction/improvement of capital facilities.

3. General Obligation Refunding Bonds

On February 19, 2009, the District issued \$19,370,000 of General Obligation School Building Refunding Bonds, Series 2009A to refund in advance of their stated maturities the remaining maturities of the General Obligation School Building Bonds, Series 1998A, and the General Obligation School Building Bonds, Series 1999A. The original issue dates of the bonds refunded were December 1, 1998 and April 1, 1999, respectively. These bonds were paid in full as of June 30, 2019.

On January 13, 2015, the District issued \$17,555,000 of General Obligation School Building Refunding Bonds, Series 2015A to advance refund the General Obligation School Building Bonds, Series 2005A dated July 1, 2005.

On December 30, 2015, the District issued \$6,830,000 of General Obligation School Building Refunding Bonds, Series 2015C to advance refund the General Obligation School Building Bonds, Series 2006A dated April 26, 2006.

On October 22, 2018, the District issued \$7,105,000 of General Obligation School Building Refunding Bonds, Series 2018A to advance refund the General Obligation School Building Refunding Bonds, Series 2009A dated February 19, 2009.

4. General Obligation Taxable OPEB Bonds

On December 23, 2008, the District issued \$2,695,000 General Obligation Taxable OPEB Bonds, Series 2008A. These bonds were issued to finance future other postemployment payments. These bonds were paid in full as of June 30, 2019.

Assets of the Debt Service Fund and the OPEB Debt Service Fund, together with scheduled future ad valorem tax levies are dedicated for the retirement of these bonds. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota Statute.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt (Continued)

5. General Obligation Tax Abatement Bonds

On September 14, 2017, the District issued \$5,040,000 General Obligation Tax Abatement Bonds, Series 2017B. These bonds were issued to finance future tax abatement obligations.

6. Certificates of Participation

On June 29, 2017, the District issued \$3,160,000 Certificates of Participation, Series 2017A. This certificate was issued to finance acquisition and betterment of school sites and facilities.

7. Lease Purchase Agreements

On December 1, 2018, the District entered into a \$923,000 lease purchase agreement for the acquisition and improvement of real property. Payments on the agreement are due annually and commence February 2021.

On May 1, 2019, the District entered into a \$1,585,000 lease purchase agreement for the construction of a tennis court complex and outdoor ice rink. Payments on the agreement are due annually and commence February 2021.

On August 1, 2018, the District entered into a \$500,000 lease purchase agreement for a scoreboard. Payments on the agreement are due annually and commenced August 2018.

8. Capital Leases

On May 15, 2020, the District entered into a lease for LED lighting. Payments on the lease are due annually and commence July 2020. The entire lease agreement consists of 844,931 in costs. However, only \$588,136 has been spent as of June 30, 2020.

On April 15, 2019, the District entered into a lease for copier equipment. Payments on the lease are due quarterly and commenced in April 2019. Capital assets relating to the lease had a cost of \$160,699, current year depreciation of \$32,140, and accumulated depreciation of \$32,140 at June 30, 2020.

On May 3, 2017, the District entered into a lease for Apple products and services. Payments on the lease are due annually and commenced July 2017. Capital assets relating to the lease had a cost of \$107,280, and is fully depreciated for the year ended June 30, 2020.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments

Minimum annual principal and interest payments required to retire long-term debt, not including compensated absences payable are as follows:

Year Ending June 30,	General Obligation Bonds Payable		Lease Purchase Agreement	
	Principal	Interest	Principal	Interest
2021	\$ 5,185,000	\$ 3,962,206	\$ 220,101	\$ 118,661
2022	5,600,000	3,755,606	229,057	109,433
2023	5,880,000	3,528,606	239,148	99,829
2024	6,090,000	3,301,931	249,378	89,799
2025	6,310,000	3,052,506	259,756	79,341
2026 - 2030	29,170,000	12,268,481	1,027,000	262,338
2031 - 2035	30,665,000	7,705,281	640,000	82,866
2036 - 2039	25,855,000	2,353,800	-	-
Total	\$ 114,755,000	\$ 39,928,417	\$ 2,864,440	\$ 842,267

Year Ending June 30,	Capital Leases Payable		Certificates of Participation Payable	
	Principal	Interest	Principal	Interest
2021	\$ 148,603	\$ 9,643	\$ 130,000	\$ 106,713
2022	108,132	22,018	135,000	102,813
2023	111,555	18,595	140,000	98,763
2024	106,104	15,049	140,000	94,563
2025	81,677	12,489	145,000	88,963
2026 - 2030	438,743	32,085	825,000	359,588
2031 - 2035	-	-	960,000	222,330
2036 - 2039	-	-	440,000	33,250
Total	\$ 994,814 *	\$ 109,879	\$ 2,915,000	\$ 1,106,983

* Amount includes the full amount financed, however as of the end of the year \$256,795 was not spent.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2020:

Capital Leases	
Year Ending June 30,	Amount
2021	\$ 158,246
2022	130,150
2023	130,150
2024	121,153
2025	94,166
2026 - 2030	470,828
Total Minimum Lease Payments	1,104,693
Less: Amounts Representing Interest	(109,879)
Present Value of Net Minimum Lease Payments	\$ 994,814

C. Description of Long-Term Debt

Compensated Absences Payable

Compensated absences payable consists of unused vacation, sick leave bank and severance benefits payable to employees upon retirement. All benefits are paid by the General and Special Revenue Funds. Annual payments to retire the severance benefits liability have not been determined and will depend on actual employee turnover. Resources for the payment of compensated absences benefits payable included in long-term liabilities will be provided primarily by the General Fund.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

Arbitrage Rebate Liability

The Tax Reform Act of 1986 requires school districts and other governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986.

Certain bond issues of the District are subject to the arbitrage rebate requirements. However, management does not expect to incur any significant arbitrage rebate liability.

D. Changes in Long-Term Debt

	June 30, 2019	Net Additions	Retirements	June 30, 2020
Bonds Payable	\$ 119,550,000	\$ -	\$ 4,795,000	\$ 114,755,000
Bond Premium	4,678,496	-	576,035	4,102,461
Certificates of Participation				
Payable	3,040,000	-	125,000	2,915,000
Lease Purchase Agreement	2,926,713	-	62,273	2,864,440
Capital Lease Obligations				
Payable	205,454	588,136	55,571	738,019
Compensated Absences				
Payable	369,220	369,729	379,222	359,727
Total	\$ 130,769,883	\$ 957,865	\$ 5,993,101	\$ 125,734,647

NOTE 7 RESTRICTED AND ASSIGNED FUND BALANCE

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. Any such "restrictions" which have an accumulated deficit rather than a positive balance at June 30 are reported as a deficit balance because there is specific revenue authority under state accounting guidelines which will be utilized to eliminate the deficit. A description of these "deficit balance restrictions" is included herein since the District has specific statutory authority to levy taxes for such deficits.

Certain portions of fund balance are assigned as determined by Director of Finance and Operations. The authority to assign fund balance was provided by the Board of Education to the Director of Finance and Operations.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 RESTRICTED AND ASSIGNED FUND BALANCE (CONTINUED)

Restricted and assigned fund balances at June 30, 2020 are as follows:

A. Restricted for Gifted and Talented

Restricted for Gifted and Talented represents available resources in the General Fund to be used for gifted and talented programs.

B. Restricted for Basic Skills Program

Restricted for the Basic Skills Program represents accumulated resources available to be used for the basic skills program.

C. Restricted for Operating Capital

The District levies taxes and receives state aid to be used for the purchase of equipment, books, and vehicles and to purchase, rent, improve and repair school facilities as allowed by state statute. The cumulative excess of such revenues over equipment and facilities expenditures is reported as a restriction of fund balance in the General Fund.

D. Restricted for Safe Schools

Restricted for Safe Schools represents the unspent resources available from the safe schools levy.

E. Restricted for Community Education Programs

Restricted for Community Education Programs represents accumulated resources available to provide general community education programming.

F. Restricted for Early Childhood and Family Education Programs

Restricted for Early Childhood and Family Education Programs represents accumulated resources available to provide services for early childhood and family education programming.

G. Restricted for School Readiness

Restricted for School Readiness represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.

H. Restricted for Projects Funded by Certificates of Participation

Represents resources restricted for building projects funded by certificates of participation.

I. Restricted for Long-Term Facilities Maintenance (LTFM)

Represents available resources to be used for LTFM capital projects in accordance with the 10- year plan.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 RESTRICTED AND ASSIGNED FUND BALANCE (CONTINUED)

J. Restricted for Medical Assistance

Represents resources available to be used for medical assistance expenditures.

K. Restricted for Other Purposes

Restricted for Other Purposes represents amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation, such as building expenditures, community service, and debt payments.

Other Restricted:

Restricted for Food Service	\$ 531,348
Restricted for Community Service	56,330
Restricted for OPEB Debt Service	73,708
Restricted for Bond Payments	1,182,968
Total Other Restricted	<u>\$ 1,844,354</u>

NOTE 8 PENSION PLANS

A. Plan Description

The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA) and Teachers Retirement Fund (TRA). PERA's and TRA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's and TRA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

All full-time and certain part-time employees of the District, other than teachers, are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Teachers Retirement Fund (TRA)

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

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 PENSION PLANS (CONTINUED)

B. Benefits Provided

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

1. General Employees Plan Benefits

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

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50% of the cost of living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. 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. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. TRA Benefits

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

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier I Benefits

Tier 1	Step Rate Formula	Percentage
Basic	First Ten Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First Ten Years of Service are Up to July 1, 2006	1.2% per Year
	First Ten Years, If Service Years are July 1, 2006 or After	1.4% per Year
	All Other Years of Service If Service Years are Up to July 1, 2006	1.7% per Year
	All Other Years of Service If Services Years are July 1, 2006 or After	1.9% per Year

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) 3.0% 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

Tier II Benefits

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

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

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 PENSION PLANS (CONTINUED)

C. Contributions

1. General Employees Plan Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2020 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2020, were \$592,085. The District's contributions were equal to the required contributions as set by state statute.

2. TRA Contributions

Per *Minnesota Statutes*, Chapter 354 rates for the fiscal year for coordinated were 7.5% for the employee and 7.92% for the employer. Basic rates were 11.00% for the employee and 11.92% for the employer for the year ended June 30, 2020. The District's contributions to TRA for the plan's fiscal year ended June 30, 2020 were \$1,691,701. The District's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

1. General Employees Plan Pension Costs

At June 30, 2020, the District reported a liability of \$6,175,643 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 to the fund in 2019. 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 \$191,992, for a total net pension liability of \$6,367,635 associated with the District. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2019, the District's proportionate share was .1117% which was the same as its proportionate share measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$955,712 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$14,378 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Plan Pension Costs (Continued)

At June 30, 2020, the District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 171,150	\$ -
Changes in Actuarial Assumptions	-	485,409
Net Difference Between Projected and Actual Earnings	-	625,974
Changes in Proportion	211,276	-
District Contributions Subsequent to the Measurement Date	592,085	-
Total	<u>\$ 974,511</u>	<u>\$ 1,111,383</u>

\$592,085 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expenses Amount</u>
2021	\$ (169,698)
2022	(445,580)
2023	(123,632)
2024	9,953

2. TRA Pension Costs

At June 30, 2020 the District reported a liability of \$24,170,288 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was .3792% at the end of the measurement period and .3751% at the beginning of the period.

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	\$ 24,170,288
State's Proportionate Share of TRA's Net Pension Liability Associated with the District	2,138,997
Total	<u>\$ 26,309,285</u>

For the year ended June 30, 2020, the District recognized pension expense of \$5,265,032. It also recognized \$162,589 as an increase to pension expense and grant revenue for the support provided by direct aid.

At June 30, 2019, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 3,437	586,883
Changes in Actuarial Assumptions	20,340,314	32,065,026
Net Difference Between Projected and Actual Investment Earnings	-	2,002,982
Changes in Proportion	2,827,512	-
District Contributions Subsequent to the Measurement Date	1,691,701	-
Total	<u>\$ 24,862,964</u>	<u>\$ 34,654,891</u>

\$1,691,701 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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 Expenses Amount
2021	\$ 2,244,023
2022	733,520
2023	(8,455,682)
2024	(6,025,091)
2025	19,602

The District's total pension expense for all plans for the year ended June 30, 2020 was \$6,397,711.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 PENSION PLANS (CONTINUED)

E. Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	PERA	TRA
Inflation	2.50% per Year	2.50%
Salary Growth	3.25% per Year	2.85% for 10 years and 3.25%, thereafter
Investment Rate of Return	7.50%	7.50%

PERA Salary increases were based on a service-related table. PERA mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. PERA cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan.

Actuarial assumptions used in the PERA June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2019. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

TRA pre-retirement mortality rates were based on the RP-2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale. Post-retirement mortality rates were based on the RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

TRA assumptions are based on the full experience study dated June 2015 and the study of the economic assumptions presented to the Board in November 2017.

The following changes in actuarial assumptions for PERA occurred in 2019:

Changes in Actuarial Assumptions

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

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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

There were no changes in actuarial assumptions or plan provisions for TRA for the 2019 valuation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.5 %	5.10 %
International Equity	17.5	5.30
Fixed Income	20.0	0.75
Private Markets	25.0	5.90
Cash	2.0	-
Totals	100.0 %	

F. Discount Rate

The discount rate used to measure the PERA General Employees Plan liability in 2019 was 7.50%. 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 positions of the General Employees Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the TRA pension liability was 7.50%. There was no change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the fiscal year 2019 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 PENSION PLANS (CONTINUED)

G. Pension Liability Sensitivity

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

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
General Employees Plan Discount Rate	6.50%	7.50%	8.50%
District's Proportionate Share of the PERA Net Pension Liability	\$ 10,152,242	\$ 6,175,643	\$ 2,892,019
TRA Discount Rate	6.50%	7.50%	8.50%
District's Proportionate Share of the TRA Net Pension Liability	\$ 38,533,348	\$ 24,170,288	\$ 12,328,156

H. Pension Plan Fiduciary Net Position

Detailed information about General Employees Plan's fiduciary's net position is available in a separately-issued PERA financial report. That report may be obtained on the Internet at www.mnpera.org.

Detailed information about TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling 651- 296-2409 or 1-800-657-3669.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN

A. Plan Description

The District operates and administers a single-employer defined benefit other postemployment benefit plan (the Plan) that provides health and dental insurance to retired and active eligible employees and their spouses through the District's health insurance plan. There are 547 active participants and 36 retired participants along with 12 retired spouses. Benefit and eligibility provisions are established through negotiations between the District and various unions representing the District's employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial report.

B. Funding Policy

The District has assets restricted for OPEB. These assets are in a qualified irrevocable trust which are included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 3. The District is assumed to make no future contributions to the trust. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust. Contribution requirements are also negotiated between the District and union representatives. The District contributes \$0 to \$4,200 of the cost of current-year premiums for eligible retired plan members and their spouses. For fiscal year 2020, the District contributed \$-0- to the plan.

C. Net OPEB Liability of the District

The components of the net OPEB liability of the District at June 30, 2020, were as follows:

Total OPEB Liability	\$ 6,607,119
Plan Fiduciary Net Position	<u>1,987,555</u>
District's Net OPEB Liability	<u><u>\$ 4,619,564</u></u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.08%
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D. Actuarial Methods and Assumptions

The long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payments of benefits, to the extent that (1) the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return, and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions above are not met.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

The District's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques.

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	2.00%
	6.50% grading to 5.00% over 6 years
Health Care Trend Rates	years
Dental Trend Rates	4.00%

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2016, and other adjustments.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (or target allocation), if available) and by adding expected inflation (2.50%).

Best estimates of geometric real and nominal rates of return for each major asset class included in the OPEB plan's assets allocation as of the measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Domestic Equity	0.00%	0.00%
International Equity	0.00%	0.00%
Fixed Income	99.00%	2.00%
Real Estate and Alternatives	0.00%	0.00%
Cash and Equivalents	1.00%	1.00%
Net Assumed Investment Return (Weighted Avg, Rounded to 1/4%)	0.00%	2.00%

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The discount rate used to measure the total OPEB liability was 2.40%. The projection of cash flows and OPEB trust assets used to determine the discount rate were based on recent employer contribution history and their stated funding policy. The OPEB trusts' long-term assumed investment return was used to discount projected benefit payments for as long as projected trust assets are available to fund OPEB payments. Once projected trust assets are exhausted, the municipal bond index rate was applied to the remaining expected benefit payments.

The expected employer asset return is based on the long-term expected return on short-term/cash equivalent assets using our capital market assumption model.

Since the most recent GASB 74/75 valuation, the following changes have been made:

- An early retirement incentive for teachers was added.
- The health care trend rates, mortality tables, and salary increase rates were updated.
- The discount rate was changed from 3.10% to 2.40%.

E. Changes in the Net OPEB Liability

	Increase (Decrease)		Net OPEB Liability (Asset) (a) - (b)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	
Balances at June 30, 2019	\$ 6,545,174	\$ 2,139,336	\$ 4,405,838
Changes for the Year:			
Service Cost	565,542	-	565,542
Interest	216,868	-	216,868
Assumption Changes	(193,743)	-	(193,743)
Plan Changes	272,742	-	272,742
Differences Between Expected and Actual Experience	(567,850)	-	(567,850)
Contributions-Employer	-	42,594	(42,594)
Net Investment income	-	37,490	(37,490)
Benefit Payments	(231,614)	(231,614)	-
Administrative Expense	-	(251)	251
Net Changes	<u>61,945</u>	<u>(151,781)</u>	<u>213,726</u>
Balances at June 30, 2020	<u>\$ 6,607,119</u>	<u>\$ 1,987,555</u>	<u>\$ 4,619,564</u>

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate one percentage

	1% Decrease (1.40%)	Discount Rate (2.40%)	1% Increase (3.40%)
Net OPEB Liability	\$ 5,070,238	\$ 4,619,564	\$ 4,174,390

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability (Continued)

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (Medical 5.50% decreased to 4.00%, Dental 3.00%) or 1% point higher (Medical 7.50% decreasing to 6.00%, Dental 5.00%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (Medical 5.50% decreasing to 4.00% over 6 years, Dental 3.00%)	Current Trend Rates (Medical 6.50% decreasing to 5.00% over 6 years, Dental 4.00%)	1% Increase (Medical 7.50% decreasing to 6.00% over 6 years, Dental 5.00%)
Net OPEB Liability	\$ 3,774,250	\$ 4,619,564	\$ 5,633,883

For the year ended June 30, 2020, the District recognized OPEB expense of \$922,846. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	\$ 67,454	\$ 486,728
Change of Assumptions	60,754	231,942
Net Difference Between Projected and Actual Investment Earnings	10,081	-
Total	\$ 138,289	\$ 718,670

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.	Future Recognitor
2021	\$ (89,771)
2022	(93,202)
2023	(95,705)
2024	(96,256)
2025	(96,654)
Thereafter	(108,793)
	\$ (580,381)

NOTE 10 FLEXIBLE BENEFIT PLAN

The District has a flexible benefit plan which is classified as a "cafeteria plan" under Section 125 of the Internal Revenue Code. 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 pre-tax dollars withheld from payroll checks to the plan for health care and dependent care benefits.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 FLEXIBLE BENEFIT PLAN (CONTINUED)

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

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

Amounts withheld for medical reimbursement and dependent care are deposited into a separate District checking account on a monthly basis. All assets of the plan are held in a separate bank account, administered by an employee of the District. Payments are made by the District to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the participant.

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 eligible health care 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 JOINTLY GOVERNED ORGANIZATION

The Carver-Scott Educational Cooperative (Organization) was established in 1976. The educational cooperative provides, by a cooperative effort, programming and services from prenatal care through adult education. The education cooperative has eight member districts. Each member district shares in the cost of the programming and other charges for services. The cooperative is able to recover the cost of its programming through the previously mentioned revenue sources. The jointly governed Organization's financial statements are audited and available for inspection.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Federal and State Programs

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

Outstanding Contracts

The District had construction commitments in the amount of \$125,160 as of the end of the year.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DENTAL SELF-INSURANCE PLAN

The District maintains an Internal Service Fund to account for and finance a self-insurance program for dental benefits. Accordingly, the District has not purchased outside insurance for the risks of losses to which it is exposed. Instead, the District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for dental expenses. Participants in the program make premium payments to the fund based on the insurance premium.

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

There were no liabilities in excess of claims paid at June 30, 2020. There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$305,209 in cash and investments at June 30, 2020 for payment of claims.

Changes in the balance of claim liabilities during fiscal year 2020 and 2019 were as follows:

	Year Ended	
	2020	2019
Beginning of Fiscal Year Liability - Beginning of Year	\$ 11,412	\$ 9,814
Current Year Claims, Changes in Estimates and Other Charges	386,667	434,330
Current Year Claims Paid, Including an Estimate of Claims Incurred but Not Reported (IBNR)	(384,901)	(432,732)
End of Fiscal Year Liability - End of Year	\$ 13,178	\$ 11,412

NOTE 14 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters and workers compensation. The District is self-insured for employee related dental. The District is self-insured for property and casualty insurance through Minnesota Insurance Scholastic Trust.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 SUBSEQUENT EVENTS

Subsequent to year-end the District sold General Obligation Aid Anticipation Certificates of Indebtedness, Series 2020A in the amount of \$7,000,000 at an interest rate of 1.25% and it set to mature on September 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2020**

	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	\$ 565,542	\$ 531,265	\$ 499,655	\$ 413,072
Interest	216,868	210,296	188,177	173,853
Assumption Changes	(193,743)	85,058	(115,287)	-
Plan Changes	272,742	-	-	-
Differences Between Expected and Actual Experience	(567,850)	-	118,049	-
Benefit Payments	(231,614)	(243,601)	(216,893)	(234,747)
Net Change in Total OPEB Liability	61,945	583,018	473,701	352,178
Total OPEB Liability - Beginning	6,545,174	5,962,156	5,488,455	5,136,277
Total OPEB Liability - Ending (a)	<u>\$ 6,607,119</u>	<u>\$ 6,545,174</u>	<u>\$ 5,962,156</u>	<u>\$ 5,488,455</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ -	\$ -	\$ 66,893	\$ 84,747
Net Investment Income	37,490	46,783	48,262	43,719
Employer Contributions	42,594	-	-	-
Differences Between Expected and Actual Experience	-	(2,744)	-	-
Benefit Payments	(231,614)	(243,601)	(216,893)	(234,747)
Administrative Expenses	(251)	(250)	-	-
Net Change in Plan Fiduciary Net Position	(151,781)	(199,812)	(101,738)	(106,281)
Plan Fiduciary Net Position - Beginning	2,139,336	2,339,148	2,440,886	2,547,167
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,987,555</u>	<u>\$ 2,139,336</u>	<u>\$ 2,339,148</u>	<u>\$ 2,440,886</u>
District's Net OPEB Liability - Ending (a) - (b)	\$ 4,619,564	\$ 4,405,838	\$ 3,623,008	\$ 3,047,569
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.08%	32.69%	39.23%	44.47%
Covered Employee Payroll	\$ 28,301,847	\$ 27,608,850	\$ 26,804,709	\$ 22,691,454
District's Net OPEB Liability as a Percentage of Covered Employee Payroll	16.32%	15.96%	13.52%	13.43%

The District implemented GASB Statement Nos 74 and 75 in fiscal year 2017, and the above table will be expanded to 10 years of information as the information becomes available.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF MONEY WEIGHTED RATE OF RETURN ON PLAN ASSETS
LAST TEN YEARS**

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2020	2.00%
2019	2.00%
2018	2.00%
2017	1.70%

The District implemented GASB Statement Nos 74 and 75 in fiscal year 2017, and the above table will be expanded to 10 years of information as the information becomes available.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN MEASUREMENT DATES**

	Measurement Date <u>June 30, 2019</u>	Measurement Date <u>June 30, 2018</u>	Measurement Date <u>June 30, 2017</u>
PERA			
District's Proportion of the Net Pension Liability	0.1117%	0.1117%	0.1085%
District's Proportionate Share of the Net Pension Liability	\$ 6,175,643	\$ 6,196,658	\$ 6,926,568
State's Proportionate Share of the Net Pension Liability Associated with District	<u>191,992</u>	<u>203,325</u>	<u>87,118</u>
Pension Liability	\$ 6,367,635	\$ 6,399,983	\$ 7,013,686
District's Covered Payroll	\$ 7,911,760	\$ 7,576,040	\$ 7,031,866
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	78.06%	81.79%	98.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.20%	79.53%	75.90%
TRA			
District's Proportion of the Net Pension Liability	0.3792%	0.3751%	0.3578%
District's Proportionate Share of the Net Pension Liability	\$ 24,170,288	\$ 23,556,918	\$ 71,423,370
State's Proportionate Share of the Net Pension Liability Associated with District	<u>2,138,997</u>	<u>2,213,237</u>	<u>6,904,490</u>
Total District's and State's Proportionate Share of the Net Pension Liability	\$ 26,309,285	\$ 25,770,155	\$ 78,327,860
District's Covered Payroll	\$ 21,699,857	\$ 20,716,507	\$ 21,137,307
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	111.38%	113.71%	337.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.07%	78.07%	51.57%

Note: Information is presented prospectively and an accumulation of 10 years will be provided.

**WACONIA PUBLIC SCHOOLS
 INDEPENDENT SCHOOL DISTRICT NO. 110
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 LAST TEN MEASUREMENT DATES**

Measurement Date <u>June 30, 2016</u>	Measurement Date <u>June 30, 2015</u>	Measurement Date <u>June 30, 2014</u>
0.1014%	0.0987%	0.1038%
\$ 8,233,177	\$ 5,115,146	\$ 4,876,004
<u>107,503</u>	<u>-</u>	<u>-</u>
\$ 8,340,680	\$ 5,115,146	\$ 4,876,004
\$ 6,288,093	\$ 5,810,167	\$ 5,449,166
130.93%	88.04%	89.48%
68.91%	78.20%	78.70%
0.3408%	0.3228%	0.3445%
\$ 81,288,931	\$ 19,968,372	\$ 15,874,310
<u>8,159,126</u>	<u>2,449,348</u>	<u>1,116,630</u>
\$ 89,448,057	\$ 22,417,720	\$ 16,990,940
\$ 17,834,400	\$ 16,526,173	\$ 15,726,289
455.80%	120.83%	100.94%
44.88%	76.80%	81.50%

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
PERA			
Contractually Required Contribution	\$ 592,085	\$ 593,382	\$ 568,203
Contributions in Relation to the Contractually Required Contribution	<u>(592,085)</u>	<u>(593,382)</u>	<u>(568,203)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 7,894,467	\$ 7,911,760	\$ 7,576,040
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%
TRA			
Contractually Required Contribution	\$ 1,691,701	\$ 1,673,059	\$ 1,553,738
Contributions in Relation to the Contractually Required Contribution	<u>(1,691,701)</u>	<u>(1,673,059)</u>	<u>(1,553,738)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 21,359,861	\$ 21,699,857	\$ 20,716,507
Contributions as a Percentage of Covered Payroll	7.92%	7.71%	7.50%

Note: Information is presented prospectively and an accumulation of 10 years will be provided.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
LAST TEN FISCAL YEARS**

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 527,390	\$ 471,607	\$ 429,356	\$ 395,064
<u>(527,390)</u>	<u>(471,607)</u>	<u>(429,356)</u>	<u>(395,064)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,031,866	\$ 6,288,093	\$ 5,810,167	\$ 5,449,166
7.50%	7.50%	7.39%	7.25%
\$ 1,585,298	\$ 1,337,580	\$ 1,239,458	\$ 1,100,834
<u>(1,585,298)</u>	<u>(1,337,580)</u>	<u>(1,239,458)</u>	<u>(1,100,834)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,137,307	\$ 17,834,400	\$ 16,526,173	\$ 15,726,289
7.50%	7.50%	7.50%	7.00%

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS,
AND ASSUMPTIONS**

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the measurement period ended June 30:

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90.0% funding ratio to 50.0% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumptions

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for nonvested deferred member liability.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

2017 (Continued)

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.

2016

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

The following changes were reflected in the valuation performed on behalf of the Teachers Retirement Association for the measurement period ended June 30:

2019

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

- The investment return assumption was changed from 8.5% to 7.5%.
- The price inflation assumption was lowered from 3.0% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the Unfunded Actuarial Accrual Liability (UAAL) was reset to June 30, 2048 (30 years).
- The mechanism in the law that provided the TRA Board with some authority to set contribution rates was eliminated.

Changes in Plan Provisions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66 depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next four years, (7.92% in 2019, 8.13% in 2020, 8.55% in 2021, and 8.75% in 2022). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

2017

Changes in Actuarial Assumptions

- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0%, and the nonvested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The COLA was not assumed to increase to 2.5%, but remain at 2.0% for all future years.
- The price inflation assumption as lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for 10 years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions

- The cost of living adjustment was not assumed to increase (it remained at 2.0% for all future years).
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back six years, and female rates set back five years. Generational projection uses the MP-2015 scale.
- The post-retirement mortality assumption was changed to the RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustments.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

2015

Changes in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2037.
- The investment return assumption was changed from 8.25% to 8.0%.

Changes in Plan Provisions

- The Duluth Teachers Retirement Fund Association was merged into TRA on June 30, 2015. This also resulted in a state-provided contribution stream of \$14.377 million until the System becomes fully funded.

2014

Changes in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually once the legally specified criteria was met. This was estimated to occur July 1, 2031.

Changes in Plan Provisions

- The increase in the post-retirement benefit adjustment (COLA) will be made once the System is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

**NOTE 2 CHANGES IN SIGNIFICANT OTHER POSTEMPLOYMENT BENEFIT PLAN PROVISION,
ACTUARIAL METHODS, AND ASSUMPTIONS**

2020

- An early retirement incentive for teachers were added.
- The health care trend rates, mortality tables, and salary increase rates were updated.
- The discount rate was changed from 3.1% to 2.4%.

2019

- The expected long-term investment return was changed from 2.50% to 2.00%.
- The discount rate was changed from 3.30% to 3.10%.

2018

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality table was updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.
- The expected long-term investment return was changed from 2.40% to 2.50%.
- The discount rate was changed from 3.20% to 3.30%.

SUPPLEMENTARY INFORMATION

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
GENERAL FUND
BALANCE SHEET
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	2020	2019
ASSETS		
Cash and Investments	\$ 4,520,971	\$ 2,386,410
Receivables:		
Current Taxes	3,827,810	3,577,666
Delinquent Taxes	46,277	33,965
Accounts Receivable	279,345	78,061
Due from Other Minnesota School Districts	-	6,784
Due from Minnesota Department of Education	3,431,250	3,421,598
Due from Federal through the Minnesota Department of Education	35,740	-
Due from Other Governmental Units	64,500	153,285
Interest Receivable	-	774
Prepaid Items	40,035	90,882
	<u>\$ 12,245,928</u>	<u>\$ 9,749,425</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries Payable	\$ 3,472,614	\$ 3,580,063
Accounts and Contracts Payable	251,357	770,380
Due to Other Minnesota School Districts	77,211	148,483
Interest Payable	129,205	62,934
Due to Other Governmental Units	56,598	7,409
Short Term Indebtedness	7,000,000	4,985,000
Unearned Revenue	619,508	284,206
Total Liabilities	<u>11,606,493</u>	<u>9,838,475</u>
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	6,606,697	6,285,933
Unavailable Revenue - Delinquent Property Taxes	36,883	33,965
Total Deferred Inflows of Resources	<u>6,643,580</u>	<u>6,319,898</u>
Fund Balance:		
Nonspendable	40,035	90,882
Restricted for:		
Gifted and Talented	-	230
Operating Capital	187,218	431
Safe Schools	15,664	15,813
Long-Term Facilities Maintenance	2,980	3,157
Medical Assistance	8,583	6,985
Assigned for:		
Unassigned	(6,258,625)	(6,526,446)
Total Fund Balance	<u>(6,004,145)</u>	<u>(6,408,948)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 12,245,928</u>	<u>\$ 9,749,425</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	2020		Over (Under) Final Budget	2019
	Final Budget	Actual Amounts		Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 6,852,291	\$ 6,872,050	\$ 19,759	\$ 4,625,179
Earnings on Investments	80,000	63,196	(16,804)	10,130
Other	1,009,374	1,005,463	(3,911)	1,203,528
State Sources	38,218,351	37,757,831	(460,520)	36,125,653
Federal Sources	847,976	865,974	17,998	854,790
Total Revenues	47,007,992	46,564,514	(443,478)	42,819,280
EXPENDITURES				
Current:				
Administration:				
Salaries	938,577	954,564	15,987	943,875
Employee Benefits	302,829	375,395	72,566	315,222
Purchased Services	36,355	26,763	(9,592)	42,829
Supplies and Materials	26,339	9,190	(17,149)	17,352
Other Expenditures	34,810	35,538	728	39,212
Total Administration	1,338,910	1,401,450	62,540	1,358,490
District Support Services:				
Salaries	1,092,957	1,090,358	(2,599)	1,143,506
Employee Benefits	389,994	444,467	54,473	423,227
Purchased Services	253,900	233,940	(19,960)	314,337
Supplies and Materials	60,863	57,383	(3,480)	87,508
Capital Expenditures	3,530	-	(3,530)	175,593
Other Expenditures	8,325	13,049	4,724	14,554
Total District Support Services	1,809,569	1,839,197	29,628	2,158,725
Elementary and Secondary Regular Instruction:				
Salaries	14,511,527	14,791,676	280,149	15,199,084
Employee Benefits	4,667,678	4,938,027	270,349	4,740,120
Purchased Services	820,459	717,687	(102,772)	917,518
Supplies and Materials	728,017	510,378	(217,639)	772,400
Capital Expenditures	111,282	91,793	(19,489)	122,152
Other Expenditures	110,258	126,505	16,247	123,051
Total Elementary and Secondary Regular Instruction	20,949,221	21,176,066	226,845	21,874,325

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	2020		Over (Under) Final Budget	2019
	Final Budget	Actual Amounts		Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 290,007	\$ 368,213	\$ 78,206	\$ 303,564
Employee Benefits	100,764	128,626	27,862	102,868
Purchased Services	131,200	140,244	9,044	148,833
Supplies and Materials	30,955	31,208	253	32,956
Other Expenditures	1,887	-	(1,887)	-
Total Vocational Education Instruction	554,813	668,291	113,478	588,221
Special Education Instruction:				
Salaries	6,315,494	6,207,451	(108,043)	6,293,211
Employee Benefits	2,709,752	2,578,002	(131,750)	2,527,115
Purchased Services	226,013	272,964	46,951	231,919
Supplies and Materials	94,027	36,381	(57,646)	67,491
Capital Expenditures	8,027	7,433	(594)	636
Other Expenditures	5,600	7,971	2,371	9,332
Total Special Education Instruction	9,358,913	9,110,202	(248,711)	9,129,704
Instructional Support Services:				
Salaries	1,721,856	1,743,954	22,098	1,796,291
Employee Benefits	667,254	689,963	22,709	685,828
Purchased Services	233,930	169,726	(64,204)	195,015
Supplies and Materials	247,569	208,534	(39,035)	243,412
Capital Expenditures	124,420	98,240	(26,180)	103,049
Other Expenditures	17,200	11,533	(5,667)	12,984
Total Instructional Support Services	3,012,229	2,921,950	(90,279)	3,036,579
Pupil Support Services:				
Salaries	962,357	814,726	(147,631)	813,831
Employee Benefits	379,148	301,431	(77,717)	308,316
Purchased Services	2,981,933	2,896,210	(85,723)	3,039,137
Supplies and Materials	59,655	67,942	8,287	37,255
Capital Expenditures	6,100	1,856	(4,244)	-
Other Expenditures	4,700	3,804	(896)	4,937
Total Pupil Support Services	4,393,893	4,085,969	(307,924)	4,203,476

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	2020		Over	2019
	Final Budget	Actual Amounts	(Under) Final Budget	Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Sites and Buildings:				
Salaries	\$ 1,410,473	\$ 1,431,796	\$ 21,323	\$ 1,420,365
Employee Benefits	525,623	556,654	31,031	532,487
Purchased Services	1,237,064	1,217,162	(19,902)	1,574,380
Supplies and Materials	563,205	503,447	(59,758)	571,909
Capital Expenditures	540,966	1,255,571	714,605	3,177,022
Other Expenditures	61,362	69,197	7,835	58,508
Total Sites and Buildings	4,338,693	5,033,827	695,134	7,334,671
Fiscal and Other Fixed Cost Programs:				
Employee Benefits	207,144	-	(207,144)	158
Purchased Services	128,000	128,183	183	108,257
Total Fiscal and Other Fixed Costs Programs	335,144	128,183	(206,961)	108,415
Debt Service:				
Principal	425,218	116,641	(308,577)	243,328
Interest and Fiscal Charges	15,000	208,938	193,938	57,543
Total Debt Service	440,218	325,579	(114,639)	300,871
Total Expenditures	46,531,603	46,690,714	159,111	50,093,477
Excess (Deficiency) of Revenues Over (Under) Expenditures	476,389	(126,200)	(602,589)	(7,274,197)
OTHER FINANCING SOURCES (USES)				
Lease Purchase Agreement Proceeds	-	-	-	500,000
Sale of Capital Assets	200	200	-	3,604
Insurance Recovery Proceeds	-	5,245	5,245	-
Loan Redemption	-	-	-	160,699
Issuance of Capital Lease	-	588,136	588,136	-
Transfers Out	(75,000)	(62,578)	12,422	(70,621)
Total Other Financing Sources	(74,800)	531,003	605,803	593,682
Net Change in Fund Balance	\$ 401,589	404,803	\$ 3,214	(6,680,515)
FUND BALANCE				
Beginning of Year		(6,408,948)		271,567
End of Year		\$ (6,004,145)		\$ (6,408,948)

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
FOOD SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	2020	2019
ASSETS		
Cash and Investments	\$ 453,297	\$ 884,531
Receivables:		
Accounts Receivable	9,293	40
Due from Minnesota Department of Education	19,052	-
Due from Federal through the Minnesota Department of Education	230,770	974
Inventory	53,708	21,412
Total Assets	\$ 766,120	\$ 906,957
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Salaries Payable	\$ 55,400	\$ 78,345
Accounts and Contracts Payable	7,509	4,931
Unearned Revenue	118,155	48,406
Total Liabilities	181,064	131,682
Fund Balance:		
Nonspendable	53,708	21,412
Restricted for Food Service	531,348	753,863
Total Fund Balance	585,056	775,275
Total Liabilities and Fund Balance	\$ 766,120	\$ 906,957

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
FOOD SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	2020		Over (Under) Final Budget	2019
	Final Budget	Actual Amounts		Actual Amounts
REVENUES				
Local Sources:				
Earnings on Investments	\$ 15,000	\$ 9,740	\$ (5,260)	\$ 16,243
Other - Primarily Meal Sales	1,178,100	1,243,381	65,281	1,691,815
State Sources	169,703	116,247	(53,456)	121,380
Federal Sources	680,250	758,738	78,488	572,398
Total Revenues	<u>2,043,053</u>	<u>2,128,106</u>	<u>85,053</u>	<u>2,401,836</u>
EXPENDITURES				
Current:				
Salaries	777,457	864,298	86,841	816,977
Employee Benefits	399,047	429,566	30,519	385,177
Purchased Services	161,025	131,202	(29,823)	162,713
Supplies and Materials	876,250	859,562	(16,688)	1,015,888
Other Expenditures	7,500	7,040	(460)	3,773
Capital Outlay	124,000	26,657	(97,343)	32,408
Total Expenditures	<u>2,345,279</u>	<u>2,318,325</u>	<u>(26,954)</u>	<u>2,416,936</u>
Net Change in Fund Balance	<u>\$ (302,226)</u>	(190,219)	<u>\$ 112,007</u>	(15,100)
FUND BALANCE				
Beginning of Year		<u>775,275</u>		<u>790,375</u>
End of Year		<u>\$ 585,056</u>		<u>\$ 775,275</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
COMMUNITY SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	2020	2019
ASSETS		
Cash and Investments	\$ 689,376	\$ 892,116
Receivables:		
Current Taxes	149,667	125,179
Delinquent Taxes	2,066	1,838
Accounts Receivable	123,095	135,385
Due from Minnesota Department of Education	47,913	45,459
Prepaid Items	500	3,132
Total Assets	\$ 1,012,617	\$ 1,203,109
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries Payable	\$ 86,034	\$ 98,328
Accounts and Contracts Payable	133,552	59,613
Unearned Revenue	119,415	204,418
Total Liabilities	339,001	362,359
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	276,779	236,080
Unavailable Revenue - Delinquent Taxes	2,066	1,838
Total Deferred Inflows of Resources	278,845	237,918
Fund Balance:		
Nonspendable	500	3,132
Restricted for Community Education Programs	197,305	440,178
Restricted for Early Childhood and Family Education Programs	83,345	63,456
Restricted for School Readiness	57,291	44,165
Restricted for Community Service	56,330	51,901
Total Fund Balance	394,771	602,832
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,012,617	\$ 1,203,109

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
COMMUNITY SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	2020		Over (Under) Final Budget	2019
	Final Budget	Actual Amounts		Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 239,664	\$ 232,305	\$ (7,359)	\$ 219,258
Earnings on Investments	15,000	11,425	(3,575)	16,820
Other - Primarily Tuition and Fees	2,119,250	2,022,064	(97,186)	2,603,155
State Sources	368,128	406,078	37,950	402,881
Total Revenues	2,742,042	2,671,872	(70,170)	3,242,114
EXPENDITURES				
Current:				
Salaries	1,747,688	1,735,694	(11,994)	1,795,775
Employee Benefits	600,115	570,468	(29,647)	576,334
Purchased Services	535,511	452,753	(82,758)	642,063
Supplies and Materials	207,933	176,780	(31,153)	269,229
Other Expenditures	4,300	3,144	(1,156)	3,210
Capital Outlay	4,000	2,285	(1,715)	1,366
Debt Service:				
Principal	3,000	1,203	(1,797)	2,569
Interest and Fiscal Charges	-	184	184	152
Total Expenditures	3,102,547	2,942,511	(160,036)	3,290,698
Excess (Deficiency) of Revenues Over (Under) Expenditures	(360,505)	(270,639)	89,866	(48,584)
OTHER FINANCING SOURCES				
Transfer in	70,000	62,578	(7,422)	70,621
Net Change in Fund Balance	\$ (290,505)	(208,061)	\$ 82,444	22,037
FUND BALANCE				
Beginning of Year		602,832		580,795
End of Year		\$ 394,771		\$ 602,832

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
BALANCE SHEET
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	2020	2019
ASSETS		
Cash and Investments	\$ 60,413	\$ 1,114,866
Due from Other Governmental Units	-	106,756
Total Assets	\$ 60,413	\$ 1,221,622
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts and Contracts Payable	\$ 84,445	\$ 325,469
Due to Other Governmental Units	-	114
Total Liabilities	84,445	325,583
Fund Balance		
Restricted for Projects Funded by COP	-	896,039
Unassigned Fund Balance	(24,032)	-
Total Fund Balance	(24,032)	896,039
Total Fund Liabilities and Fund Balance	\$ 60,413	\$ 1,221,622

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	2020		Over (Under) Final Budget	2019
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
REVENUES				
Local Sources:				
Earnings on Investments	\$ -	\$ 506	\$ 506	\$ 8,523
Other	182,019	188,594	6,575	-
Total Revenues	<u>182,019</u>	<u>189,100</u>	<u>7,081</u>	<u>8,523</u>
EXPENDITURES				
Current:				
Purchased Services	-	-	-	4,622
Sights and Buildings	422,000	74,459	(347,541)	731,666
Capital Outlay	<u>1,032,527</u>	<u>1,034,712</u>	<u>2,185</u>	<u>671,832</u>
Total Expenditures	<u>1,454,527</u>	<u>1,109,171</u>	<u>(345,356)</u>	<u>1,408,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,272,508)	(920,071)	352,437	(1,399,597)
OTHER FINANCING SOURCES (USES)				
Lease Purchase Agreement Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,421,650</u>
Net Change in Fund Balance	<u>\$ (1,272,508)</u>	<u>(920,071)</u>	<u>\$ 352,437</u>	<u>1,022,053</u>
Beginning of Year		<u>896,039</u>		<u>(126,014)</u>
End of Year		<u>\$ (24,032)</u>		<u>\$ 896,039</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	2020	2019
ASSETS		
Cash and Investments	\$ 5,122,004	\$ 5,368,604
Receivables:		
Current Taxes	4,947,542	4,597,207
Delinquent Taxes	65,213	55,174
Accounts and Interest Receivable	-	155
Due from Minnesota Department of Education	62,607	49,136
	\$ 10,197,366	\$ 10,070,276
 DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	\$ 8,949,185	\$ 8,537,979
Unavailable Revenue - Delinquent Taxes	65,213	55,174
Total Deferred Inflows of Resources	9,014,398	8,593,153
Fund Balance:		
Restricted for Debt Service	1,182,968	1,477,123
Total Deferred Inflows of Resources and Fund Balance	\$ 10,197,366	\$ 10,070,276

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	2020		Over (Under) Final Budget	2019
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
REVENUES				
Local Sources:				
Property Tax	\$ 8,287,615	\$ 8,273,617	\$ (13,998)	\$ 7,031,632
Earnings on Investments	20,000	67,647	47,647	74,838
State Sources	626,264	626,056	(208)	492,268
Total Revenues	<u>8,933,879</u>	<u>8,967,320</u>	<u>33,441</u>	<u>7,598,738</u>
EXPENDITURES				
Debt Service:				
Bond Principal	4,982,273	4,920,000	(62,273)	3,780,000
Bond Interest	4,361,132	4,341,475	(19,657)	4,479,829
Bond Issuance Costs	-	-	-	94,585
Total Expenditures	<u>9,343,405</u>	<u>9,261,475</u>	<u>(81,930)</u>	<u>8,354,414</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(409,526)	(294,155)	115,371	(755,676)
Issuance of Refunding Bonds	-	-	-	7,105,000
Lease Purchase Agreement Proceeds	-	-	-	86,350
Bond Premium	-	-	-	305,242
Payment to Refunded Bond Escrow Agent	-	-	-	(7,240,000)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,592</u>
Net Change in Fund Balance	<u>\$ (409,526)</u>	(294,155)	<u>\$ 115,371</u>	(499,084)
Fund Balance - Beginning of Year		<u>1,477,123</u>		<u>1,976,207</u>
FUND BALANCE - END OF YEAR		<u>\$ 1,182,968</u>		<u>\$ 1,477,123</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
YEAR ENDED JUNE 30, 2020**

01 GENERAL FUND

	Audit	UFARS	Difference
Total Revenues	\$ 46,569,759	\$ 46,569,756	\$ 3
Total Expenditures	\$ 46,690,714	\$ 46,690,714	\$ -
<i>Nonspendable:</i>			
460 Nonspendable	\$ 40,035	\$ 40,035	\$ -
<i>Restricted:</i>			
403 Staff Development	\$ -	\$ -	\$ -
405 Deferred Maintenance	\$ -	\$ -	\$ -
406 Health & Safety *	\$ -	\$ -	\$ -
407 Capital Project Levy	\$ -	\$ -	\$ -
408 Cooperative Rev.	\$ -	\$ -	\$ -
414 Operating Debt	\$ -	\$ -	\$ -
416 Levy Reduction	\$ -	\$ -	\$ -
423 Certain Teacher Programs	\$ -	\$ -	\$ -
424 Operating Capital	\$ 187,218	\$ 187,218	\$ -
426 \$25 Taconite	\$ -	\$ -	\$ -
427 Disabled Accessibility	\$ -	\$ -	\$ -
428 Learning & Development	\$ -	\$ -	\$ -
434 Area Learning Center	\$ -	\$ -	\$ -
435 Contracted Alt. Programs	\$ -	\$ -	\$ -
436 St. Approved Alt. Prog.	\$ -	\$ -	\$ -
438 Gifted & Talented	\$ -	\$ -	\$ -
441 Basic Skills	\$ -	\$ -	\$ -
445 Career and Tech, Programs	\$ -	\$ -	\$ -
446 First Grade Preparedness	\$ -	\$ -	\$ -
449 Safe Schools Levy	\$ 15,664	\$ 15,664	\$ -
450 Pre-Kindergarten	\$ -	\$ -	\$ -
451 QZAB Payments	\$ -	\$ -	\$ -
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -
453 Unfunded Sev & Retirement Levy	\$ -	\$ -	\$ -
464 Other Purposes	\$ -	\$ -	\$ -
467 LTFM	\$ 2,980	\$ 2,980	\$ -
472 Medical Assistance	\$ 8,583	\$ 8,583	\$ -
<i>Committed:</i>			
418 Committed for Severance	\$ -	\$ -	\$ -
461 Committed	\$ -	\$ -	\$ -
<i>Assigned:</i>			
462 Assigned	\$ -	\$ -	\$ -
<i>Unassigned:</i>			
422 Unassigned *	\$ (6,258,625)	\$ (6,258,628)	\$ 3

02 FOOD SERVICE

Total Revenues	\$ 2,128,106	\$ 2,128,103	\$ 3
Total Expenditures	\$ 2,318,325	\$ 2,318,322	\$ 3
<i>Nonspendable:</i>			
460 Nonspendable	\$ 53,708	\$ 53,708	\$ -
<i>Restricted:</i>			
452 OPEB Liability Not In Trust	\$ -	\$ -	\$ -
464 Other Purposes	\$ 531,348	\$ 531,349	\$ (1)
<i>Unassigned:</i>			
463 Unassigned	\$ -	\$ -	\$ -

04 COMMUNITY SERVICE

Total Revenues	\$ 2,671,872	\$ 2,671,871	\$ 1
Total Expenditures	\$ 2,942,511	\$ 2,942,512	\$ (1)
<i>Nonspendable:</i>			
460 Nonspendable	\$ 500	\$ 500	\$ -
<i>Restricted:</i>			
426 \$25 Taconite	\$ -	\$ -	\$ -
431 Community Education	\$ 197,305	\$ 197,305	\$ -
432 E. C. F. E.	\$ 83,345	\$ 83,345	\$ -
444 School Readiness	\$ 57,291	\$ 57,291	\$ -
447 Adult Basic Education	\$ -	\$ -	\$ -
452 OPEB Liability Not In Trust	\$ -	\$ -	\$ -
464 Other Purposes	\$ 56,330	\$ 56,330	\$ -
<i>Unassigned:</i>			
463 Unassigned	\$ -	\$ -	\$ -

06 BUILDING CONSTRUCTION

	Audit	UFARS	Difference
Total Revenues	\$ 189,100	\$ 189,101	\$ (1)
Total Expenditures	\$ 1,109,171	\$ 1,109,170	\$ 1
<i>Nonspendable:</i>			
460 Nonspendable	\$ -	\$ -	\$ -
<i>Restricted:</i>			
407 Capital Projects Levy	\$ -	\$ -	\$ -
409 Alternative Fac. Program	\$ -	\$ -	\$ -
413 Project Funded by COP	\$ -	\$ -	\$ -
467 LTFM *	\$ -	\$ -	\$ -
464 Other Purposes	\$ -	\$ -	\$ -
<i>Unassigned:</i>			
463 Unassigned	\$ (24,032)	\$ (24,033)	\$ 1

07 DEBT SERVICE

Total Revenues	\$ 8,967,366	\$ 8,967,368	\$ (2)
Total Expenditures	\$ 9,261,475	\$ 9,261,475	\$ -
<i>Restricted/Reserved:</i>			
425 Bond Refundings	\$ -	\$ -	\$ -
451 QZAB Payments	\$ -	\$ -	\$ -
464 Other Purposes	\$ 1,182,968	\$ 1,182,968	\$ -
<i>Unassigned:</i>			
463 Unassigned	\$ -	\$ -	\$ -

08 TRUST

Total Revenues	\$ 9,873	\$ 9,873	\$ -
Total Expenditures	\$ 14,694	\$ 14,694	\$ -
<i>Unassigned:</i>			
422 Unassigned	\$ 110,194	\$ 110,194	\$ -

09 AGENCY

<i>Unassigned: Should Always Be -0-</i>			
422 Unassigned	\$ -	\$ -	\$ -

20 INTERNAL SERVICE

Total Revenues	\$ 391,594	\$ 391,593	\$ 1
Total Expenditures	\$ 386,667	\$ 386,667	\$ -
<i>Unassigned:</i>			
422 Unassigned	\$ 292,031	\$ 292,031	\$ -

25 OPEB REVOCABLE TRUST

Total Revenues	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
<i>Unassigned:</i>			
422 Unassigned	\$ -	\$ -	\$ -

45 OPEB IRREVOCABLE TRUST

Total Revenues	\$ 80,083	\$ 80,084	\$ (1)
Total Expenditures	\$ 231,864	\$ 231,864	\$ -
<i>Unassigned:</i>			
422 Unassigned	\$ 1,987,555	\$ 1,987,555	\$ -

47 OPEB DEBT SERVICE

Total Revenues	\$ 857	\$ 857	\$ -
Total Expenditures	\$ -	\$ -	\$ -
<i>Restricted:</i>			
464 Other Purposes	\$ 73,708	\$ 73,708	\$ -
<i>Unassigned:</i>			
463 Unassigned	\$ -	\$ -	\$ -

STATISTICAL SECTION



This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the School District's financial information and well-being have changed over time.</i>	94
Revenue Capacity <i>These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.</i>	98
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.</i>	101
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.</i>	106
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.</i>	108

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in										
Capital Assets	\$ 8,199,555	\$ 8,822,028	\$ 10,007,409	\$ 11,389,031	\$ 11,321,128	\$ 11,479,331	\$ 5,807,583	\$ 9,332,523	\$ 13,506,358	\$ 13,856,029
Restricted	3,467,301	3,953,961	4,093,260	4,328,408	4,204,312	4,285,034	9,227,653	3,754,280	2,324,638	1,196,338
Unrestricted	5,977,880	6,266,080	5,998,858	4,637,153	(18,140,747)	(18,469,465)	(35,151,274)	(51,338,107)	(48,228,822)	(52,097,399)
Total Net Position	\$ 17,644,736	\$ 19,042,069	\$ 20,099,527	\$ 20,354,592	\$ (2,615,307)	\$ (2,705,100)	\$ (20,116,038)	\$ (38,251,304)	\$ (32,397,826)	\$ (37,045,032)

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
Administration	\$ 1,100,028	\$ 1,105,937	\$ 1,185,292	\$ 1,579,237	\$ 1,256,052	\$ 1,350,014	\$ 1,852,247	\$ 1,939,952	\$ 1,088,388	\$ 1,727,419
District Support Services	870,878	939,357	1,047,117	1,440,407	1,398,057	1,660,958	1,758,135	2,046,209	2,027,108	1,978,334
Regular Instruction	15,371,902	16,503,443	17,594,355	19,036,578	20,273,422	21,900,480	32,057,885	33,078,753	20,240,223	28,868,573
Vocational Education Instruction	270,848	346,349	413,364	408,882	362,110	417,813	735,232	910,035	388,526	732,344
Special Education Instruction	4,389,411	4,882,438	5,056,191	5,606,463	5,836,488	6,795,348	9,590,186	11,130,575	7,324,225	10,279,492
Instructional Support Services	1,846,279	2,225,156	2,859,057	2,567,694	2,495,627	3,712,399	4,233,473	3,997,066	1,782,424	3,261,940
Pupil Support Services	2,573,202	2,884,822	2,839,968	2,944,890	3,050,299	3,263,934	3,848,279	4,042,178	3,965,866	4,276,406
Sites and Buildings	3,031,451	3,106,461	3,353,103	3,516,280	3,671,230	2,520,701	3,941,604	4,395,830	4,573,584	5,152,061
Fiscal and Other Fixed Cost Programs	192,066	70,967	87,149	89,735	93,455	89,127	94,107	102,927	108,415	95,320
Food Service	1,442,769	1,596,415	1,668,132	1,817,156	1,807,800	1,973,210	2,436,628	2,454,281	2,403,003	2,315,111
Community Service	2,205,171	2,326,715	2,429,624	2,719,357	2,639,812	2,726,005	3,144,737	3,448,464	3,117,378	3,088,355
Interest and Fiscal Charges on										
Long-Term Liabilities	2,330,186	2,256,513	2,198,818	2,207,947	4,335,993	4,046,110	3,680,423	3,776,533	4,675,200	3,830,421
Total Governmental Activities Expenses	<u>\$ 35,624,191</u>	<u>\$ 38,244,573</u>	<u>\$ 40,732,170</u>	<u>\$ 43,934,626</u>	<u>\$ 47,220,345</u>	<u>\$ 50,456,099</u>	<u>\$ 67,372,936</u>	<u>\$ 71,322,803</u>	<u>\$ 51,694,340</u>	<u>\$ 65,605,776</u>
Program Revenues										
Governmental Activities										
Charges for Services:										
Food Service	\$ 1,183,612	\$ 1,189,315	\$ 1,281,673	\$ 1,352,011	\$ 1,393,706	\$ 1,415,847	\$ 1,496,562	\$ 1,621,940	\$ 1,691,815	\$ 1,240,881
Community Service	1,798,990	1,979,716	2,004,843	2,270,370	1,971,744	2,075,431	2,253,114	2,467,907	2,602,932	2,021,364
Other	615,187	674,943	739,164	762,736	800,970	862,260	914,096	857,144	1,146,296	817,794
Operating Grants and Contributions	5,498,633	4,939,508	6,075,020	6,216,007	7,102,480	7,922,878	8,208,183	8,332,639	7,952,867	10,744,917
Capital Grants and Contributions	250,639	297,358	376,121	413,101	585,575	577,212	589,518	671,772	705,430	871,774
Total Program Revenues - Governmental Activities	<u>\$ 9,347,061</u>	<u>\$ 9,080,840</u>	<u>\$ 10,476,821</u>	<u>\$ 11,014,225</u>	<u>\$ 11,854,475</u>	<u>\$ 12,853,628</u>	<u>\$ 13,461,473</u>	<u>\$ 13,951,402</u>	<u>\$ 14,099,340</u>	<u>\$ 15,696,730</u>
Net (Expense) Revenue - Governmental Activities	<u>\$ (26,277,130)</u>	<u>\$ (29,163,733)</u>	<u>\$ (30,255,349)</u>	<u>\$ (32,920,401)</u>	<u>\$ (35,365,870)</u>	<u>\$ (37,602,471)</u>	<u>\$ (53,911,463)</u>	<u>\$ (57,371,401)</u>	<u>\$ (37,595,000)</u>	<u>\$ (49,909,046)</u>
General Revenues										
Governmental Activities										
Property Taxes:										
General Purposes	\$ 6,229,595	\$ 4,498,275	\$ 4,414,769	\$ 2,726,754	\$ 4,112,294	\$ 3,887,676	\$ 3,959,064	\$ 3,866,547	\$ 4,657,153	\$ 6,874,968
Community Service	389,064	277,905	287,475	151,055	261,112	269,568	247,167	251,468	219,673	232,533
Debt Service	4,864,402	5,129,084	5,540,861	5,744,570	6,038,486	6,839,549	6,971,121	7,144,236	7,394,571	8,282,591
Unrestricted Grants and Contributions	17,254,595	20,541,626	20,950,725	24,248,424	24,551,090	26,062,381	28,649,861	27,613,061	28,968,648	29,522,767
Unrestricted Investment Earnings	9,063	9,920	15,896	21,596	45,007	263,181	304,783	233,724	136,444	157,250
Gain on Sale of Capital Assets	-	3,300	-	-	-	2,800	2,150	12,450	3,604	200
Miscellaneous	103,083	100,954	103,083	283,067	123,958	187,523	131,764	114,649	45,330	191,531
Total General Revenues - Governmental Activities	<u>\$ 28,849,802</u>	<u>\$ 30,561,064</u>	<u>\$ 31,312,809</u>	<u>\$ 33,175,466</u>	<u>\$ 35,131,947</u>	<u>\$ 37,512,678</u>	<u>\$ 40,265,910</u>	<u>\$ 39,236,135</u>	<u>\$ 41,425,423</u>	<u>\$ 45,261,840</u>
Change in Net Position	\$ 2,572,672	\$ 1,397,331	\$ 1,057,460	\$ 255,065	\$ (233,923)	\$ (89,793)	\$ (13,645,553)	\$ (18,135,266)	\$ 3,830,423	\$ (4,647,206)
Net Position - Beginning of Year	15,072,064	17,644,736	19,042,067	20,099,527	20,354,592	(2,615,307)	(2,705,100)	(20,116,038)	(38,251,304)	(32,397,826)
Prior Period Restatement	-	-	-	-	-	-	(1,111,887)	-	2,023,055	-
Change in Accounting Principle	-	-	-	-	(22,735,976)	-	(2,653,498)	-	-	-
Net Position - End of Year	<u>\$ 17,644,736</u>	<u>\$ 19,042,067</u>	<u>\$ 20,099,527</u>	<u>\$ 20,354,592</u>	<u>\$ (2,615,307)</u>	<u>\$ (2,705,100)</u>	<u>\$ (20,116,038)</u>	<u>\$ (38,251,304)</u>	<u>\$ (32,397,826)</u>	<u>\$ (37,045,032)</u>

Source: District Financial Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 10,892	\$ 11,462	\$ 7,411	\$ 30,797	\$ 29,399	\$ 21,030	\$ 92,523	\$ 51,369	\$ 90,882	\$ 40,035
Restricted	2,392,450	2,396,543	2,173,758	2,371,508	2,553,214	2,374,590	2,167,880	2,023,502	26,616	214,445
Assigned	1,076,930	1,076,930	1,025,180	678,866	626,930	453,109	250,000	-	-	-
Unassigned	4,594,704	4,807,434	4,504,155	3,785,963	3,683,372	3,369,412	2,033,058	(1,803,304)	(6,526,446)	(6,258,625)
Total General Fund	<u>8,074,976</u>	<u>8,292,369</u>	<u>7,710,504</u>	<u>6,867,134</u>	<u>6,892,915</u>	<u>6,218,141</u>	<u>4,543,461</u>	<u>271,567</u>	<u>(6,408,948)</u>	<u>(6,004,145)</u>
All Other Governmental Funds										
Nonspendable	12,928	72,251	65,833	72,828	37,272	41,854	29,500	8,357	24,544	54,208
Restricted For:										
Food Service Fund	669,659	724,002	831,220	920,715	1,033,440	1,065,404	861,207	785,253	753,863	531,348
Community Service Fund	217,678	418,366	533,101	602,181	615,885	570,345	568,447	577,560	599,700	394,271
Capital Projects Fund	-	-	353,591	22,306	68,507,316	41,094,378	10,154,422	-	896,039	-
Debt Service Fund	989,488	1,036,200	1,166,346	1,032,370	1,139,801	1,457,167	1,835,588	1,976,207	1,477,123	1,182,968
OPEB Debt Service Fund	48,714	64,072	77,432	78,279	83,570	84,677	76,438	73,387	72,851	73,708
Unassigned	-	-	-	-	-	(1,001,368)	-	(126,014)	-	(24,032)
Total Other Funds	<u>1,938,467</u>	<u>2,314,891</u>	<u>3,027,523</u>	<u>2,728,679</u>	<u>71,417,284</u>	<u>43,312,457</u>	<u>13,525,602</u>	<u>3,294,750</u>	<u>3,824,120</u>	<u>2,212,471</u>
Total All Funds	<u>\$ 10,013,443</u>	<u>\$ 10,607,260</u>	<u>\$ 10,738,027</u>	<u>\$ 9,595,813</u>	<u>\$ 78,310,199</u>	<u>\$ 49,530,598</u>	<u>\$ 18,069,063</u>	<u>\$ 3,566,317</u>	<u>\$ (2,584,828)</u>	<u>\$ (3,791,674)</u>

Note: The District implemented GASB Statement 54 in 2011. Fund Balance descriptions and amounts have been restated for the current and prior years to comply with the new standards.

Source: District Financial Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Local Sources:										
Property Taxes	\$ 11,535,689	\$ 9,908,566	\$ 10,272,700	\$ 8,707,235	\$ 10,436,307	\$ 11,016,257	\$ 11,177,391	\$ 11,269,111	\$ 12,219,836	\$ 15,377,972
Earnings on Investments	8,869	9,700	15,582	21,182	44,555	261,954	302,534	228,324	129,831	153,371
Other	3,701,574	3,950,052	4,155,371	4,696,441	4,304,684	4,546,702	4,815,133	5,064,200	5,498,498	4,459,502
State Sources	21,030,054	24,549,861	26,204,247	29,689,450	30,991,185	32,885,187	34,654,150	34,834,094	37,144,877	38,906,212
Federal Sources	1,973,111	1,228,631	1,166,407	1,156,870	936,799	1,391,504	1,422,817	1,446,504	1,427,188	1,624,712
Total Revenues	38,249,297	39,646,810	41,814,307	44,271,178	46,713,530	50,101,604	52,372,025	52,842,233	56,420,230	60,521,769
Expenditures										
Current:										
Administration	979,092	993,502	1,035,149	1,092,204	1,130,873	1,197,254	1,239,950	1,303,289	1,358,490	1,401,450
District Support Services	859,786	906,629	1,005,467	1,371,248	1,426,491	1,556,443	1,770,509	1,925,605	1,983,132	1,839,197
Regular Instruction	12,563,078	13,799,078	14,904,458	16,141,927	17,431,103	18,652,690	19,844,921	20,802,447	21,752,173	21,084,273
Vocational Education Instruction	263,981	351,926	411,202	401,909	350,479	407,835	562,394	711,686	588,221	668,291
Special Education Instruction	4,381,756	4,898,550	5,048,730	5,577,461	5,726,449	6,639,325	7,633,556	8,527,165	9,129,068	9,102,769
Instructional Support Services	1,746,635	1,899,754	2,003,611	2,096,528	2,346,130	2,494,787	2,715,986	2,923,134	2,933,530	2,823,710
Pupil Support Services	2,559,808	2,874,658	2,836,515	2,940,686	3,050,469	3,223,789	3,488,037	3,719,856	4,203,476	4,084,113
Sites and Buildings	2,404,040	2,429,479	3,063,647	3,184,939	3,143,645	3,290,769	3,794,790	3,868,754	4,157,649	3,778,256
Fiscal and Other Fixed Cost Programs	70,677	70,967	87,149	89,735	93,455	89,127	94,107	102,927	108,415	128,183
Food Service	1,413,208	1,520,520	1,631,378	1,769,267	1,799,296	1,916,419	2,238,850	2,326,242	2,384,528	2,291,668
Community Service	2,184,509	2,297,532	2,394,753	2,697,221	2,524,264	2,686,815	2,860,741	3,151,633	3,286,611	2,938,839
Capital Outlay	1,584,512	1,419,387	3,447,552	2,055,557	7,252,922	27,943,691	38,753,620	23,414,733	5,020,346	2,593,006
Debt Service:										
Principal	2,811,727	3,186,567	3,654,532	4,316,620	4,464,683	4,805,808	2,930,067	3,290,498	4,355,897	5,037,844
Interest and Fiscal Charges	2,639,590	2,407,744	2,331,607	2,249,541	4,195,008	4,396,256	3,997,347	4,001,264	4,557,799	4,550,597
Bond Issuance Costs	-	-	-	-	294,269	48,955	137,322	179,507	94,585	-
Total Expenditures	36,462,399	39,056,293	43,855,750	45,984,843	55,229,536	79,349,963	92,062,197	80,248,740	65,913,920	62,322,196
Excess (Deficiency) of Revenues Over Expenditures	1,786,898	590,517	(2,041,443)	(1,713,665)	(8,516,006)	(29,248,359)	(39,690,172)	(27,406,507)	(9,493,690)	(1,800,427)
Other Financing Sources (Uses)										
Sale of Equipment Proceeds	1,856	3,300	-	6,381	2,839	2,800	2,150	12,450	3,604	200
Sale of Real Property Proceeds	-	-	-	-	-	-	-	-	-	-
Insurance Recovery Proceeds	-	-	4,604	2,955	-	-	-	-	-	5,245
Issuance of Bonds	4,105,000	-	1,435,000	-	75,000,000	-	8,565,000	12,330,000	7,105,000	-
Issuance of Refunding Bonds	-	-	-	-	17,555,000	6,830,000	-	-	-	-
Issuance of Capital Lease	-	-	698,428	221,015	42,462	-	399,154	-	-	588,136
Lease Purchase Agreement Proceeds	-	-	-	-	-	-	-	-	3,008,000	-
Bond Premium	169,236	-	34,178	341,100	4,915,091	595,958	374,220	561,311	305,242	-
Payment to Refunded Bond Escrow Agent	(4,240,000)	-	-	-	(20,285,000)	(6,960,000)	-	-	(7,240,000)	-
Transfers In	-	-	32,889	-	22,316	-	-	74,515	70,621	62,578
Transfers Out	-	-	(32,889)	-	(22,316)	-	-	(74,515)	(70,621)	(62,578)
Total Other Financings Sources (Uses)	36,092	3,300	2,172,210	571,451	77,230,392	468,758	9,340,524	12,903,761	3,342,545	593,581
Net Change in Fund Balances	1,822,990	593,817	130,767	(1,142,214)	68,714,386	(28,779,601)	(30,349,648)	(14,502,746)	(6,151,145)	(1,206,846)
Fund Balance - Beginning of Year	8,190,453	10,013,443	10,607,260	10,738,027	9,595,813	78,310,199	49,530,598	18,069,063	3,566,317	(2,584,828)
Prior Period Restatement	-	-	-	-	-	-	(1,111,887)	-	-	-
Fund Balance - Beginning of Year, As Restated	8,190,453	10,013,443	10,607,260	10,738,027	9,595,813	78,310,199	48,418,711	18,069,063	3,566,317	(2,584,828)
Fund Balance - End of Year	\$ 10,013,443	\$ 10,607,260	\$ 10,738,027	\$ 9,595,813	\$ 78,310,199	\$ 49,530,598	\$ 18,069,063	\$ 3,566,317	\$ (2,584,828)	\$ (3,791,674)
Debt Service as a Percentage of Noncapital Expenditures	15.4%	15.4%	15.6%	14.9%	16.4%	17.9%	13.0%	12.8%	14.8%	15.8%

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Payable Year	Tax Capacity Valuation						Referendum Taxable Market Value	Tax Capacity as a Percentage of Market Value	Total Direct Tax Rate
	Agricultural Property	Non Agricultural Property	Personal Property	Tax Increment Property	Fiscal Disparities Program	Total Taxable			
2011	\$ 1,809,232	\$ 21,051,341	\$ 289,194	\$ (157,379)	\$ 296,624	\$ 23,289,012	\$ 1,894,037,350	1.23 %	31.14 %
2012	1,707,109	19,565,682	341,130	(123,976)	362,054	21,851,999	1,845,055,600	1.18	34.38
2013	1,842,076	17,964,750	367,764	(107,544)	374,330	20,441,376	1,707,374,400	1.20	38.50
2014	2,095,462	18,389,803	375,380	(228,320)	387,952	21,020,277	1,782,697,550	1.18	36.31
2015	2,196,803	20,653,626	419,878	(254,853)	430,858	23,446,312	2,005,291,250	1.17	35.25
2016	2,176,839	22,153,658	477,026	(281,244)	419,288	24,945,567	2,144,821,250	1.16	33.23
2017	2,189,162	23,061,834	559,156	(299,378)	600,524	26,111,298	2,223,889,450	1.17	31.24
2018	2,227,680	24,792,705	618,412	(279,894)	612,250	27,971,153	2,382,642,150	1.17	33.49
2019	2,218,418	26,420,240	634,578	(288,407)	790,768	29,775,597	2,523,728,850	1.18	33.80
2020	2,257,364	29,102,807	605,778	(323,813)	971,797	32,613,933	2,751,255,700	1.19	33.80

Source: State of Minnesota School Tax Report, Carver County Auditor

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
GOVERNMENTAL UNIT										
ISD No. 110 (Waconia)	31.143%	34.382%	38.504%	36.307%	35.252%	33.233%	31.235%	33.492%	33.800%	32.269%
ISD No. 110 (Waconia) Referendum Value	0.170	0.134	0.160	0.137	0.124	0.125	0.126	0.119	0.206	0.189
Overlapping Governments:										
Carver County	41.752	43.562	46.115	45.211	40.488	38.880	38.851	37.436	36.488	35.179
Hennepin County	45.840	48.231	49.461	49.959	46.398	45.356	44.087	42.808	41.861	41.084
City of Waconia	41.890	44.218	49.433	49.423	48.780	49.267	52.805	52.836	52.500	46.713
City of Minnetrista	27.296	27.440	29.551	29.761	28.448	28.792	26.590	25.742	24.915	24.735
City of St. Bonifacius	28.742	34.716	35.166	30.637	30.478	28.973	27.163	26.784	27.260	24.981
City of New Germany (Rural)	-	-	-	-	18.275	38.663	34.773	33.654	32.164	37.518
City of New Germany (Urban)	62.060	76.510	76.455	118.059	73.636	111.294	99.887	98.750	97.651	95.862
Benton Township	14.750	15.990	14.346	12.786	12.621	12.279	11.419	13.191	12.809	14.184
Laketown Township	15.720	16.400	18.765	18.120	16.803	16.144	16.057	15.546	14.684	14.140
Waconia Township	8.930	9.720	9.736	9.096	8.361	8.060	12.277	11.546	10.705	11.766
Carver County CDA	-	-	1.799	1.759	1.589	1.701	1.731	1.640	1.626	1.598
Carver County Rail Authority	-	-	0.121	0.114	0.097	0.110	0.105	0.114	0.104	0.101
Carver County WMO	-	-	1.019	1.016	0.891	0.912	0.919	0.967	0.927	0.893
Metropolitan Mosquito	0.525	0.537	0.556	0.563	0.492	0.478	0.473	0.446	0.423	0.395
Metropolitan Council	0.885	0.940	0.997	1.048	0.947	0.914	0.877	0.827	0.650	0.590

The state information for 2011-2019 is unavailable.

Source: Carver & Hennepin Counties

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TEN LARGEST TAXPAYERS – CARVER COUNTY
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2020 Net		Percent of Total Net Tax Capacity		2011 Net		Percent of Total Net Tax Capacity	
	Tax Capacity	Rank	\$ 31,965,949		Tax Capacity	Rank	\$ 22,992,388	
Ridgeview Real Estate LLC	\$ 326,320	1	1.02 %		\$ -	-		
Northern States Power Co	317,160	2	0.99		-	-		
Great River Energy	265,140	3	0.83		-	-		
JE Waconia 2018 LLC	217,786	4	0.68		-	-		
Centerpoint Energy Minnegasco	198,842	5	0.62		-	-		
Elkay Wood Products Company	172,120	6	0.54		-	-		
Target Corporation	160,786	7	0.50		-	-		
Lakeview Clinic Building, Corp.	140,292	8	0.44		-	-		
Auburn Meadows LLC	107,348	9	0.34		-	-		
Health Care Reit Inc	104,155	10	0.33		-	-		
			-		-	-		
Jerry's Enterprises Inc.	-				293,492	1	1.28 %	
Target Corporation	-				241,970	2	1.05	
Great River Energy	-				231,658	3	1.01	
Ridgeview Real Estate LLC	-				155,970	4	0.68	
Medallion Cabinetry, Inc.	-				154,498	5	0.67	
Northern States Power Co.	-				128,470	6	0.56	
Lakeview Clinic Bldg. Corp.	-				115,106	7	0.50	
Centerpoint Energy Minnegasco	-				85,674	8	0.37	
MMC Property LLC	-				77,694	9	0.34	
Waconia Farm Supply	-				65,298	10	0.28	
Total	\$ 2,009,949		6.29 %		\$ 1,549,830		6.74 %	

Source: Carver and Hennepin County Auditors

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

For Taxes Collectible	Net Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (1)	Percent of Levy		Amount	Percent of Levy
2011	\$ 10,529,915	\$ 10,423,711	99.0	\$ 149,641	\$ 10,573,352	100.4%
2012	10,112,742	10,014,047	99.0	2,012	10,016,059	99.0%
2013	10,631,233	10,555,589	99.3	2,013	10,557,602	99.3%
2014	10,428,870	10,366,167	99.4	2,014	10,368,181	99.4%
2015	11,029,353	10,966,161	99.4	2,015	10,968,176	99.4%
2016	11,261,392	11,163,182	99.1	2,016	11,165,198	99.1%
2017	11,266,658	11,221,635	99.6	2,017	11,223,652	99.6%
2018	12,423,204	12,273,021	98.8	2,018	12,275,039	98.8%
2019	15,553,559	15,493,781	99.6	24,105	15,517,886	99.8%
2020	16,332,814	8,590,326	52.6	-	8,590,326	52.6%

(1) Notes: Includes abatements and any property tax credits paid through state aids included in the collections.

Source: State of Minnesota School Taxes Receivable Report, Carver and Hennepin County Auditor

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2019

Estimated Market Value	\$ 3,073,019,800
Debt Limit (15% of Estimated Market Value)	460,952,970
Debt applicable to limit	114,755,000
Legal debt margin	\$ 346,197,970

	2011	2012	2013	2014	Fiscal Year 2015	2016	2017	2018	2019	2020
Debt Limit	\$ 302,040,377	\$ 293,841,863	\$ 274,035,443	\$ 291,879,427	\$ 328,612,012	\$ 350,190,195	\$ 409,711,495	\$ 426,048,907	\$ 469,562,961	\$ 460,952,970
Total Debt Applicable to the Limit	55,710,000	52,680,000	50,725,000	46,785,000	114,875,000	111,825,000	124,265,000	126,475,000	119,550,000	114,755,000
Legal Debt Margin	\$ 246,330,377	\$ 241,161,863	\$ 223,310,443	\$ 245,094,427	\$ 213,737,012	\$ 238,365,195	\$ 285,446,495	\$ 299,573,907	\$ 350,012,961	\$ 346,197,970
Total Debt Applicable to the Limit as a % of Debt Limit	18.44%	17.93%	18.51%	16.03%	34.96%	31.93%	30.33%	29.69%	25.46%	24.90%

Note: Minnesota Statutes, Section 475.53, subdivision 4, presently limits the "net debt" of a school district to 15% of its actual market value. The actual market value of property within a district on which its debt limit is based, is (a) the value certified by the county auditors, or (b) this value divided by the ratio certified by the commissioner of revenue, whichever results in a higher value. The percentages listed above represent the percentage of the legal debt limit used. Anything over 100% would indicate that the district was exceeding the debt limit.

Source: District Financial Records and Minnesota Department of Education

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Fiscal Year	Bonded Debt	Certificates of Participation	Capital Lease	Lease Purchase Obligations	Total Primary Government	Estimated Population	Net Bonded Debt Per Capita	Percent of Personal Income
2011	\$ 56,293,735	\$ -	\$ -	\$ 1,810,981	\$ 58,104,716	19,242	3,020	1.1
2012	53,186,964	-	-	1,654,414	54,841,378	19,242	2,850	1.0
2013	51,188,853	-	22,629	2,065,681	53,277,163	19,242	2,769	0.9
2014	47,171,975	-	224,917	2,048,888	49,445,780	19,242	2,570	0.8
2015	119,633,209	-	113,682	1,917,902	121,664,793	20,764	5,859	1.9
2016	116,804,912	-	145,776	-	116,950,688	20,764	5,632	1.8
2017	119,353,054	3,160,000	389,863	-	122,902,917	20,764	5,919	1.8
2018	128,684,170	3,160,000	209,365	-	132,053,535	21,750	6,071	1.8
2019	124,228,496	3,040,000	205,454	2,926,713	130,400,663	22,738	5,735	N/A
2020	118,857,461	2,915,000	738,019	2,864,440	125,374,920	22,738	5,514	N/A

Note 1: Details regarding the District's current outstanding debt can be found in the notes to the basic financial statements.

Source: District Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

Fiscal Year	Bonded Debt	Resources Restricted for Repayment	Net Bonded Debt	Tax Capacity	Percentage of Estimated Actual Taxable Value of Property	Estimated Population	Net Bonded Debt Per Capita
2011	\$ 55,710,000	\$ (989,488)	\$ 54,720,512	\$ 1,894,037,350	2.89	19,242	2,844
2012	52,680,000	(1,036,200)	51,643,800	1,845,055,600	2.80	19,242	2,684
2013	50,725,000	(1,166,346)	49,558,654	1,707,374,400	2.90	19,242	2,576
2014	46,785,000	(1,032,370)	45,752,630	1,782,697,550	2.57	19,242	2,378
2015	114,875,000	(1,139,801)	113,735,199	2,005,291,250	5.67	20,764	5,478
2016	111,825,000	(1,457,167)	110,367,833	2,144,821,250	5.15	20,764	5,315
2017	114,455,000	(1,835,588)	112,619,412	2,223,889,450	5.06	20,764	5,424
2018	128,684,170	(1,976,207)	126,707,963	2,382,642,150	5.32	21,750	5,826
2019	124,228,496	(1,477,123)	122,751,373	2,523,728,850	4.86	22,738	5,399
2020	118,857,461	(1,182,968)	117,674,493	2,751,255,700	4.28	22,738	5,175

Note 1: Details regarding the District's current outstanding debt can be found in the notes to the basic financial statements.

Source: District Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
COMPUTATION OF DIRECT AND OVERLAPPING BOND DEBT
JUNE 30, 2020**

	2019-2020 Adjusted Taxable Net <u>Tax Capacity</u>	Debt <u>Outstanding</u>	Estimated Percentage <u>Applicable</u>	Estimated Share of Overlapping <u>Debt</u>
Overlapping:				
Carver County	\$ 167,390,403	\$ 13,360,000	16.10%	\$ 2,150,960
Hennepin County	2,112,707,400	1,334,420,000	0.27%	3,602,934
Cities:				
Minnetrista	19,989,637	19,538,364	14.42%	2,817,432
New Germany	442,894	1,710,000	100.00%	1,710,000
St. Bonifacius	2,772,893	2,280,000	100.00%	2,280,000
Victoria	18,486,107	18,625,000	6.54%	1,218,075
Waconia	18,010,509	22,105,000	100.00%	22,105,000
Laketown Township	3,598,587	950,000	69.68%	661,960
Metropolitan Transit	2,010,944,805	264,480,000	0.28%	740,544
Metropolitan Council	2,278,629,244	1,556,584,035	1.43%	22,259,152
Three Rivers Park District	1,487,545,247	61,035,000	0.38%	231,933
Hennepin County Regional Railroad Authority	2,112,707,400	98,385,000	0.27%	265,640
Total Overlapping				<u>60,043,630</u>
Direct:				
Waconia ISD No. 110	32,613,933	114,755,000	100.00%	<u>114,755,000</u>
Total Direct and Overlapping Bonded Debt:				<u><u>\$ 174,798,630</u></u>

Sources: Taxable value data used to estimate applicable percentages and Debt outstanding data provided by the District's financial advisor, Ehlers.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Carver County			
	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2011	92,804	\$ 5,108,292,000	\$ 55,044	5.4 %
2012	93,859	5,499,669,000	58,595	5.2
2013	95,610	5,610,153,000	58,677	4.3
2014	97,343	6,038,631,000	62,035	2.9
2015	98,596	6,359,013,000	64,496	2.8
2016	100,327	6,577,482,000	65,560	2.9
2017	102,119	6,911,379,000	67,680	2.6
2018	103,551	7,388,388,000	71,350	1.9
2019	105,089	N.A.	N.A.	2.4
2020	107,179	N.A.	N.A.	4.5

N.A. - Not Available

Source: Bureau of Economic Analysis - U. S. Department of Commerce
Bureau of Labor Statistics - U.S. Department of Labor

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	Type of Business/Product	2020			2011		
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ridgeview Medical Center	Hospital and Medical Clinics	1,573	1	16.48 %	1,254	1	13.93 %
I.S.D. No. 110 (Waconia)	Elementary and Secondary Education	520	2	5.45	400	3	4.44
Medallion Cabinetry, Inc.	Wooden Kitchen and Vanity Cabinets	500	3	5.24	575	2	6.39
Mackenthun's Fine Foods	Retail Grocery Store	220	4	2.30	208	5	2.31
Crown College	Education	214	5	2.24	170	8	1.89
Physicians Service Network	Offices of Physicians	200	6	2.10	N/A		
Target	Department Store	200	7	2.10	175	7	1.94
Ridgeview Home Support Service	Home Health Care Services	175	8	1.83	180	6	2.00
Good Samaritan Society, Waconia	Nursing Home	170	9	1.78	210	4	2.33
Lakeview Clinic Ltd.	Offices of Physicians	122	10	1.28	120	7	1.33
Ridgeview Rehab Specialties	Home Health Care Services	120	11	1.26	35	12	0.39
UFC Farm Supply	General Merchandise - Retail	120	12	1.26	100	9	1.11
Auburn Homes Assisted Living	Home Health Care Services	100	13	1.05	-	N/A	-
Waconia Manufacturing, Inc.	Machine Tools, Metal Cutting Types	100	14	1.05	100	10	1.11
Milltronics Manufacturing Co.	Machine Tools, Metal Cutting Types	100	15	1.05	90	11	1.00
Total Employees		4,434		46.47 %	3,617		40.17 %

Source: District Financial Advisor, Reference USA

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
FULL-TIME EQUIVALENT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Instruction</u>										
Teachers	217.6	227.1	233.24	248.36	250.23	272.62	289.4	289.75	289.32	287.01
<u>Support</u>										
Principals/Directors	16	17.56	18	18	18	19	20	21	21	21
Secretary/Clerical	9.5	10.69	11.21	11.69	12	12	14	13	13	13
Confidential	5	5	5	5	5	6	5	5	5	4.17
ParaEducators	68.2	75.35	83.39	83.42	101.88	101.88	113.63	114.81	118.86	117.61
Food Service	12	15	18	18.1	19.14	19.14	24.86	27	30	25
Custodians	22.8	23.02	23.75	24.4	25	25	29	33.97	33.75	28
Community Education	6.5	6.5	6.5	7.5	7.5	7.5	8.5	8	9	9
Total Support	140	153.12	165.85	168.11	188.52	190.52	214.99	222.78	230.61	217.78
Total	357.6	380.22	399.09	416.47	438.75	463.14	504.39	512.53	519.93	504.79

Source: District Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percent of Students Receiving Free or Reduced Priced Meals</u>	<u>Student Attendance Percentage</u>
2011	3,339	\$ 30,425,669	\$ 9,112	(2.59%)	218	15.32%	12.16%	95.70%
2012	3,443	33,800,752	9,817	7.68	227	15.17	11.64	96.30
2013	3,575	37,270,770	10,425	5.90	233	15.34	11.98	95.70
2014	3,699	39,681,068	10,728	2.94	248	14.92	12.32	96.10
2015	3,759	40,437,678	10,758	(0.18)	250	15.04	12.60	95.50
2016	3,860	43,631,445	11,303	5.07	273	14.14	12.57	96.38
2017	3,899	47,309,965	12,134	7.76	289	13.49	11.46	96.55
2018	4,039	49,819,332	12,335	1.87	290	13.93	11.17	95.50
2019	4,051	55,801,111	13,775	10.80	289	14.02	11.40	95.70
2020	4,071	51,425,846	12,632	(8.15)	287	14.18	9.06	96.26

Source: District Records and Minnesota Department of Education

Note: Operating expenditures include General Fund, Food Service, and Community Service Funds

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TEACHER SALARIES
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
2011	\$ 35,819	\$ 70,808
2012	36,177	73,125
2013	36,901	74,588
2014	37,455	78,652
2015	38,017	79,831
2016	38,777	81,746
2017	39,553	83,381
2018	40,443	85,669
2019	41,353	87,597
2020	41,560	88,247

Note: Amounts do not include fringe benefits such as pension, health insurance, disability, and etc.

Source: District Financial Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHOOL BUILDING INFORMATION – OWNED BUILDINGS
LAST TEN FISCAL YEARS**

School	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bayview Elementary (1918, 1936, 1955, 1961, 1969, 2008)										
Square Feet	90,919	90,919	90,919	90,919	90,919	90,919	90,919	94,500	94,500	94,500
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	658	687	694	723	763	752	619	628	606	577
Acres	30	30	30	30	30	30	30	30	30	30
Laketown Elementary (2017)										
Square Feet							85,000	86,000	86,000	86,000
Capacity							600	600	600	600
Enrollment							503	564	582	583
Acres							59	59	59	59
Southview Elementary (1961, 1969, 2008)										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,500	85,500	85,500
Capacity	650	650	650	650	650	650	650	650	670	670
Enrollment	650	636	638	662	651	698	646	628	638	610
Acres	7	7	7	7	7	7	7	7	7	7
Waconia Middle School (1994, 2017)										
Square Feet	244,000	244,000	244,000	244,000	244,000	244,000	244,000	235,000	235,000	235,000
Capacity	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,082	1,082	1,082
Enrollment	968	1,053	1,099	1,136	1,176	1,181	877	956	986	956
Acres	30	30	30	30	30	30	30	30	30	30
Waconia High School (2001, 2004, 2017)										
Square Feet	232,000	232,000	232,000	232,000	232,000	232,000	232,000	395,000	395,000	395,000
Capacity	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,600	1,600	1,600
Enrollment	1,037	1,035	1,076	1,101	1,103	1,156	1,198	1,307	1,333	1,281
Acres	57	57	57	57	57	57	57	115	115	115
Waconia Learning Center (2018)										
Square Feet								11,000	11,000	11,000
Capacity								100	100	100
Enrollment								45	62	59
Acres								5	5	5
Educational Service Center (2015)										
Square Feet						42,400	42,400	42,400	42,400	42,400
Capacity						120	120	120	120	120
Enrollment						120	120	120	120	120
Acres						2	2	2	2	2

Note: Bayview Elementary School Capacity numbers prior to 2006 are estimates for the School portion of the building. Prior to 2006, the building was partially used for Community Education and other administrative functions. In addition, portions of the building were not available for student use due to their condition. In 2018 the District turned the middle school into a high school. The existing high school was then turned into a grades 6-8 from grades 5-8 middle school.

Source: District Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHEDULE OF INSURANCE COVERAGE
YEAR ENDED JUNE 30, 2020**

Insurable Risk	Insured through Agent and Insurance Company or Risk Pool	Policy Period	Coverage Limits	Deductible
Blanket Real and Personal Property	Minnesota Insurance Scholastic Trust	7/1/19 to 6/30/20	Varies by Class of Property	\$5,000
Inland Marine	Minnesota Insurance Scholastic Trust	7/1/19 to 6/30/20	Varies by Class of Property	\$5,000
Crime	Minnesota Insurance Scholastic Trust	7/1/19 to 6/30/20	\$50,000 / \$1,000,000 Excess	\$2,500
General Liability	Minnesota Insurance Scholastic Trust	7/1/19 to 6/30/20	Each Occ. - \$2,000,000 Annual Agg. - \$4,000,000	\$1,000/ea.
School Leaders	Minnesota Insurance Scholastic Trust	7/1/19 to 6/30/20	Each Wrongful Act - \$4,000,000 Aggregate - \$8,000,000	NA
Automobile	Minnesota Insurance Scholastic Trust	7/1/19 to 6/30/20	Uninsured - \$1,000,000 Underinsured - \$1,000,000	\$1,000/ea.
Workers Compensation	SFM Mutual Insurance Companies	7/1/19 to 6/30/20	Disease - \$500,000 Disease - \$500,000/ee Accident - \$500,000/ee	NA
Excess Liability	Minnesota Insurance Scholastic Trust	7/1/19 to 6/30/20	Each Occurrence - \$4,000,000	NA

NA - Not Applicable

Source: District Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110**

**SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND OTHER REQUIRED REPORTS**

JUNE 30, 2020

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TABLE OF CONTENTS
JUNE 30, 2020**

SINGLE AUDIT AND OTHER REQUIRED REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	9

SINGLE AUDIT AND OTHER REQUIRED REPORTS



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

Board of Education
Independent School District No. 110
Waconia Public Schools
Waconia, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 110 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2020.

Internal Control Over Financial Reporting

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

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

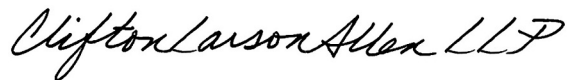
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



CliftonLarsonAllen LLP

Austin, Minnesota
November 11, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Independent School District No. 110
Waconia Public Schools
Waconia, Minnesota

Report on Compliance for Each Major Federal Program

We have audited the Independent School District No. 110's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

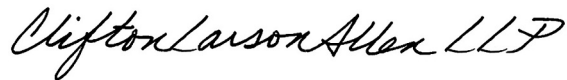
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 11, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Austin, Minnesota
November 11, 2020

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Pass-Through Minnesota Department of Education				
Noncash Assistance (Commodities):				
National School Lunch Program	10.555	# 1-0110-000	\$ 170,542	
Total Non-Cash Assistance			\$ 170,542	\$ -
Cash Assistance:				
National School Lunch Program	10.555	# 1-0110-000	243,352	
School Breakfast Program	10.553	# 1-0110-000	18,858	
Special Milk Program	10.556	# 1-0110-000	6,589	
Summer Food Service Program	10.559	# 1-0110-000	319,397	
Total Cash Assistance			588,196	-
Total Child Nutrition Cluster/U.S. Department of Agriculture			758,738	-
U.S. Department of Education				
Pass-Through Minnesota Department of Education				
Title I - Grants to Local Education Agencies	84.010	S010A180023A	71,778	-
Special Education Infants and Families Grants	84.181	H181A180029	10,723	-
Title IV, Part A, Student Support and Academic Enrichment	84.424	S424A1900024	14,226	-
Title II, Part A - Teacher Quality	84.367	S367A180022	43,042	-
Education Stabilization Fund				
Elementary and Secondary School Emergency Relief	84.425	N/A	4,083	0
Governor's Emergency Education Relief Fund	84.425	N/A	19,347	0
Total Education Stabilization Fund			23,430	
Special Education Cluster:				
Special Education Grants to States	84.027	@ H027A180087	609,893	
Special Education Preschool Grants	84.173	@ H173A180086	15,987	
Total Special Education Cluster			625,880	-
Pass-Through Southwest Metro Intermediate District				
Carl Perkins Vocational Education	84.048	%	14,554	-
Total U.S. Department of Education			803,633	-
U.S. Department of Health and Human Services				
Direct				
Drug-Free Communities Support Program Grants	93.276	%	62,342	-
TOTAL FEDERAL FINANCIAL ASSISTANCE EXPENDED			<u>\$ 1,624,713</u>	<u>\$ -</u>

- Child Nutrition Cluster

@ - Special Education Cluster

% - Agency or Pass-Through Number Unknown

The total of CFDA No. 10.555 is \$413,894

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards presents the expenditures of all federal financial assistance programs of Independent School District No. 110 for the year ended June 30, 2020. The reporting entity is defined in Note 1 to the District's financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance pass through other government agencies is included on the schedule. The District did not pass any federal award money to subrecipients during the fiscal year. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a select portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10% de minimis in direct costs rate as allowed under Uniform Guidance.



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Education
Independent School District No. 110
Waconia Public Schools
Waconia, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. No. 110 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. §6.65, insofar as they related to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced provisions, insofar as they related to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Austin, Minnesota
November 11, 2020

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major programs:

CFDA Numbers
84.027 and 84.173

Name of Federal Program or Cluster
Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2020**

B. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT

None reported

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported

D. FINDINGS – MINNESOTA LEGAL COMPLIANCE

None reported

2.B. Truth in Taxation and Levy Certification

Waconia Public Schools
Truth in Taxation Hearing for
Taxes Payable in 2021

WELCOME

December 14, 2020

Presented by:

Todd Swanson

Director of Finance and Operations

Requirement for a Public Hearing

- Scheduling of hearing:
 - Property tax hearing can now be held at regular meeting or special meeting. Hearing must be at 6:00 PM or later
 - All school districts must now hold a hearing. Prior to 2009 some districts were exempted from the requirement to hold a hearing
 - Levy may be adopted at same meeting as hearing
 - Waconia School's levy is scheduled to be approved at the December 14th meeting
- You are here for the school district's annual required hearing on the proposed 2021 levy

Tax Hearing Presentation

- State law requires that we present information on the current year budget and actual revenue and expenses for the prior year
- State law also requires that we present information on the proposed property tax levy, including:
 - The percentage increase over the prior year
 - Specific purposes and reasons for which taxes are being increased
- District must also allow for public comments

Agenda for Hearing

- A. Background on School Funding, Property Tax Levies, and Budgets
- B. Information on District Budget
- C. Information on the District's Proposed Tax Levy for Taxes Payable in 2021
- D. Public Comments and Questions

School District Revenues and Taxes Are Highly Regulated by the State

- **State sets** formulas which determine revenue; most revenue is based on specified amounts per pupil
- **State sets** tax policy for local schools
- **State sets** maximum authorized property tax levy (districts can levy less but not more than amount authorized by state, unless approved by the voters)
- **State authorizes** school board to submit referendums for operating and capital needs to voters for approval

Contrast of City/County to School District Levy Cycle

- City/County - Budget Year is same as calendar year. The 2021 taxes provide revenue for the calendar year 2021 budget.
- Schools - Budget year begins July 1st and coincides with school year. The 2021 taxes provide revenue for the 2021-2022 school fiscal year. Budget will be adopted in June 2021
- .

Change in Tax Levy Does not Determine Change in Budget

- Tax levy is based on many state-determined formulas
- Some increases in tax levies are revenue neutral, offset by reductions in state aid
- Expenditure budget is limited by state-set revenue formulas, voter-approved levies, and fund balance, not just by tax levies

Budget Information

- Because approval of the budget lags certification of the tax levy by six months, the state requires only current year budget information and prior year actual financial results to be presented at this hearing

Budget Information

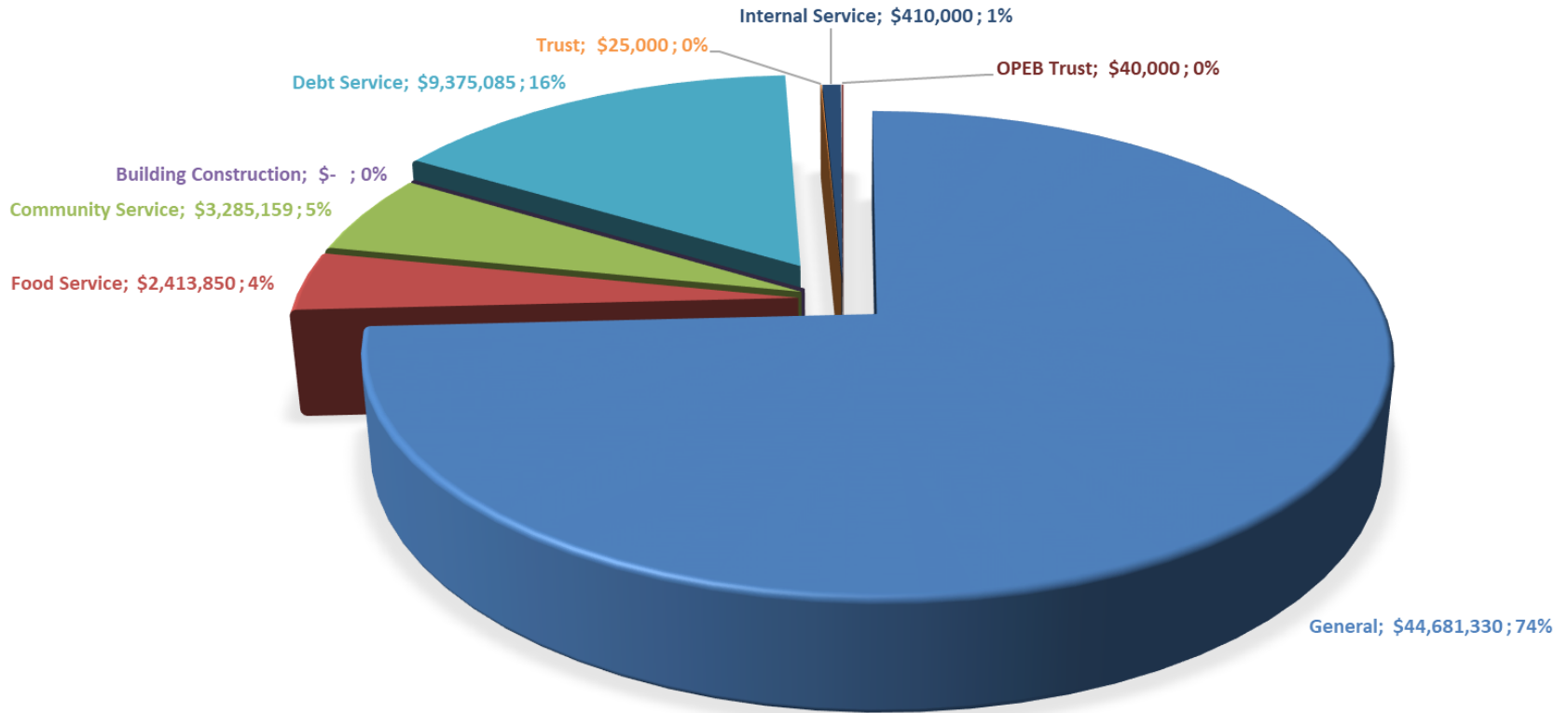
- All school districts' budgets are divided into separate funds, based on purposes of revenue, as required by law
- For our district, 9 funds:
 - General
 - Food Service
 - Community Service
 - Building Construction
 - Debt Service
 - Trust
 - Internal Service
 - OPEB Debt Service
 - OPEB

Waconia Public Schools, District #110
 District Revenues and Expenditures
 Unaudited Actuals for FY 2019-2020, Budget for FY 2020-2021

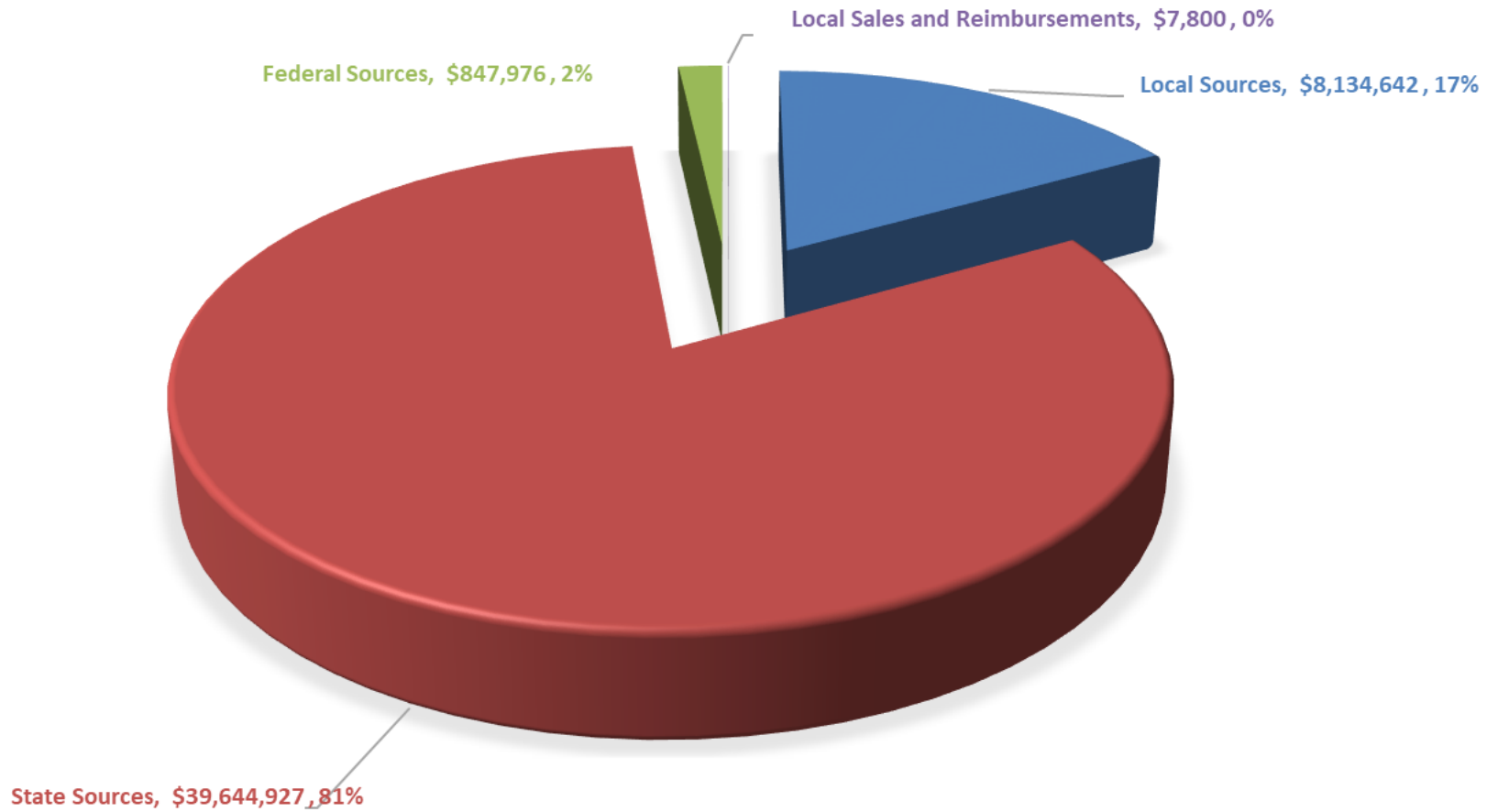
Fund	FY 2020 Beginning Fund Balances	FY 2020 Actual Revenues and Transfers In	FY 2020 Actual Expenditures and Transfers Out	June 30, 2020 Actual Fund Balances	FY 2021 Budget Revenues and Transfers In	FY 2021 Budget Expenditures and Transfers Out	June 30, 2021 Projected Fund Balances
General Fund/Restricted	\$ 26,616	\$ 4,176,350	\$ 3,988,520	\$ 214,446	\$ 3,954,015	\$ 3,782,029	\$ 386,432
General Fund/Other	\$ (6,435,564)	\$ 42,981,742	\$ 42,764,772	\$ (6,218,593)	\$ 40,727,315	\$ 39,908,994	\$ (5,400,272)
Food Service Fund	\$ 775,275	\$ 2,128,103	\$ 2,318,322	\$ 585,056	\$ 2,413,850	\$ 2,410,591	\$ 588,315
Community Service Fund	\$ 602,833	\$ 2,671,871	\$ 2,942,512	\$ 332,192	\$ 3,285,159	\$ 3,199,508	\$ 417,843
Building Construction Fund	\$ 896,037	\$ 189,101	\$ 1,109,170	\$ (24,032)	\$ -	\$ 48,531	\$ (72,563)
Debt Service Fund	\$ 1,477,123	\$ 8,967,320	\$ 9,261,475	\$ 1,182,968	\$ 9,375,085	\$ 9,732,681	\$ 825,372
Trust Fund	\$ 115,015	\$ 9,873	\$ 14,694	\$ 110,194	\$ 25,000	\$ 28,100	\$ 107,094
Internal Service Fund	\$ 287,104			\$ 292,030			\$ 270,030
* OPEB Revocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Irrevocable Trust Fund	\$ 2,139,355	\$ 80,084	\$ 231,864	\$ 1,987,575	\$ 40,000	\$ 235,800	\$ 1,791,775
OPEB Debt Service Fund	\$ 72,851	\$ 857	\$ -	\$ 73,708	\$ -	\$ -	\$ 73,708
Total - All Funds	\$ (43,354)	\$ 61,205,301	\$ 62,631,329	\$ (1,464,456)	\$ 59,820,424	\$ 59,346,234	\$ (1,012,266)

Other financing sources and uses were included in the revenue and expenditure figures above.

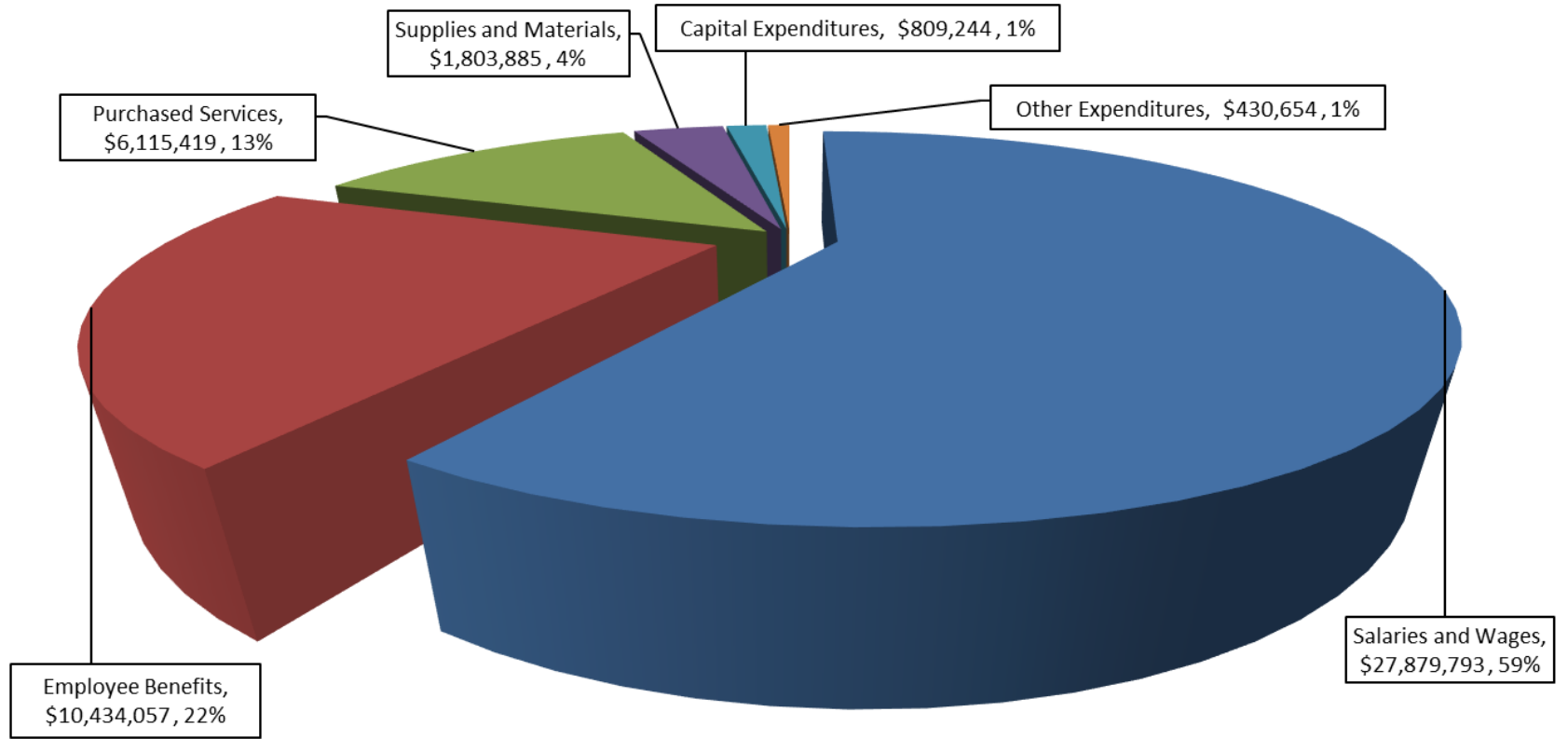
WACONIA PUBLIC SCHOOLS, ISD 110
REVENUE - ALL FUNDS - \$60,230,424 - 2020-2021 BUDGET



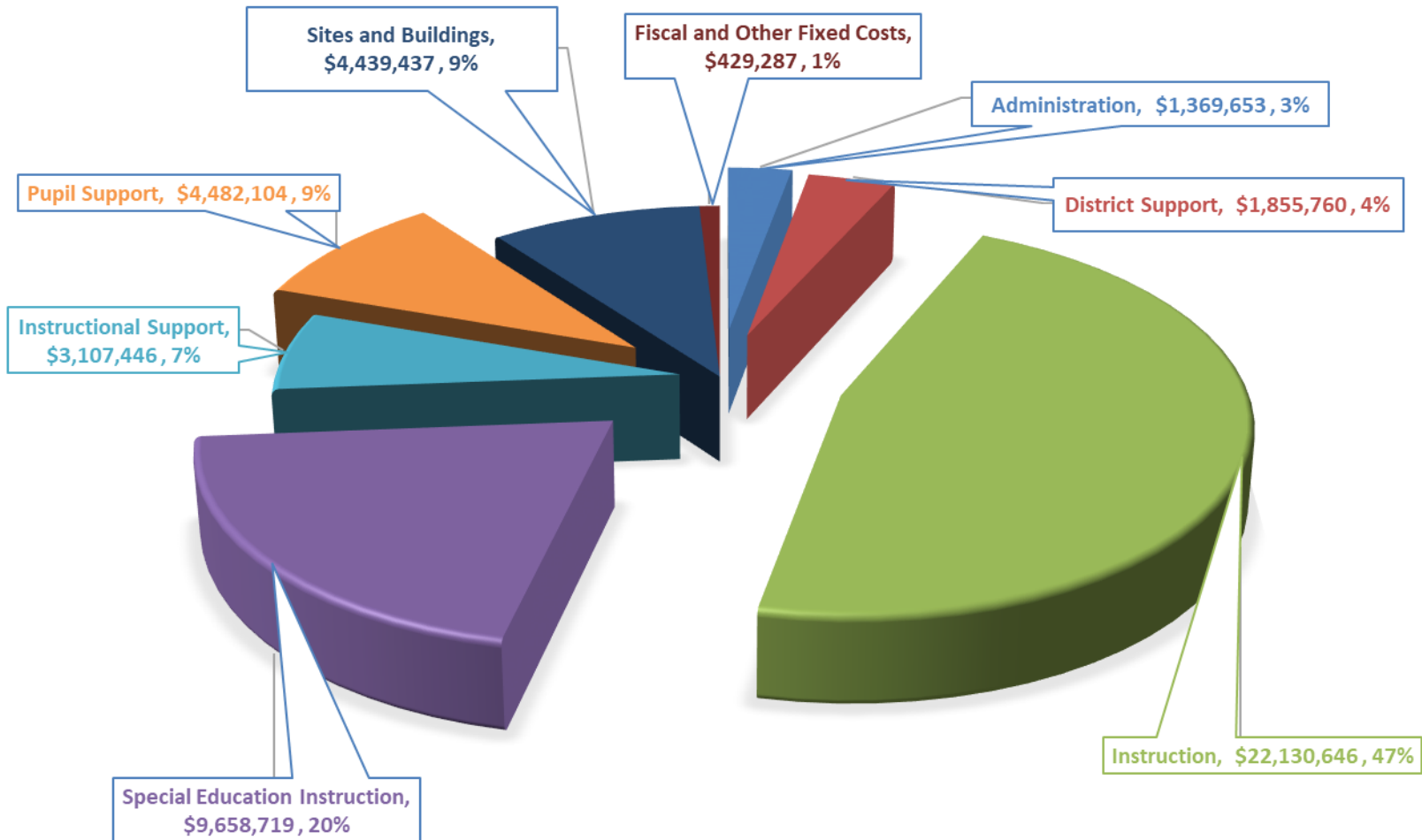
**WACONIA PUBLIC SCHOOLS, ISD 110
GENERAL FUND REVENUE
2020-2021 BUDGET - \$48,635,345**



Waconia Public Schools, ISD 110
General Fund Budget - Expenditures by Object
2020-2021 Budget - \$46,202,077



WACONIA PUBLIC SCHOOLS, ISD 110
GENERAL FUND BUDGET - EXPENDITURES BY PROGRAM
2020-2021 BUDGET - \$47,473,052



Proposed 2020 Property Tax Levy

- Determination of levy
- Comparison 2020 to 2021 levies
- Specific reasons for changes in tax levy
- Impact on taxpayers

Property Tax Background

- Every owner of taxable property pays property taxes for the various “taxing jurisdictions” (county, city or township, school district, special districts) in which the property is located
- Each taxing jurisdiction sets its own tax levy, often based on limits in state law
- County sends out bills, collects taxes from property owners, and distributes funds back to other taxing jurisdictions

School District Property Taxes

- Each school district may levy taxes in up to 30 different categories
- “Levy limits” (maximum levy amounts) for each category are set either by:
 - State law, or
 - Voter approval
- Minnesota Department of Education (MDE) calculates detailed levy limits for each district

Property Tax Background

School District Property Taxes

- Key steps in the process are summarized on the next slide
- Any of these steps may affect the taxes on a parcel of property, but the district has control over only 1 of the 7 steps

Minnesota School District Property Taxes - Key Steps in the Process

Step 1. The **City or County Assessor** determines the estimated market value for each parcel of property in the county.

Step 2. The **Legislature** sets the formulas for tax capacity. (E.g., for homestead residential property, tax capacity = 1% of first \$500,000 in value + 1.25% of value over \$500,000.) These formulas determine how much of the tax burden will fall on different types of property.

Step 3. The **County Auditor** calculates the tax capacity for each parcel of property in the county (based on values from step 1 and tax capacity formulas from step 2), as well as the total tax capacity for each school district.

Step 7. The **County Auditor** divides the final levy (determined by the school board in step 6) by the district's total tax capacity (determined in step 3) to determine the tax rate needed to raise the proper levy amount. The auditor multiplies this tax rate times each property's tax capacity, to determine the school tax for that property.*

Step 4. The **Legislature** sets the formulas which determine school district levy limits. These are the maximum amounts of taxes that school districts can levy in every category.

Step 5. The **Minnesota Department of Education** calculates detailed levy limits for each school district, based on the formulas approved by the Legislature in step 4. These limits tell districts the exact amounts that can be levied in every category.

Step 6. The **School Board** adopts a proposed levy in September, based on the limits set in step 5. After a public hearing, the board adopts a final levy in December. Final levy cannot be more than the preliminary levy, except for amounts approved by voters.

* For certain levy categories (referendum, equity and transition levies), tax rates and levy amounts are based on **referendum market value**, rather than **tax capacity**.

Proposed Levy Payable in 2021

Schedule of events in approval of district's 2020 (Payable 2021) tax levy

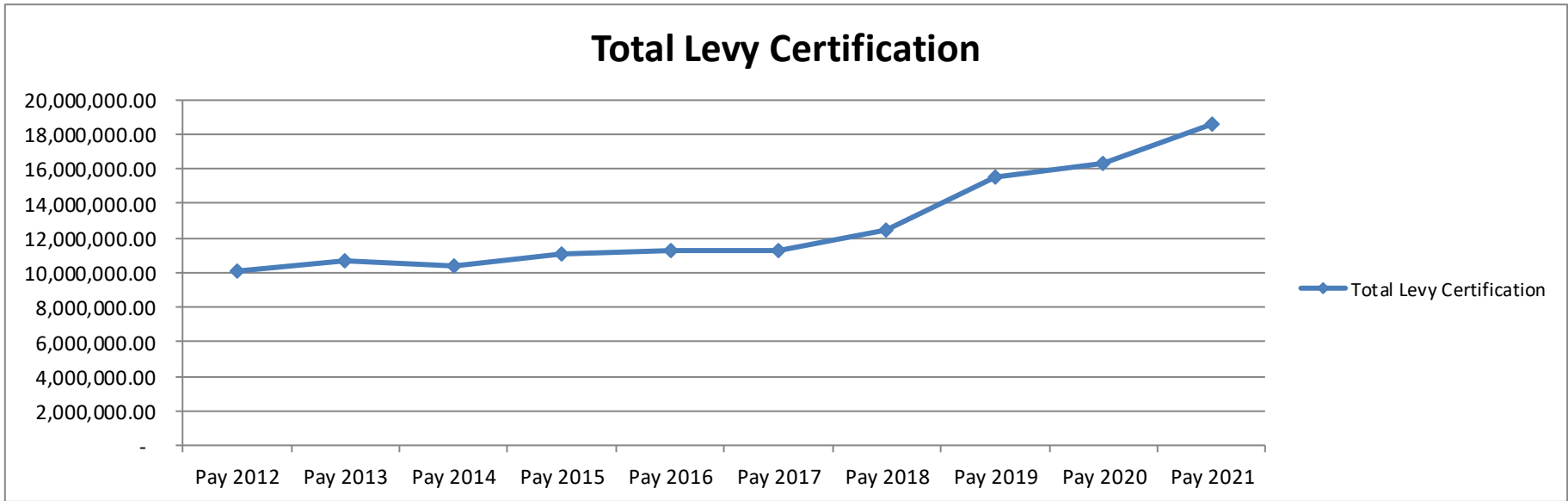
- September 14: School board approved proposed levy amounts
- Mid-November: County mailed “Proposed Property Tax Statements” to all property owners
- December 14: Public hearing on proposed levy at regular meeting
- December 14: School Board will certify final levy amounts

ISD #110 - Waconia Public Schools

Comparison of Proposed Tax Levy Payable in 2021 to Actual Levy Payable in 2020

Fund	Levy Category	Final Levy - FY 21 Payable in 2020	Payable in 2021	FY 22 \$ Change	FY 22 % Change
General Fund -					
	Referendum Market Value - Voter Approved	\$ 2,338,685.07	\$ 4,248,698.80	\$ 1,910,013.73	
	Local Optional	2,801,128.35	2,765,330.87	(35,797.48)	
	Equity and Transition	623,957.25	509,396.29	(114,560.96)	
	1st Tier Board Approved Referendum	-	-	-	
	Operating Capital	268,076.74	313,112.17	45,035.43	
	Reemployment Insurance	7,098.71	38,069.94	30,971.23	
	Safe Schools	184,226.62	177,560.94	(6,665.68)	
	Career Technical	183,103.73	150,415.08	(32,688.65)	
	Long Term Facilities Maintenance	203,027.52	468,965.63	265,938.11	
	Other Post-Employment Benefits	65,000.00	(23,957.00)	(88,957.00)	
	Building/Land Lease - (Max - \$962,056)	563,099.05	643,104.35	80,005.30	
	Facilities and Equipment Bond Adjustment	(148,023.75)	(150,544.00)	(2,520.25)	
	Abatement Adjustments	18,486.86	9,180.81	(9,306.05)	
	Other Adjustments	-	-	-	
Total General Fund		\$ 7,107,866.15	\$ 9,149,333.88	\$ 2,041,467.73	28.72%
Community Service Fund -					
	Basic Community Ed	\$ 169,955.30	\$ 169,955.30	\$ -	
	ECFE	88,816.59	91,940.05	3,123.46	
	Home Visiting	2,430.99	2,854.64	423.65	
	School Age Care	14,371.04	12,883.19	(1,487.85)	
	Abatement Adjustments	1,205.17	236.27	(968.90)	
Total Community Service Fund		\$ 276,779.09	\$ 277,869.45	\$ 1,090.36	0.39%
Debt Service Fund -					
	Voter Approved - Aid Eligible	\$ 7,470,090.71	\$ 7,433,272.51	\$ (36,818.20)	
	Facilities and Equipment Bond Adjustment	148,023.75	150,544.00	2,520.25	
	Debt Service - Aid Ineligible	438,375.00	437,220.00	(1,155.00)	
	Long Term Facilities	902,062.70	1,090,686.94	188,624.24	
	Other Adjustments	(9,366.39)	21,858.65	31,225.04	
Total Debt Service Fund		\$ 8,949,185.77	\$ 9,133,582.10	\$ 184,396.33	2.06%
Total All Funds		\$ 16,333,831.01	\$ 18,560,785.43	\$ 2,226,954.42	13.63%

YEAR	Voter Approved/General	Community Services	Debt Service	OPEB	Total Levy Certification	Inc/Dec	% Change
Pay 2012	4,247,451.66	281,215.29	5,220,523.34	363,551.53	10,112,741.82	(416,817.38)	-3.96%
Pay 2013	4,540,116.77	298,569.66	5,437,216.79	354,049.67	10,629,952.89	517,211.07	5.11%
Pay 2014	4,074,405.32	263,253.84	5,729,784.51	358,173.91	10,425,617.58	(204,335.31)	-1.92%
Pay 2015	3,839,872.60	272,572.59	6,561,041.49	354,716.21	11,028,202.89	602,585.31	5.78%
Pay 2016	3,956,312.65	250,476.14	6,713,608.41	342,249.81	11,262,647.01	234,444.12	2.13%
Pay 2017	3,809,961.42	253,575.69	6,859,226.19	345,499.81	11,268,263.11	5,616.10	0.05%
Pay 2018	4,504,098.45	221,471.42	7,351,555.53	347,262.35	12,424,387.75	1,156,124.64	10.26%
Pay 2019	6,780,210.44	236,080.13	8,537,979.24	-	15,554,269.81	3,129,882.06	25.19%
Pay 2020	7,107,866.15	276,779.09	8,949,185.77	-	16,333,831.01	779,561.20	5.01%
Pay 2021	9,149,333.88	277,869.45	9,133,582.10	-	18,560,785.43	2,226,954.42	13.63%



NOTES:

- 2014-2015 District Voters approve \$75 million in bonds
- 2018-2019 District Voters approve \$525 per pupil operating levy
- 2020-2021 District Voters approve \$410 per pupil operating levy

Overview of Proposed Levy Payable in 2021

- The total 2021 proposed property tax levy increased xxx% from 2020.
- Law requires that we explain the reasons for the major increases in the levy
- We will also explain some of the decreases in specific levies
- Market value of properties in the district increased by xx% from \$2,190,746,748 in 2014 to \$2,719,688,738 in 2018.

Explanation of Levy Changes

- Category: Referendum Market Value
- Change: \$1,910,013.73
- Use of funds: general operating expenses
- Reason for increase:
 - Voter approved increase to operating revenue funds of \$410 per pupil approved by voters on 11-03-2020.

Explanation of Levy Changes

- Category: Long Term Facilities Maintenance
- Change: \$265,938.11
- Use of funds: Maintenance and repair of district facilities
- Reason for increase:
 - New state program that is being utilized to take care of the deferred maintenance needs of the district facilities

Explanation of Levy Changes

- Category: Debt Service – Voter Approved
- Change: \$184,396.33
- Use of funds: Payments on bonds used to construct and modernize school facilities
- Reason for increase:
 - Slight increase in bond payments not offset by an excess fund balance in the debt service fund.

Explanation of Levy Changes

- Category: Total All Funds
- Change: \$2,226,954.42 - 13.63%
- Use of funds: Various – See previous slides
- Reason for increase:
 - Various – See previous slides

State Property Tax Refunds

- State of Minnesota has two tax refund programs and one tax deferral program available for owners of homestead property
- These programs may reduce the net tax burden for local taxpayers, but only if you take time to complete and send in the forms
- For help with the forms and instructions:
 - Consult your tax professional, or
 - Visit the Department of Revenue web site at www.taxes.state.mn.us

State Property Tax Refunds

- Minnesota Property Tax Refund (aka “Circuit Breaker” Refund)
 - Has existed since 1970s
 - Available to all owners of homestead property
 - Annual income must be approx. \$98,290 or less (income limit is higher if you have dependents)
 - Refund is a sliding scale, based on total property taxes and income
 - Maximum refund is \$2,350
 - Especially helpful to those with lower incomes
 - Fill out state tax form M-1PR

State Property Tax Refunds

- Special Property Tax Refund
 - Available for all homestead properties with a gross tax increase of at least 12% and \$100 over the prior year
 - Refund is 60% of the amount by which the tax increase exceeds the greater of 12% or \$100, up to a maximum of \$1,000
 - No income limits
 - Fill out state tax form M-1PR

Senior Citizen Property Tax Deferral

- Allows people 65 years of age or older with a household income of \$60,000 or less to defer a portion of the property taxes on their home
- Taxes paid in any year limited to 3% of household income for year before entering deferral program; this amount does not change in future years
- Additional taxes are deferred, but not forgiven
- State charges interest up to 5% per year on deferred taxes and attaches a lien to the property
- The deferred property taxes plus accrued interest must be paid when the home is sold or the homeowner(s) dies

Next Steps

- Board will accept public comments and questions on proposed levy
- Board action to certify the 2021 school tax levy

Public Comments and Questions

3. **OTHER ITEMS**

4. **FUTURE ITEMS**

4.A. January Board Meeting:

- Review and approval of revised SOD plan by 131/2021
- Revised Budget for 2020-2021 School Year